




Multi-Material
Stewardship Western

2023
Annual Report



About Multi-Material Stewardship Western

Multi-Material Stewardship Western (MMSW) is a not-for-profit organization established in 2016 to help obligated businesses meet their requirements under Saskatchewan's Household Packaging and Paper Stewardship Program Regulation. MMSW represents producer members – including brand owners, first importers, franchisors and other organizations – that supply designated waste packaging and paper materials to Saskatchewan residents and fund the program.

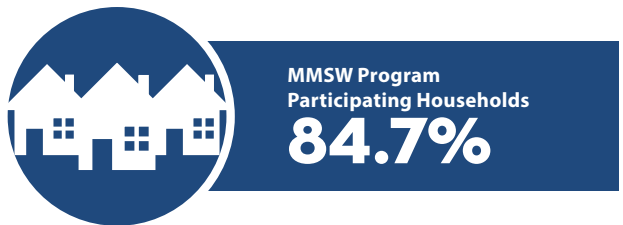
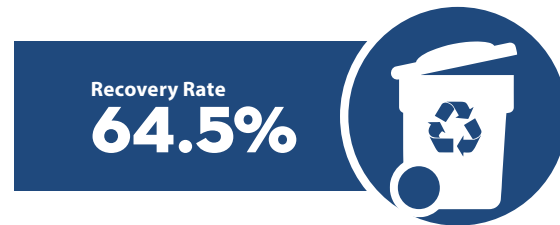
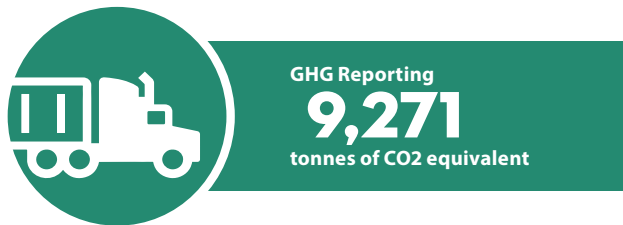
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2023 Highlights

Multi-Material Stewardship Western continues to support waste packaging and paper (WPP) recycling in Saskatchewan, diverting material from landfill. In 2023, the recovery rate for WPP collected decreased from 2022, reflecting both an increase in the tonnes reported by producers and a decrease in tonnes collected from households. The decrease in tonnes collected was observed across collection partners and is impacted by residents returning to pre-COVID-19 routines outside of the home, an increase use of light weight packaging like flexible plastics and inflation affecting consumer purchasing behaviour.

This is the fourth year MMSW is providing an account of the greenhouse gas (GHG) emissions associated with the delivery of recycling services to Saskatchewan residents, as reported by our collection partners. Reporting of GHG metrics is part of MMSW's reporting obligations and provides stakeholders with additional understanding of the overall environmental impact of the program.



A New Era of EPR for Waste Packaging and Paper

On March 31, 2023, the Saskatchewan Ministry of Environment released the updated [Household Packaging and Paper Stewardship Program Regulations, 2023](#), which call for a transition to a full extended producer responsibility (EPR) program for the management of waste packaging and paper in Saskatchewan. MMSW responded to the regulation by developing, consulting on and submitting a new Program Plan for household packaging and paper in Saskatchewan to the Ministry of Environment in September.



Message from the Board Chair and Executive Director

We are pleased to present this 2023 annual report, which outlines the achievements of our seventh year of operations in Saskatchewan. Over the years, Multi-Material Stewardship Western (MMSW) has developed in-depth knowledge of the recycling landscape in the province and our team brings unique expertise to manage the regulatory landscape on behalf of our member businesses.

On March 31, 2023, the Saskatchewan Ministry of Environment released updated Household Packaging and Paper Stewardship Program Regulations that call for a transition to a full extended producer responsibility (EPR) program to manage waste packaging and paper in the province. MMSW is preparing to shift from the current shared responsibility model to a full EPR program. We developed and submitted a new Program Plan to the provincial government in September 2023. Approval was received in May 2024 and the program will launch December 1, 2024. Under this new model, businesses such as retailers, manufacturers and restaurants that supply packaging and paper products to households are financially and operationally responsible for managing materials after people use them.

Participation in recycling by Saskatchewan residents has become an integral part of daily household routines and MMSW is proud to support the delivery of this important service. MMSW has taken a collaborative approach to grow the program and embed new ways of working that allow us to support recycling in Saskatchewan, share our accomplishments and prepare for transition to full EPR.

In 2023, services delivered under the MMSW program reached more than 84% of households across the province. We continue to see many Saskatchewan residents returning to their pre-pandemic routines, which has reduced the amount of packaging and paper entering the residential recycling stream, impacting recovery rates. This year, our recovery rate was 64.5%.

In closing, we are grateful to all the individuals and organizations, including Saskatchewan residents, community partners, First Nations and Métis, local governments, collectors and producers who are positively contributing to the economic and environmental health of the province. The work we are doing together is making a difference.



Robyn Collver,
Board Chair, MMSW



Tamara Burns,
Executive Director, MMSW

Program Overview

Working with our Members

The MMSW membership is made up of more than 550 businesses and organizations that supply Saskatchewan residents with materials designated in the province's Household Packaging and Paper Stewardship Program Regulations. These organizations report details about the quantities and types of materials they supply each year and pay the associated stewardship fees that support the work of municipalities, regional waste authorities and First Nations and Métis communities in delivering recycling services to Saskatchewan households.

Many MMSW members have made commitments to improve the sustainability profile of their packaging and paper products. Collaboration and investment in sustainable packaging options continue at both a local and global level, with new innovations launched into the marketplace every year. These innovations help businesses achieve their broader corporate sustainability goals and respond to consumer demands for more sustainable packaging options. MMSW and many of its members participate in the Canada Plastics Pact, a cross-sector approach to developing a made-in-Canada circular economy for plastics. This important initiative fosters collaboration across all participants in the plastics supply chain to break the take-make-dispose linear approach to how most plastics are currently managed.

Working with our Collection Partners

MMSW's program currently provides funding for the delivery of recycling services to over 500 municipalities, First Nations and Métis communities and regional waste authorities. The service agreements in place to achieve this important environmental work account for the recycling of waste packaging and paper in over 84% of Saskatchewan households.

This was also the fourth year that collection partners reported on GHG emissions for their residential WPP recycling programs. It was another successful reporting cycle due to the efforts made to gather and report emissions data associated with the collection, sorting, processing and shipping of materials to end markets. This information, along with the GHG emissions associated with the MMSW office, provide stakeholders an important understanding of the total impact on our environment of the delivery of residential packaging and paper recycling to households across Saskatchewan. MMSW gratefully acknowledges the many collectors and their efforts to obtain and report this important environmental metric for our program.

MMSW also works with its largest collection partners who report end-of-life data for collected material, as well as data for each material category. This data provides additional insights into the program's environmental performance, indicating the amount of WPP successfully entering recycling markets. Collection partners were in their fifth year of reporting end-of-life data, and once extrapolated across the entire program, indicated 31,462 tonnes of material was sent to recycling end markets in 2023.



Working with our Advisory Committee

The Advisory Committee is made up of representatives committed to the success of the MMSW program and who provide valuable input and advice to MMSW. The Advisory Committee includes urban and rural municipality associations (SUMA and SARM), regional waste management authorities (ARWMAS), the Saskatchewan Waste Reduction Council and producers of residential packaging and paper.

The following individuals served on the Advisory Committee in 2023:

- **Julie Dickson Olmstead** (Co-chair), Managing Director, Corporate Services, Save-On-Foods
- **April Phillips** (Co-chair), Director, Northeast Region, Saskatchewan Urban Municipalities Association (SUMA)
- **Joanne Fedyk**, Executive Director, Saskatchewan Waste Reduction Council
- **Keith Matheson**, Chair, Association of Regional Waste Management Authorities of Saskatchewan
- **Anne Mathewson**, Executive Director, Association of Regional Waste Management Authorities of Saskatchewan
- **Bob Moulding**, Division 1 Director, Saskatchewan Association of Rural Municipalities (SARM)
- **Deanna Nichols**, Policy Analyst, Saskatchewan Association of Rural Municipalities (SARM)
- **Augustina Osaseri**, Advocacy Advisory, Saskatchewan Urban Municipalities Association (SUMA)
- **Kathryn Palmer**, Senior Sustainability Advisor, Federated Co-operatives Limited (FCL)

Working with our Board of Directors

The MMSW Board of Directors is made up of producer representatives and independent directors. Board members provide their expertise and oversight to ensure the success of the MMSW program.

The terms for Robyn Collver, Ian Gordon and Angela Griffiths expired during 2023 who were all re-elected for additional two-year terms. The Board also welcomed a new director, Nicole Fischer, in June 2023.

The members of the MMSW Board of Directors at the end of 2023 were:

- **Dale Botting** – Founder, Botting Leadership Inc.
- **Robyn Collver** (Chair) – SVP, ESG and Environmental Strategy Advisor, Canadian Tire Corporation (retired)
- **Nicole Fischer** – Global Head of Social Impact, Engagement and Governance, Kraft Heinz Canada
- **Ian Gordon** (Vice-Chair) – Board Member and Advisor, SVP, Loblaw Brands, Loblaw Companies Limited (retired)
- **Angela Griffiths** – Vice President, Food Safety and Brand Integrity, A&W Food Services of Canada Inc.
- **Gabor Szekendi** – Chief Financial Officer, Unilever Canada

Board meeting attendance for 2023 is summarized in this table:

BOARD MEMBER	MARCH 21	APRIL 10	JUNE 2	SEPTEMBER 20	NOVEMBER 14	DECEMBER 12
Dale Botting	Yes	Yes	Yes	Yes	Yes	Yes
Robyn Collver, Chair	Yes	Yes	Yes	Yes	Yes	Yes
Nicole Fischer*	-	-	Yes	Yes	Yes	Yes
Ian Gordon, Vice-Chair	Yes	Yes	Yes	Yes	Yes	Yes
Angela Griffiths	Yes	Yes	Yes	No	Yes	Yes
Gabor Szekendi	Yes	No	Yes	Yes	Yes	Yes

* Appointed to the Board June 2, 2023

The Finance and Audit Committee met four times in 2023.

BOARD MEMBER	MARCH 9	MAY 25	SEPTEMBER 7	NOVEMBER 29
Dale Botting, Chair	Yes	Yes	Yes	Yes
Ian Gordon	Yes	Yes	No	Yes
Gabor Szekendi	No	Yes	Yes	Yes

The Governance and Nominating Committee met two times in 2023.

BOARD MEMBER	MARCH 2	MAY 17
Robyn Collver	Yes	Yes
Angela Griffiths, Chair	Yes	Yes



Evolving EPR for Waste Packaging and Paper

NEW REGULATIONS

On March 31, 2023, the Saskatchewan Ministry of Environment released updated [Household Packaging and Paper Stewardship Program Regulations, 2023](#), which call for a transition to a full extended producer responsibility program for the management of waste packaging and paper in Saskatchewan.

PROGRAM PLAN DEVELOPMENT AND CONSULTATION

In response to the updated Regulation, MMSW developed a draft Household Packaging and Paper Stewardship Program Plan (Program Plan). The draft Program Plan describes MMSW's objectives, commitments and the transition phases that will be implemented as the program transitions from a shared responsibility model to a system that is entirely managed and operated on behalf of its producer members.

Between June 13 and August 13, 2023, MMSW conducted a detailed public consultation process on the draft Program Plan, including in-person consultation events in Saskatoon and Regina and a series of virtual events engaging interested groups such as producer members, producer associations, local governments and waste management companies. MMSW also had initial discussions with Saskatchewan Aboriginal Land Technicians (SALT). Written submissions were also accepted. Consultation sessions provided an opportunity for interested parties to learn more about the draft Program Plan, ask questions and provide feedback. The consulted on draft Program Plan and a detailed What We Heard Consultation Summary report are available on the [MMSW website](#).

Following the consultation process, MMSW submitted an updated draft of the Program Plan to the Saskatchewan Ministry of Environment by September 27, 2023.

EPR TRANSITION DEVELOPMENT

MMSW continues to advance the work required to prepare for the transition to a full EPR program. MMSW received approval of the Household Packaging and Paper Stewardship Program Plan by the Saskatchewan Ministry of Environment in May 2024. The first phase of transition will begin December 1, 2024 and targets the largest municipalities with stand-alone curbside and multi-family collection programs. Preparation for the launch of this first phase continues, including the development of collection policies and procedures for curbside and multi-family collection, collection agreements and incentive rates for collection service providers and a procurement process and applicable documents for post-collection services, including transporters, receiving facilities and processing facilities. MMSW is also completing a market sounding exercise with social enterprises and private companies involved in the collection, transportation, receiving and processing of WPP and has initiated a working group that includes administrative representatives of communities targeted for inclusion in the first phase of the transition. The full transition is anticipated to be complete by the end of 2027.

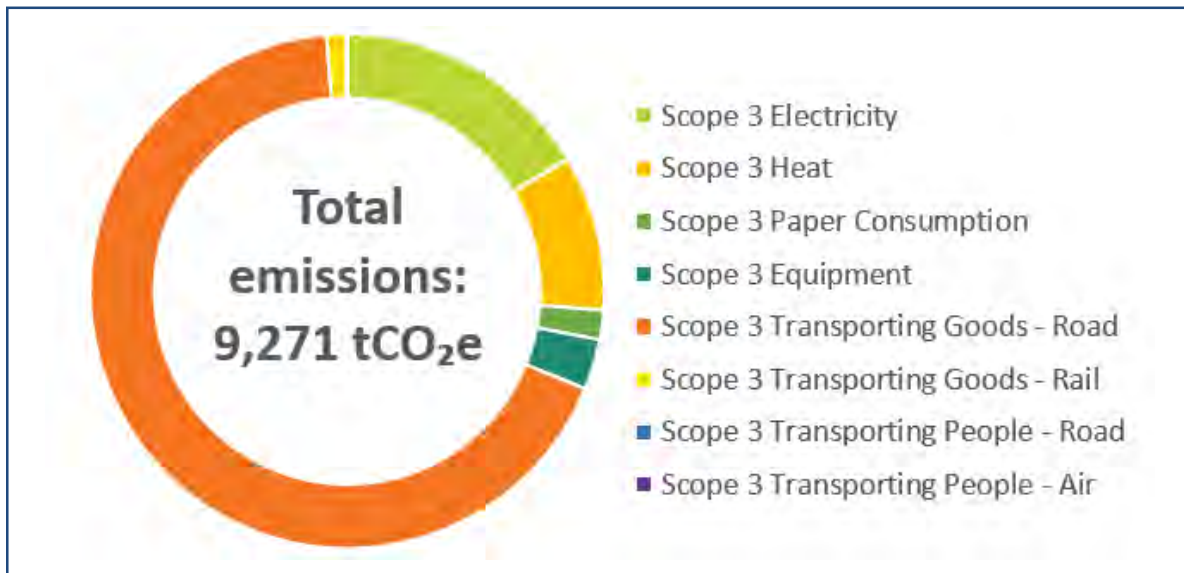
Program Performance

The current program is operating under the prior Saskatchewan Household Packaging and Paper Stewardship Regulations, which specifies that MMSW must report on an annual basis. Tracking and reporting on key performance metrics is important to ensure stakeholders have the information they need to assess the program performance and compare performance year-over-year.

GHG REPORTING

For the fourth year, MMSW is reporting on the greenhouse gas (GHG) emissions associated with the program's collection and recycling of residential waste packaging and paper. MMSW tracks the GHG emissions of its collection and post-collection partners through a robust and systematic reporting process. It includes monitoring emissions throughout the entire supply chain, ensuring a comprehensive assessment of the environmental impact, until the materials are delivered to their final markets.

The reported increase in GHG emissions by the MMSW program for 2023, totaling 9,271 tonnes of CO₂ equivalent, marks a significant rise from the 7,071 tonnes reported in 2022 and 7,173 tonnes reported in 2021. This surge is primarily attributed to an increase in the transportation of materials by road and rail as end-of-life markets resumed pre-pandemic activity, and an increase in the accuracy of data and consumption reported by certain vendors for collection and post-collection data. Indirect emissions, classified as Scope 3, which encompass services rendered by municipalities and their subcontractors, constitutes most of the total emissions reported. In contrast, direct emissions, known as Scope 1 and Scope 2 emissions associated with the organization's energy consumption, remain minimal.



2023 PERFORMANCE

Key 2023 performance metrics are shown in the table below:

	2023 PERFORMANCE	2022 PERFORMANCE	YOY DIFFERENCE %
Tonnes of WPP supplied by MMSW members	55,444	54,477	1.8%
Tonnes of WPP collected by municipalities	35,774	37,371	-4.3%
Total tonnes of WPP shipped to recycling end markets and therefore diverted from landfills by municipalities participating in the MMSW program	31,664	31,831	-0.5%
Rate of total WPP collected by municipalities participating in the MMSW program as a percentage of total WPP supplied by MMSW members	64.5%	68.6%	-4.1%
Rate of diverted WPP (the total amount diverted from municipal landfills) expressed as a percentage of the total WPP that is residentially generated in Saskatchewan (tonnes of WPP collected by municipalities)	88.5%	85.2%	3.3%
For each category of WPP, total tonnes of WPP shipped to recycling end markets and therefore diverted from municipal landfills by municipalities participating in the MMSW program*	Paper Packaging: 15,572 tonnes Plastic Packaging: 1,598 tonnes Glass Packaging: 33 tonnes Steel, Metal & Aluminum: 1,218 tonnes Printed Paper: 13,254 tonnes	Paper Packaging: 14,373 tonnes Plastic Packaging: 1,781 tonnes Glass Packaging: 28 tonnes Steel, Metal & Aluminum: 1,290 tonnes Printed Paper: 14,359 tonnes	Paper Packaging: 8.3% Plastic Packaging: -10.3% Glass Packaging: 17.9% Steel, Metal & Aluminum: -5.6% Printed Paper: -7.7%
Diversion rate for each category of WPP reported by municipalities participating in the MMSW program as a percentage of the total of that category of packaging and paper supplied by MMSW members**	Paper Packaging: 64% Plastic Packaging: 10% Glass Packaging: 1% Steel, Metal & Aluminum: 38% Printed Paper: 98%	Paper Packaging: 62% Plastic Packaging: 12% Glass Packaging: 1% Steel, Metal & Aluminum: 41% Printed Paper: 98%	Paper Packaging: 2% Plastic Packaging: -2% Glass Packaging: 0% Steel, Metal & Aluminum: -3% Printed Paper: 0%
Kilograms collected/capita	38.3	40.4	-5.2%
Fees collected from members	\$20,222,944	\$17,138,559	18.0%
Funds spent to operate the program	\$16,782,803	\$14,489,670	15.8%
Funds spent to administer the program (includes both the operation and administrative costs)	\$19,141,371	\$16,616,076	15.2%
Funds spent on promotion and education	\$55,044	\$44,965	22.4%
Resident feedback	7,447 visits to resident section of MMSW website and 184 emails received	5,759 visits to resident section of MMSW website and 154 emails received.	--

* The quantity of recycled tonnes, which reflects shipments to recycling end markets, is estimated based on the reported tonnes of the top 15 collectors in 2023, representing 80% of the total collected tonnes for MMSW.

** Diversion rate is calculated based on the estimated tonnes by material category (see * above) as percentage of supplied tonnes, as committed to in MMSW's program plan, section 4.6.1.

2023 Fee Schedule

MMSW members pay fees based on the weight of the packaging and paper materials supplied to Saskatchewan consumers. The table below provides material category rates for 2023.

CATEGORY	MATERIAL	2023 FEE RATES (CENTS/KG)
PRINTED PAPER	Newsprint	36.00
	Magazines and Catalogues	11.00
	Telephone Books	11.00
	Other Printed Paper	34.00
PAPER PACKAGING	Corrugated Cardboard	30.00
	Boxboard	20.00
	Gable Top Cartons	53.00
	Paper Laminates	47.00
	Aseptic Containers	42.00
PLASTIC	PET Bottles	50.00
	HDPE Bottles	-31.00
	Plastic Film	72.00
	Plastic Laminates	84.00
	Polystyrene	179.00
	Other Plastics	49.00
STEEL	Other Steel Packaging	32.00
	Steel Aerosols	27.00
	Steel Paint Cans	33.00
ALUMINUM	Aluminum Food & Other Containers	18.00
	Other Aluminum Packaging	20.00
GLASS	Clear Glass	21.00
	Coloured Glass	21.00

Exemptions and Low-Volume Steward Fees

Organizations supplying less than 1,000 kg of packaging and paper annually continue to be exempt from MMSW registration and reporting requirements. Exemptions also continue for businesses with less than \$2 million in annual revenue or that operate a single point of retail.

For 2023, the following flat fees were available to low-volume producers:

- A fee of \$640 for businesses that supply between 1,000 and 2,499 kg of WPP.
- A fee of \$1,340 for businesses that supply between 2,500 and 5,000 kg of WPP.

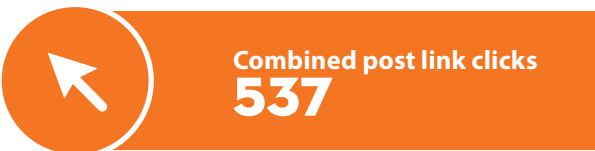
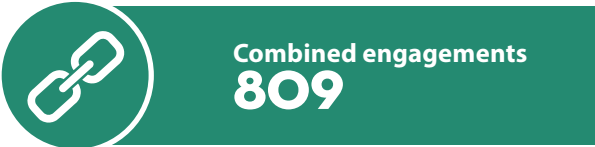


Promotion and Education

In 2023, MMSW continued its promotion and education efforts to support and encourage packaging and paper recycling. We also supported collectors in these efforts.

Social Media

In addition to assisting residents via phone and email, MMSW uses its Facebook and X (formerly Twitter) channels to promote proper packaging and paper recycling.



Website

The MMSW website ([MMSK.ca](https://mmsk.ca)) is a resource to educate residents about the benefits of recycling and what can be recycled in their area. It features a list of municipalities where residents can find local recycling information. The site also offers advertising templates and resources for MMSW collection partners. For materials not included in the MMSW program, the website directs users to the Saskatchewan Waste Reduction Council for proper disposal information. In 2023, total page views were 35,310, approximately twice as many as in 2022.

Advertising Campaign

Building on the 2022 campaign, the 2023 campaign continued to raise awareness of recycling in Saskatchewan and the MMSW program by sharing the MMSW program's impact, using key metrics and reinforcing program participation with producers, communities and residents. The campaign reinforced the culture of recycling in Saskatchewan by emphasizing that recycling is 'Everyone's Responsibility'.

Focused on the major centers of Saskatoon and Regina, the campaign used digital billboards, mall posters, digital display ads, Facebook and Instagram ads and YouTube videos.

Results of the campaign:

- Overall: 11,266,563 impressions
- Digital billboards: 9,029,105 impressions
- Mall digital posters: 455,058 impressions
- Display ads: 1,782,400 impressions, 3,169 clicks

Who kept 31,000 tonnes of material out of landfills? We all did!

Recycling. It's everyone's responsibility. Join over 540 businesses, 500 communities and over 900,000 residents.

mmsk.ca



Financial Performance

Financial Statements
For the year ended December 31, 2023

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Tel: 416 865 0200
Fax: 416 865 0887
www.bdo.ca

BDO Canada LLP
222 Bay Street
Suite 2200, PO Box 131
Toronto, ON M5K 1H1 Canada

Independent Auditor's Report

To the Members of Multi-Material Stewardship Western Inc.

Opinion

We have audited the financial statements of Multi-Material Stewardship Western Inc. (the "Organization"), which comprise the balance sheet as at December 31, 2023, and the statements of changes in net assets, operations and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Organization as at December 31, 2023, and its results of operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

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 are independent of the Organization in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian accounting standards for not-for-profit organizations, 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 Organization'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 Organization or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Organization'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.



Independent Auditor's Report (continued)

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 Organization'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 Organization'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 Organization 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.

BDO Canada LLP

Chartered Professional Accountants, Licensed Public Accountants

Toronto, Ontario
March 22, 2024

Multi-Material Stewardship Western Inc. Balance Sheet

December 31 **2023** **2022**

Assets

Current

Cash	\$ 13,459,065	\$ 11,088,105
Accounts receivable	305,721	192,530
Prepaid expenses	30,076	27,281

13,794,862 **11,307,916**

Capital assets (Note 2)

1,934 **3,866**

\$ 13,796,796 **\$ 11,311,782**

Liabilities and Net Assets

Current

Accounts payable and accrued liabilities	\$ 6,087,078	\$ 5,469,483
Due to related party (Note 3)	27,694	10,500

6,114,772 **5,479,983**

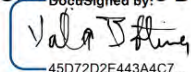
Net Assets

Invested in capital assets	1,934	3,866
Unrestricted	4,680,090	2,827,933
Internally restricted (Note 5)	3,000,000	3,000,000

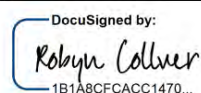
7,682,024 **5,831,799**

\$ 13,796,796 **\$ 11,311,782**

On behalf of the Board:


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Director

DocuSigned by:

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Director

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

Multi-Material Stewardship Western Inc. Statement of Changes in Net Assets

For the year ended December 31, 2023

	Invested in Capital Assets	Unrestricted	Internally Restricted	Total
Balance, beginning of year	\$ 3,866	\$ 2,827,933	\$ 3,000,000	\$ 5,831,799
Excess (deficiency) of revenue over expenses for the year	(1,932)	1,852,157	-	1,850,225
Balance, end of year	\$ 1,934	\$ 4,680,090	\$ 3,000,000	\$ 7,682,024

For the year ended December 31, 2022

	Invested in Capital Assets	Unrestricted	Internally Restricted	Total
Balance, beginning of year	\$ 5,798	\$ 2,005,891	\$ 3,000,000	\$ 5,011,689
Excess (deficiency) of revenue over expenses for the year	(1,932)	822,042	-	820,110
Balance, end of year	\$ 3,866	\$ 2,827,933	\$ 3,000,000	\$ 5,831,799

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

Multi-Material Stewardship Western Inc. Statement of Operations

For the year ended December 31	2023	2022
Revenue		
Fee revenue	\$ 20,222,944	\$ 17,138,559
Investment income	768,652	297,622
	20,991,596	17,436,181
Expenses		
Material management costs (Note 6)	16,782,803	14,489,665
Program management (Note 3 and 4)	2,303,524	2,081,441
Promotion and education	55,044	44,965
	19,141,371	16,616,071
Excess of revenue over expenses for the year	\$ 1,850,225	\$ 820,110

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

Multi-Material Stewardship Western Inc. Statement of Cash Flows

For the year ended December 31	2023	2022
Cash provided by (used in)		
Operating activities		
Excess of revenue over expenses for the year	\$ 1,850,225	\$ 820,110
Adjustments to reconcile excess of revenue over expenses for the year to cash provided by operating activities		
Amortization of capital assets	1,932	1,932
Changes in non-cash working capital balances:		
Accounts receivable	(113,191)	226,407
Prepaid expenses	(2,795)	(1,414)
Accounts payable and accrued liabilities	617,595	967,955
Due to related parties	17,194	(10,671)
	2,370,960	2,004,319
Increase in cash during the year		
	2,370,960	2,004,319
Cash, beginning of year	11,088,105	9,083,786
Cash, end of year	\$ 13,459,065	\$ 11,088,105

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

Multi-Material Stewardship Western Inc. Notes to Financial Statements

December 31, 2023

1. Significant Accounting Policies

The following is a summary of significant accounting policies of the Organization:

(a) Business Organization and Operations

Multi-Material Stewardship Western Inc. (the "Organization") was incorporated under The Saskatchewan Non-Profit Corporations Act, 1995 on March 5, 2010 to undertake responsibility for the stewardship of the packaging and printed paper environmental management program under provincial legislation. The Organization is a not-for-profit organization and as such is not subject to income taxes.

The Waste Packaging and Paper Stewardship Plan (the "Program Plan") was approved by the Saskatchewan Ministry of Environment in October 2015 and the program was launched January 2016.

(b) Basis of Accounting

The financial statements have been prepared using Canadian accounting standards for not-for-profit organizations.

(c) Revenue Recognition

The Organization follows the deferral method of accounting for revenues. Fee revenue is based on reported tonnages for members with signed Membership Agreements with the Organization. Revenue is recognized when tonnage is reported, fees are received or receivable and collection is reasonably assured. Revenue arising from member reported tonnages or adjustments for prior years' obligations and revenues resulting from compliance and enforcement activities are recognized when the amount can be reasonably estimated and collection is reasonably assured.

Investment income is recognized as earned.

(d) Financial Instruments

Unless otherwise noted, the Organization initially measures its financial assets and liabilities at fair value and subsequently measures its financial assets and liabilities at amortized cost.

(e) Capital Assets

Capital assets are recorded at cost less accumulated amortization and are amortized on the following basis:

Furniture and fixtures - 10 years straight line

Multi-Material Stewardship Western Inc. Notes to Financial Statements

December 31, 2023

1. Significant Accounting Policies - (Continued)

(f) Impairment of Long-Lived Assets

When a long-lived asset no longer has any long-term service potential to the Organization, the excess of its net carrying amount over any residual value is recognized as an expense in the statement of operations.

(g) Use of Estimates

The preparation of financial statements in accordance 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 revenues and expenses during the reporting period. Accounting estimates include the valuation of accounts receivable. Actual results could differ from management's best estimates as additional information becomes available in the future.

2. Capital Assets

	2023		2022	
	Cost	Accumulated Amortization	Cost	Accumulated Amortization
Furniture and fixtures	\$ 18,796	\$ 16,862	\$ 18,796	\$ 14,930
		\$ 1,934		\$ 3,866

3. Due to Related Party

MMBC Recycling Inc. ("Recycle BC") is a not-for-profit organization established under the Canada Not-For-Profit Corporations Act to undertake responsibility for the stewardship of the packaging and printed paper environmental management program under provincial legislation. The Organization and Recycle BC are related through common management and certain common board of director members.

Amounts due to Recycle BC are non-interest bearing and due on demand.

During the year, the Organization was charged \$201,875 (2022 - \$120,000) for common management costs and is included in program management expenses.

All transactions between the Organization and Recycle BC are in the normal course of operations and are recorded at their exchange amount as agreed upon by the parties.

Multi-Material Stewardship Western Inc. Notes to Financial Statements

December 31, 2023

4. Significant Contracts

The Organization entered into a 5 year Management Service Agreement ("MSA") with Canadian Stewardship Services Alliance, Inc. ("CSSA"), ending December 31, 2023, for management services including administrative and technical support, other services and facilities for administrative, technical and reporting activities.

On November 11, 2021, CSSA entered into an agreement with the Resource Recovery Alliance Inc. ("RRA") to acquire substantially all assets, liabilities and operations of the CSSA. As a result of the acquisition, the MSA with CSSA was assigned to RRA. On September 15, 2022, the operations of RRA were acquired by Circular Materials ("CM"). As part of the corporate reorganization in connection with the acquisition, RRA assigned to CM all of the rights and obligations under the MSA effective January 1, 2023. Charges totaling \$1,438,145 (2022 - \$979,144 to RRA and \$376,121 to CM) were paid to CM pursuant to this contract and are included in program management expenses in the statement of operations.

5. Internally Restricted Net Assets

The directors have authorized the establishment of the Operating Reserve to provide for an appropriate level of working capital and to satisfy all of its obligations for a reasonable period of time.

6. Material Management Costs

Material management costs include all costs related to the collection, transportation and processing of materials managed through the program.

7. Commitments

Under the terms of an operating lease agreement, the Organization is committed to pay rent approximately as follows:

2024	\$ <u>30,525</u>
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Multi-Material Stewardship Western Inc. Notes to Financial Statements

December 31, 2023

8. Financial Instrument Risk Exposure and Management

Management has established policies and procedures to manage risks related to financial instruments, with the objective of minimizing any adverse effects on financial performance. Unless otherwise noted, it is management's opinion that the Organization is not exposed to significant interest rate, currency or credit risks arising from its financial instruments. A brief description of management's assessments of these risks is as follows:

(a) Credit Risk:

Financial instruments potentially exposed to credit risk include cash and accounts receivable. Management considers its exposure to credit risk over cash to be remote as the Organization holds cash deposits at a major Canadian bank. Accounts receivable are monitored regularly for collections and the carrying amount represents the maximum credit risk exposure. The Organization's provision for uncollectable accounts receivable is \$54,173 (2022 - \$14,072).

(b) Liquidity Risk:

Liquidity risk is the risk that the Organization will not be able to meet its obligations as they come due. The program operated by the Organization carries risks in the ability to forecast and control expenditures. Management has taken steps to ensure that the program will have sufficient working capital available to meet obligations.



Multi-Material
Stewardship Western

401 – 333 3rd Avenue North
Saskatoon, SK
S7K 2M2
info@multimaterialsw.ca

STEWARDS:

stewards@multimaterialsw.ca
1-888-980-9549

MMSW COLLECTORS:

serviceproviders@multimaterialsw.ca
1-855-886-4558

MMSK.ca

  **SKRecycles**