



PRODUCT STEWARDSHIP PROGRAM
For SCRAP TIRES IN SASKATCHEWAN
SUBMISSION TO THE MINISTER OF ENVIRONMENT

Submitted By:

Colin Fraser, Board Chair
Tire Stewardship of Saskatchewan Inc.

June 12, 2025

STRATEGIC DIRECTION (2025 – 2028)

TSS will have **one of the best tire recycling programs** in Canada and one that **meets the unique needs of the province** given population, geographic spread of communities, significant agricultural and industrial needs in mining and energy, and Indigenous communities.

TSS will operate an **efficient tire recycling program** across Saskatchewan that provides effective stewardship to avoid the safety and health hazards scrap tires can present, to improve our environment and to support the tire recycling industry to get the most value from consumer-paid tire recycling fees.

During this PSP period TSS will become a **more established organization** and deliver a **stable program**, having dealt with significant changes to the industry structure in the last 8 years, successfully implementing all recommendations from the 2017 review of the program. Challenges to changing a set industry resulted in executive leadership turning over three times. TSS looks for stability through **governance, leadership, and collaborative program delivery partners**.

TSS will collaborate with collectors to **operate as frontline representatives** of the program, and to **develop safe and efficient tire handling procedures and equipment**. TSS will work with processors on **researching new uses** for scrap tire products, and on **market development**. TSS will implement modern technologies and applications to **track scrap tires and their chain of custody** from pickup to processing to acceptable end use.

TSS will **work collaboratively** and **communicate regularly** with our stakeholders, the Ministry of Environment, and our contractors to collect, process and recycle scrap tires responsibly on behalf of the people of Saskatchewan. TSS will collaborate with the **Industry Advisory Committee and the Program Advisory Committee**.

1.0 INTRODUCTION

1.1 THE HISTORY OF SCRAP TIRE STEWARDSHIP IN SASKATCHEWAN

In 1996, Saskatchewan tire retailers recognized scrap tires were an environmental concern and volunteered to take on the associated waste issues. In 1998, the Ministry of Environment legislated that all first sellers must be in the program.

From the *Environment Management and Protection Act, 2002* and *The Scrap Tire Management Regulations (1998)*, scrap tires have been managed using an Extended Producer Responsibility (EPR) Model. Following a program and regulatory review *The Scrap Tire Management Regulations (2017)* were updated.

Since 2017, Tire Stewardship of Saskatchewan Inc. (TSS) has been the program operator for scrap tire management and recycling activities in Saskatchewan. While independent from government, TSS has a close working relationship with the Ministry of Environment as TSS operates under a Product Stewardship Program (PSP) approved by the Minister of Environment. The PSP outlines program plans and environmental goals for the collecting, transporting, and recycling of scrap tires, TSS's first PSP was approved in 2017 and renewed in 2020. TSS is operating under the 2020 PSP until June 16, 2025. The 2020 PSP was extended by the Minister to give additional time to achieve certain program goals.

1.2 INDUSTRY PROGRESS FROM 2020 TO 2025

Since 2020 there have been some fundamental changes to the scrap tire industry under the PSP. TSS realized positive results related to the collection and processing of retail tires and legacy tires (legacy tires are tires sold in previous years but not collected and processed in those years):

- TSS has diverted more than 100,000 metric tonnes of scrap tires from Saskatchewan landfills and private properties.
- TSS has served and continues to serve over 1,300 registered retailers reporting over 1.5 million tires sold annually and 25,000 metric tonnes of scrap tires collected annually.
- TSS has improved recovery rates from 58% in 2017 to 85% in 2024.
- TSS's Return to Retailer program provides Saskatchewan residents with an additional scrap tire disposal option as they are encouraged to drop off their scrap tires at a participating retailer. The program is offered in 72 communities at 119 participating tire retailer locations and has helped collect 803,000 tires.
- TSS completed the clean-up of the large Assiniboia and RM of Eldon legacy stockpiles.

In addition to these collection and processing successes, TSS has implemented industry structural changes and operational improvements:

- The establishment of a facility to process tires collected in the southern portion of the province. CRM Canada operates a scrap tire processing facility in Moose Jaw. CRM Canada was selected through the issuance of a Request for Proposal (RFP).
- The issuance of a Request for Proposal (RFP) in 2024 to select a processor for scrap tires collected in the northern part of the province, to be located close to Saskatoon.
- Negotiations are underway with a second company to start processing in 2025.
- The issuance of an RFP for collectors in 2021 provided a competitive process to validate the

best operators and to establish competitive and current costing.

- In 2024 an RFP for collectors was issued for the years 2025 – 28 and three Saskatchewan companies were successful.
- In 2024 TSS set up and began operating a storage marshaling yard at Clavet, outside of Saskatoon, as an interim measure as a northern processor is established and until processing capacity increases in the province. This relief yard allows TSS to help manage the southern processor's inventories and regulate tire deliveries allowing for efficient processing volumes. As of May 2025, the tires at the marshaling yard are designated for the northern processor. The goal is for the northern processor to manage this yard as part of their agreement with TSS and for the northern processor and TSS to work together to eliminate the need for the yard.

Industry structural changes implemented by TSS **has addressed all the major recommendations from the 2017 review** including establishing collection zones, two processors (north and south), payment after processing, delivered and sold (versus at the gate), encouraging higher value processing, plus more transparency and tracking between processors, collectors and TSS regarding scrap tire origin, product produced, and end use. This transparency is needed to ensure responsibility and accountability throughout the collection and recycling processes. More work continues related to transparency, reporting, and accountability under this PSP, specifically through the implementation of a scrap tire tracking application from pickup to end use. Also, contractors to TSS are now all determined based on the competitive RFP process. This re-structured industry will bring more accountability, lower transportation costs, higher value end uses, and lower GHG emissions. Once the northern processor is established in 2025, both processors can focus more on high value production of crumb for sports fields, rubberized asphalt, and manufactured products, and TDA produced to the standards required for approved engineered projects.

1.3 REGULATORY CONSIDERATIONS

The Province of Saskatchewan's Environmental Management and Protection Act, 2010 provides authority in Clause 46 to make regulations for the creation and operation of product stewardship programs. In June 2017, The Scrap Tire Management Regulations, 2017 were released to reflect the need for the industry to change in Saskatchewan and to address increasing public expectations for governance, accountability, and transparency. Clause 6 of the regulation's states that:

Every 3 years after the date of approval of the product stewardship program, every first seller operating a product stewardship program, or person operating a product stewardship program on a first seller's behalf, shall review the approved program and:

- (1) Seek approval from the minister of any proposed amendments to the approved; or
- (2) Notify the minister in writing that no amendments to the approved product stewardship program are expected.

This document is an updated Product Stewardship Program submission to the Minister of Environment for the period of June 17, 2025. to December 17, 2028. TSS requests approval from the Minister of Environment to continue to operate as the program operator for scrap tire management and recycling in Saskatchewan.

1.4 PSP DEVELOPMENT AND CONSULTATION

Previously Approved PSPs

This Product Stewardship Program builds upon two previously approved PSPs. TSS understands the importance of engaging with stakeholders to identify needed improvements to the program, to respond to opportunities identified for better practice, market development, and increased public expectations related to governance, accountability, and environmental sustainability.

Past Reviews including 2023 Review.

The 2017 review of the program and operations included extensive stakeholder consultation, and the review's recommendations have informed previous PSPs and are reflected in this PSP. The 2023 third-party review requested and facilitated by the ministry included independent consultations directly with processors, collectors, retailers, and other stakeholders including the TSS board and the Ministry. TSS incorporated the advice and recommendations from the review into this PSP.

Extensive Program Consultation and Review by TSS Board and Management March to May 2025

Since March 2025, the TSS board and management focused on a three-month period of transition (from the resignation of the CEO to the hiring of a new Executive Director). Interim management developed open communications and took a collaborative approach with stakeholders to get program advice, operational advice, and feedback for the PSP. Interim management met and talked directly with TSS collectors, the TSS processor, and the new northern processor to understand program issues, industry challenges including the development of local markets, and to address immediate operational issues due to limited processing capacity in the province. Now weekly meetings are held with CRM Canada at the national manager level, as needed at the local level (sometimes daily) and with head office (at least monthly), all with the view to learn and to improve the program and its immediate operations to ensure efficient scrap tire flow. Frequent trips made to the processing site in Moose Jaw helped TSS understand issues and bottle necks. Regular trips to the marshaling yard at Clavet have developed insights into the use of the yard, more efficient operations, and its costs. This included a discussion with the local RM administrator.

From March to May 2025, contract and payment term negotiations and upfront discussions with the existing processor and the new processor for the north identified the need for improvements to operations, reporting, and contract amendments between TSS and the processors. Collector input into smoother operations was given consideration and often implemented, and communication is now on a regular daily or weekly basis with a focus on collaboration.

These consultations and feedback have identified areas for improvement in processes and program policies and procedures of TSS, and in the approach taken by management to focus on the industry and program as a "network" dependent on all parts. Also, there has been regular interaction with retailers, municipalities and the tire recycling industry during this time related to program service and expectations. The board has been fully engaged during this period, and finally, strategy updates and feedback from the ministry are scheduled on a regular basis. The

discussions and consultations over the last two months with key stakeholders are reflected in this PSP. Lessons learned and the insights and ideas generated during this consultative period have informed this PSP. See appendix of consultation results.

Draft Review

- TSS submitted a draft TSS Product Stewardship Plan on October 11, 2024, and shared with the board which provided feedback.
- TSS submitted a draft of the TSS Product Stewardship Plan on October 15, 2024, to the ministry and feedback has been incorporated into this PSP.
- Meeting with ministry officials on November 13, 2024; ministry document review and feedback has been incorporated into this PSP.
- The Advisory Committee provided feedback on December 2, 2024, and changes were incorporated.
- TSS submitted an updated draft TSS Product Stewardship Plan on May 10, 2025, to the board and the Advisory Committee, and has incorporated all suggested changes.
- A review of comments, questions, and concerns from each of the above have been incorporated into this last version.
- TSS submitted this TSS Product Stewardship Plan on May 15, 2025, to the ministry and received feedback and incorporated advice and direction to produce this June 3 submission.

2.0 GOVERNANCE

2.1 OUR CORE VALUES

- **Accountability and Transparency:** TSS will foster accountability with its board, management, staff, the ministry, and the public, and processors and collectors to demonstrate our responsibility in everything we do, to deliver on our commitments, conduct business openly and always act in the best interests of our stakeholders and the public. Under this PSP, the expanded board will reflect broader interests and expanded skills. The board will be engaged in the strategic and operational direction of the organization and the program.
- **Stewardship:** TSS acknowledges we are responsible stewards of consumer-paid fees and honor the intent of these fees by using our resources efficiently and effectively to maximize the benefits we can achieve for the environment, the tire recycling industry, and the people of Saskatchewan. TSS also understands, while independent from government, working closely with the ministry is important given the public expectations for the scrap tire program in the province, and its obligations to the ministry under the PSP and legislation. TSS strives to be a good steward of the program within the regulatory and public environment. Under this PSP, TSS will evaluate and then implement a mobile app and scanning technology to better track the origins of scrap tires, and their chain of custody and better reporting on the end products produced, offer real time data, and record the locations of end use engineered projects.
- **Integrity and Respect:** TSS will conduct our business activities ethically and promote a culture of integrity and respect with all service providers and participants that are part of the tire recycling system in Saskatchewan. TSS will work to collaborate relationships and rebuild those relationships strained by public misinformation, resistance to industry change, and delays in industry changes due to external factors over the last number of years.

- **Collaboration and Service:** TSS will facilitate a culture of communication and collaboration within the tire recycling system, acknowledging the unique expertise, capabilities, and experience that all participants bring, to make informed and better program decisions, and provide the best service and program results. TSS will involve the industry in considering changes and meet regularly for constructive and collaborative discussions. TSS will discuss program changes and challenges to the ministry for input and awareness. TSS will serve retailers professionally with a service mindset. Retailer service is a top priority.
- **Responsiveness:** TSS will strive to service the needs of all stakeholders while balancing different interests in a timely and appropriate manner. TSS will provide industry coordination to limit impacts on stakeholders and contractors and minimize the impact of change.
- **Innovation and Continuous Improvement:** TSS will strive for continuous improvement, creating and adopting leading practices, adapting to the unique needs of the province. TSS will encourage industry and market development and innovation to ensure we can deliver the best possible outcomes for tire recycling and the industry in Saskatchewan. TSS will implement a mobile app and scanning technology related to tire pickups and tracing. Under this PSP, TSS will establish a market development and research fund for pilot projects for rubberized asphalt, TDA as a leachate layer, the use of scrap tires for alternative fuels, and other developments. TSS will work with processors and collectors to ensure safer and more efficient scrap tire handling practices and equipment standards.
- **Education and Communication:** TSS will educate and communicate with consumers for general awareness of, and support for, the tire recycling program in Saskatchewan. TSS will commit to public education and information through media, and through equipping retailers and collectors as informed representatives of the program, and meet with the associations, SARM and SUMA. TSS will have effective engagement with retailers, collectors, and processors to be advocates of tire stewardship, and understand the role of TSS and the importance of being responsible to the environment.
- **Professional and Board Development:** TSS board, staff and contractors will receive training and development opportunities such as meetings and workshops to improve governance, service, accountability, and professionalism of the program. The board will attend board training and have an annual strategic planning session with management and leadership.

2.2 MINISTRY AND TSS RELATIONSHIP

The Minister of Environment gives the mandate to the program operator for tire stewardship in Saskatchewan through legislation and regulations, and the minister's approval of the PSP. TSS exists under legislation managed by the ministry. With the minister's approval of the PSP, TSS must operate under the PSP, which defines the expectations of the ministry in the interest of the public. Under this relationship TSS must work closely with the ministry on developing issues, to discuss significant changes to program policies, or any industry disruptions. TSS looks to the ministry for input and advice and can inform the minister if needed. This relationship works both ways as the ministry is welcome to raise with TSS any issues of concern or opportunities that have come to the attention of the ministry or the minister.

TSS understands the importance of building and maintaining a respected and productive relationship between the ministry and TSS. Under this PSP, the ministry and TSS will regularly advise others of changes or concerns regarding the program direction, strategic initiatives, and

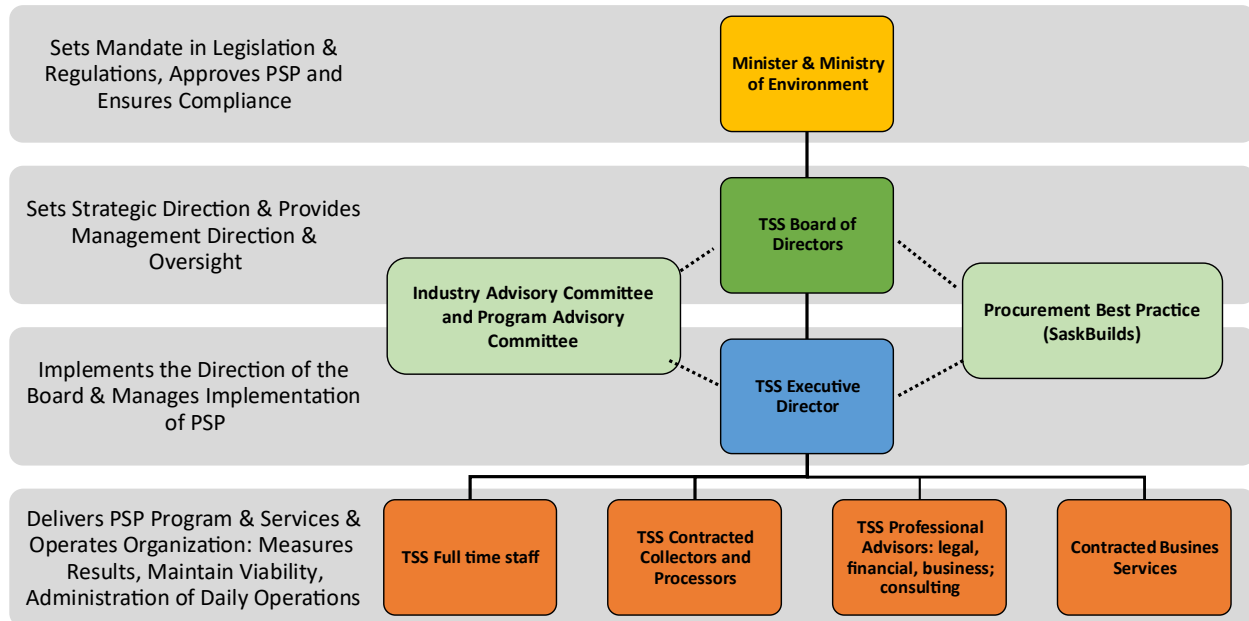
its operational issues. The Ministry of Environment is responsible for:

- Monitoring the operator's adherence to the details of the PSP and conditions put on its approval.
- Acting as the regulator and working with TSS to ensure retailers participate in the program as required by the regulations.
- Ensuring compliance with environmental standards and acceptable uses with tire processors located within Saskatchewan.
- Publishing the product stewardship program approval on the ministry's website.

Other areas where TSS requires ministry input, approval, and/or awareness:

- Approval of scrap tire consumer, collection, and processing fees.
- Approval of products within the program, products that fall outside of the program, acceptable end uses, and other use applications.
- Significant changes to policies, operational disruptions, or issues raised by industry stakeholders.
- Advise the ministry of scrap tire and product shipments and business case for shipments out of province confirming exceptional circumstances.
- Advise the Ministry of movement of scrap tires into storage facilities and business case (such as no processing capacity, or shutdowns).

TSS Governance Structure



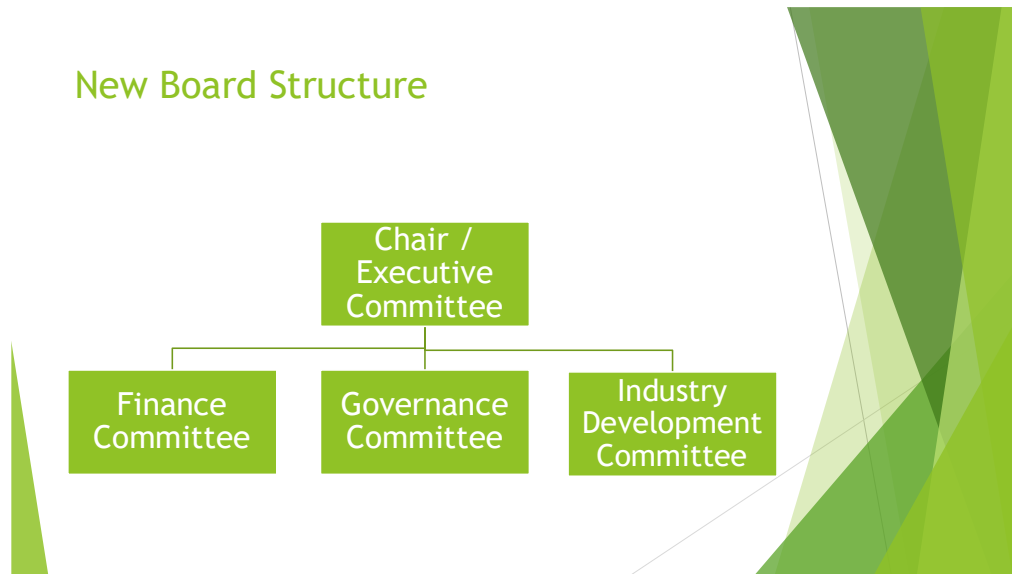
2.3 BOARD OF DIRECTORS

As a newer organization, TSS is committed to continuously improving governance practices to achieve the TSS vision and mission and alignment with core values. The board needs to have the required strength, depth of experience and skills to deal with the strategic issues that can come with industry change, consider best practices for the advancement of the program, and to

consider unique provincial needs.

The Board of Directors is established in the 2017 bylaws. Under this PSP the bylaws will be updated. The size of the board will be increased, and three standing board committees will be established: the Governance Committee, the Finance Committee, and the Industry Development Committee. The bylaws will also define three Executive Committee members, the Chair, Treasurer and Secretary and their roles. These three positions make up the Executive Committee and will deal with issues between board meetings.

New Board Structure



The board will increase from 5 to 7 members to accommodate the committee structure and to add additional expertise to the board.

The Governance Committee will review the governance model and be chaired by a board member with relevant board experience or governance credentials. The Finance Committee will be chaired by the Treasurer. The Industry Development Committee will be chaired by a board member with industry knowledge, however not associated with the Saskatchewan processor or Saskatchewan collector due to conflict-of-interest concerns. The annual performance review and the hiring of the Executive Director rest with the Governance Committee.

The board will continue to be an industry-led board with the majority of Board Members (4) composition selected from those obligated under the regulations (industry members). At least three industry representatives will be in Saskatchewan. SUMA and SARM representation will ensure local perspective given the unique needs of the Saskatchewan market, rural and urban retailers, municipalities, First Nation communities, and the provincial scrap tire processing industry. Minister of Environment is invited to recommend candidates for consideration of the member-at-large and SUMA/SARM positions – would still be subject to TSS approval.

The board will consider the following composition:

- Representative Appointed by the Retail Council of Canada
- Representative Appointed by the Western Canada Tire Dealers
- Representative of the Saskatchewan Automobile Dealers Association
- Independent Member-at-Large with strong background in governance and business and

located in Saskatchewan

- Retailer-at-Large to bring tire retailer business acumen.
- Representative of SUMA
- Representative of SARM

The following existing documents outline the expectations of staff, retailers, and processors and collector contractors. and assist the board in fulfilling its governance responsibilities. These will be reviewed and updated in 2025:

- Code of Ethics – available at www.tssk.ca
- Membership Application & Agreement – available at www.tssk.ca
- Bylaws and policies published on the tssk.ca website.
- TSS Annual Report and Audited Financial Statements

During this PSP, the board will establish a Governance Manual that will include the following policies, tools, documents, and/or resources:

- A Board of Directors Skills Matrix and process for evaluating the effectiveness of the board or any gaps in skills, knowledge, or experience.
- A board orientation and onboarding process.
- An attendance and board expectations policy.
- Professional board development opportunities.
- Terms of Reference for each executive board position, regular board positions, and for each standing committee, and the Executive Director.
- An annual schedule of governance events.
- Authorities and monetary approval limits.
- Establishing staggered terms and limits for each board position to ensure continuity of program experience and knowledge.
- A non-executive member will be expected to Chair a standing committee or be a member of one or more committee.

The following will be initiated in 2025, developed by the expanded board facilitated by the Executive Director:

- Update the corporate by-laws and Articles of Incorporation to establish the Executive Committee, the Finance Committee, the Governance Committee, and an Industry Development Committee, as standing committee of the board, each with a term of reference and annual goals and plans.
- An annual strategic planning process to be reviewed for needed changes and to assess the progress, and to inform management of annual priorities.
- The board will oversee the development of an Annual Strategic Plan
- The board will oversee the development of the Annual Business Plan and Annual Budget by the Executive Director, to be approved by the board by December of each year for the following year.
- The Governance Committee will provide leadership and support to the Executive Director.
- The Governance Committee is responsible and accountable for conducting quarterly performance discussions with the Executive Director, at least, and the annual performance appraisal of the Executive Director.
- Review all corporate policies annually and identify gaps and the need for updating.
- The Finance Committee will consider long-term, three-year financial requirements for the program including fees and ensure the corporation has policies in place to manage financial matters including major expenses, program costs, and contracts.
- The Industry Development Committee will ensure direct communication and engagement between industry and the board to ensure both industry and TSS needs are met.

2.4 MANAGEMENT

Program Management & Staff, Office

The right leadership and staff are integral to delivering the PSP and the strategic plan, and in collaboration with retailers, service providers and program stakeholders. TSS is led by an Executive Director, with additional staff supporting the delivery of operations and program administration.

Under this PSP TSS will manage day-to-day operations and at the same time plan and implement longer-term strategies. TSS, day to day, needs to maintain efficient and effective program delivery, while management develops and implements longer term programs to meet longer term needs.

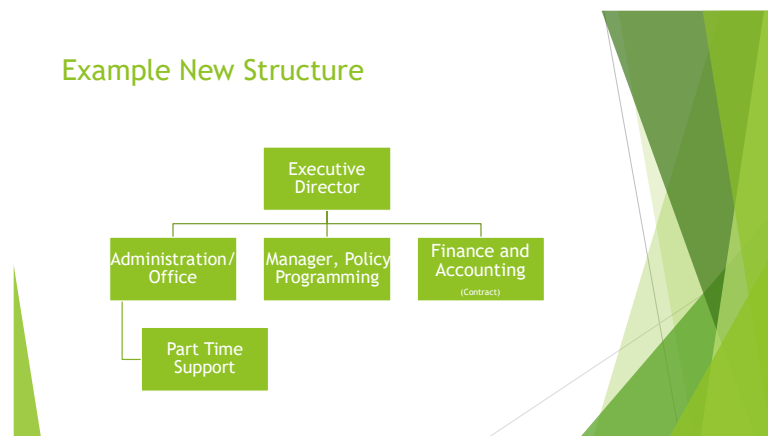
TSS under this PSP will expand its management capacity. There is much to do under this PSP including: increased reporting responsibilities, increased contractor and stakeholder engagement, technology adoption, managing public interest, new programs to be developed, costed and budgeted (e.g., Clavet marshaling yard, the backlog of legacy tires, the new Market Development Fund). A second management position will be defined and filled under this PSP. TSS will retain the office administrator and a part-time office assistant. TSS contracts out its accounting, information technology services, and legal services.

Organizational Structure and Change in Roles

In 2025 there will be a restructuring of the organization and a renewal of the leadership and management of the organization:

- A new experienced industry Executive Director starts June 2, 2025.
- The existing long term office manager is expected to retire in December 2025.
- The existing long-term part-time admin support is also expected to retire in 2025.
- A new management-level position will support the Executive Director and will bring a complementary skills set. The goal is to provide support and back-up to the Executive Director and the organization and programming.
- Finance and accounting functions will continue to be provided under the contract by a qualified accountant, consulting, or accounting firm.
- Legal functions will continue to be provided under contract with a law firm.
- Consideration may be given to the need for a marketing or communication coordinator or other specialized positions by the Executive Director in the future.

Example New Structure



The Use of Technology to Eliminate Paper and Better Tracking

In 2025, TSS will implement a new system for managing and tracking scrap tires from tire pickup right through to the end use. The system (from Tire Stewardship of Manitoba (TSM) or a system offered by a TSS processor) could be obtained at nominal cost and implemented by the Executive Director. Tracking systems offered by TSM or by each processor will be considered. These systems include a mobile app for the collectors to use at the retailer site, providing records of time, date, and geo-location, utilizing photos and QR codes, and tracking each load to a processor. This will provide a higher level of accountability and allow suspicious or nonconforming loads to be identified and tracked.

Budgeting, Projections, and Analysis of Data to Improve Operations.

TSS will manage the program based on the analysis of historical data related to volumes, trends, program costs and projected data. Data analysis and data-driven policy and program improvements will result from this management approach. Budgeting and forecasting of each program area will be implemented and become part of the annual business plan and budget.

Management through Communication and Collaboration

Under this PSP the program will be managed using open communication and collaboration such as:

Collaboration with TSS Contractors and Direct Stakeholders

- open communication and collaboration
- weekly meetings with each processor, or as required.
- regular communication with collectors, semiannual meetings to discuss program issues and operational efficiencies.

Collaboration with the Ministry of Environment Given Respective Roles

- Regular updates between the Chair and the Minister of Environment
- Regular scheduled meetings with the Ministry of Environment related to scrap tire industry structural changes, to discuss adjustments to operations, such as: the issuances and awarding of RFPs; the need for temporary storage facilities; any movement of out of province scrap tires; the implementation of the northern processor; processing capabilities for crumb, plans; progress with legacy tires, the development of TDA and crumb markets; plus ways to handle “out of program” materials like tire tubes and ag tracks.

Collaboration to Identify and Confirm Industry Best Practices

- Engagement with tire stewardship programs and operators in Canada and the US, other Product Stewards in Saskatchewan and third-party providers (collectors and processors). Continue to be a voice at CATRA, and to listen; participate in CATRA studies of relevance to the province.
- Attendance at industry conferences to understand trends and top tier program operations.
- Discussions with Saskatchewan processors on their operations outside of the province, to bring in best practice.
- Regular meetings with Saskatchewan processors on operational challenges have given the delay in a northern processor.
- Focus on safety and efficiency initiatives for tire handling and hauling equipment and

practices.

Engagement with the Public, Stakeholders and Consumers

- Engagement through third-party surveys to public, municipalities and retailers.
- Engagement with media to explain the role of TSS and the goals of the scrap tire program as well as limited press releases on program milestones.
- Responding to media inquiries and requests related to program changes and developments.
- Attendance at SUMA and SARM and other industry events in Saskatchewan
- Work with First Nations programs and communities to develop scrap tire solutions and programs.
- Participate with other stewardship programs in Saskatchewan on programing, awareness, and promoting environmental responsibility.

Management of Contracts

TSS has contract agreements, developed by TSS legal counsel, with all third-party contractors or service providers. TSS has agreements in place with retailers that are registered with the program. All these agreements include Terms and Conditions which lay out the obligations and expectations of the contractors or service providers. The Terms and Conditions with Collectors, processors, and Retailers will be reviewed and updated under this PSP.

TSS uses contract management to establish service terms for collectors and processors. Contracts address current and applicable legislation and regulations as they relate to scrap tire management, as well as scope of services, payment for services, agreement terms, definitions, service requirements and service levels, sub-contractor provisions, audits, insurance coverage and other typical legal provisions and terms. Within contractor and service provider agreements, TSS also states that contractors or service providers are obligated to ensure all federal, provincial, and municipal laws are followed. TSS management will ensure these agreements are executed and updated as required and have regular communication and engagement with contractors and service providers to ensure they are adhering to these agreements. Each contract has consequences if obligations are not being met including professional representation of the program.

Dispute Resolution Under Service Contracts

Before referring a matter to arbitration, the parties agree to use commercially reasonable efforts to negotiate all disputes arising from this Agreement in good faith after receiving written notification of the existence of a dispute from the other party. If the matter has not been resolved within 30 days of a party's request for negotiation, any party may initiate arbitration. In the event that a dispute arises between the parties with respect to this Agreement or the performance by either party hereunder, and it is not settled informally, arbitration shall be the exclusive manner for resolving such dispute between the parties and such dispute shall be settled by binding arbitration in Regina, Saskatchewan before a single arbitrator in accordance with The Arbitration Act, 1992 (Saskatchewan). Arbitration under this Agreement shall be initiated by written notice by either party to the other party. The selection of the arbitrator will be by mutual agreement of the parties. If the parties are unable to select an arbitrator, either party may request the Court of Queen's Bench for Saskatchewan to appoint the arbitrator. The award rendered by the arbitrator shall be final and binding on the parties and not subject to further appeal and judgment. The award rendered by the arbitrator may be entered in any court

having jurisdiction. The arbitration award will be in writing and specify the factual and legal basis for the award. The parties shall pay all fees and expenses owed to the arbitrator equally. It is the intent of the parties that any arbitration shall be concluded as quickly as possible. The Processing Incentive Fee is not subject to negotiation or arbitration under TSS processor agreements.

2.5 PROGRAM ADVISORY COMMITTEE AND INDUSTRY ADVISORY COMMITTEE

The Program Advisory Committee and the Industry Advisory Committee will be created, aligned with the recommendations from the 2023 third-party program review, and be established before the end of 2025. The Program Advisory Committee and the Industry Advisory Committee provide strategic advice and program and industry input to the Board of Directors and senior management of TSS. The Committees have no decision-making authority – rather the committees are sources of information, knowledge and sounding boards for the board and senior management related to strategic program development, industry development, continuous improvement and new improvements. The committees meet at least twice annually, unless additional meetings are authorized or requested by the board. Each committee has a minimum of four members with relevant knowledge and experience to offer TSS. Members are nominated and approved by the TSS Board, in consultation with management, the ministry, and the advisory chairs. Enough Saskatchewan perspective is necessary. TSS management and each advisory committee chair will draft a term of reference which further describes the Committee's purpose, membership, desired outcomes, governance and other items for each committee, with input from the board and the ministry, to be ratified by each committee.

The Program Advisory Committee could include representatives, and engage with, the following groups: retailers, municipal governments, the Ministry of Environment environmental officers, First Nations community leaders, northern communities, environmental groups, and independent experts. The Committee will consider program development such as best practice, practical issues, and concerns, and give feedback on innovative programs and better ways to manage scrap tires in the province.

The Industry Advisory Committee could include representatives, and engage with the following groups: retailers, processors, collectors will consider industry development such as best practice, practical issues and concerns, and give feedback on new programs and better ways to promote and develop the tire recycling industry in the province. collectors.

The chair of each Advisory Committee is appointed by the board and set up regular meetings and establish meeting agendas for each meeting, at least twice per year. Each advisory committee chair will report to the board chair and engage with the Executive Director related to their role. The Executive Director or board chair can request items to be added to the agenda for consideration by the committee. The role of the committee chair is to facilitate discussions during meetings.

The Advisory Committees will be asked to provide input into strategic direction and the planning process prior to the board and management going into their planning to help inform the board when they are considering the strategic direction of TSS.

2.6 PUBLIC AWARENESS AND EDUCATION PROGRAM

TSS will have annual public information plans under this PSP. TSS has developed a public awareness campaign for the spring of 2025. TSS will evaluate and update this plan every year. Radio campaigns, targeted for spring and fall, with social media and online awareness messaging throughout the year, will be evaluated after each campaign and as part of the budgeting process each year. Management will develop these campaigns and messages with the input of the advisory committees, the ministry, and the board during annual business planning.

Public awareness and education goals for TSS are:

- Create awareness of Saskatchewan's tire stewardship program, how it works, and its many benefits. Awareness initiatives will extend to the public and be applicable to all stakeholders, including retailers, customers, third-party service providers, SARM, SUMA, and stakeholders and industry groups.
- Create awareness of environmental responsibility and risks associated with scrap tires not being recycled properly.
- Create awareness that TSS is the program operator and operates in a responsible and ethical fashion.
- Ensure that retailers are aware of their obligation to the scrap tire program in Saskatchewan and well informed regarding the programs so they can provide accurate information to customers and provide point of sale TSS program information.

TSS has adopted a variety of communication methods.

Direct Engagement

TSS will communicate with program stakeholder group that includes retailers, contractors, other stewardship programs and communities through SARM, SUMA and First Nations information, awareness, and relationship campaign. Communication includes meeting and speaking directly with the various stakeholders, developing and leading educational seminars, attending tradeshow and conferences in the municipality, industry, and recycling/waste management areas. These are important engagements to share and understand program and industry issues and to learn best practices from other organizations. The TSS commits to attending SWRC (Saskatchewan Waste Reduction Council), CATRA (Canadian Association of Tire Recycling Agencies) and ARWMAS (Association of Regional Waste Management Authorities of Saskatchewan Inc.) events, as well as having a presence at SARM and SUMA conventions. SARM and SUMA will also continue to be involved through their representations on the board.

Annual polls/surveys will be completed with key stakeholders, such as the public, retailers, and municipalities. TSS will also be available for informal engagement throughout regular business hours when the staff will be responsive by phone or e-mail. TSS will also informally solicit retailers related to program performance and any issues.

Traditional and Digital Media and Website

TSS will use its website, and social media to promote the program and provide updates. Traditional media and other media avenues may also be used where appropriate. Press releases to the general media will be limited as TSS matures and the industry stabilizes. TSS may issue one to two media-releases each year to ensure the "TSS story" is heard related to industry

accomplishment and program milestones.

TSS will use social media for awareness and information. TSS plans in 2025 two main campaigns a year on radio and through social media. Campaigns coincide with spring and fall cleaning and tire changeover season which is also the peak time for collections. These two radio and social media campaigns serve to:

- Confirm TSS as the program operator.
- Education about the hazards of scrap tires
- Encourage tire drops offs at R2R retailers.
- Drive people to the TSS website for more information.
- Encourage drop-offs at registered collections sites (e.g. municipal landfills)

The TSS website will be revamped during this PSP to be more friendly and provide more consumer / public information regarding the program, consumer tips, how to interact with TSS, as well as information on the locations for tire returns through the Return 2 Retailer program, and a legacy tire program.

Promotion and Education Materials

TSS will provide promotional and educational materials to retailers for display and handing out at the point-of-purchase (retailer showrooms) to easily explain TSS and the program. Posters, brochures, and cards made for the retailers will be available, along with door signs and posters. TSS will also look for additional ways to engage with retailers to educate them about the program, such as providing downloadable PDF formatted promotional and educational materials on the tssk.ca website.

TSS Branded Collectors and Vehicles

TSS collectors will be required to have TSS logos and decals on their vehicles identifying they are contracted by TSS for tire collections, to increase accountability and ensure good service. Also, this will reinforce that TSS is the program operator and include contact information for more information.

Alignment with Organizations

TSS will work with other stewardship organizations in Saskatchewan, and other tire stewardship programs across Canada. This includes collaborating with Recycle Saskatchewan, SARCAN Recycling, Cleanfarms (Grain Bags), the Electronic Products Recycling Association, the Saskatchewan Association for Resource Recovery Corporate, Multi-Material Stewardship Western (Household Paper and Packaging) and Product Care Recycling (Paint) to identify and implement joint projects and share knowledge. TSS will look for alignment with Producer Responsible Organizations (PROs) for the collection of materials in unique situations such as winter only access communities.

TSS will continue to evaluate the effectiveness of its outreach, public education, and awareness activities to ensure TSS is investing resources to achieve communication goals.

3.0 OPERATING MODEL AND PROGRAM FEATURES

3.1 CONTRACTS AND PROCUREMENT

TSS uses the Ministry of SaskBuilds and Procurement (SaskBuilds) methodology for all large procurements and in these cases SaskBuilds manages the process. TSS RFP procurements for collection and processing are led by SaskBuilds staff to ensure transparency, and best practices, and remove any perceptions of bias. This was a recommendation of the 2023 Third-Party review. TSS seeks to ensure value from its contractors through a fair, competitive process. In 2024, SaskBuilds managed two procurements for TSS, one for the northern processor and one for the collections. These collector contracts run from 2025 – 2028. This practice of using SaskBuilds will continue under this PSP.

3.2 TIRE RECYCLING FEES & REMITTANCE

Tire Recycling Fees

TSS is responsible for establishing a process for setting Tire Recycling Fees. In developing the proposed fees, it is essential that TSS consult with first sellers, processors, collectors, the advisory committees, and the Ministry of Environment. Fees need to be reasonable, minimize cross-subsidization, and align with industry and consumer expectations. TSS will minimize increase in fees to consumers by ensuring efficient program operations, however fees must cover the true costs of responsible management of scrap tires. It is imperative for TSS to maximize efficiency of operations while ensuring fair compensation to collectors and processors that recognize increasing costs, the need for investment, plus make a reasonable return. It is important to ensure that adequate funds are available to address increasing costs and the need for programs that support an effective industry and development of local markets, balanced against improved efficiency, the increased returns to processors from producing higher value products, and cost reductions from better tracking through technology adoption.

Significant additional costs have been incurred by the program in the last few years due to industry structural changes and delays in establishing a second processor. This has depleted accumulated reserves. TSS will focus on improving its long-term financial sustainability under this PSP. TSS will develop pro-forma budgets to project future costs and to assess the need for fee adjustments during this PSP. The goal of a non-profit is to “break even” and to be financially sustainable long term. Other provincial tire stewardship programs maintain a 60% to 90% operational reserve in a restricted account to cover unforeseen changes to the industry such as change in acceptable end products or use or in a processor closing. TSS will establish a reserve target as a board policy and then budget and project how to fund this reserve.

TSS will change its approach to budgeting and fiscal management. Budgets by category or programs will be forecasted separately such as administration, processing, collecting, marshalling yard operations, and upcoming costs to address short term limited tire processing capacity. Legacy programming will also be budgeted separately. TSS will develop a fund for a more ambitious legacy tire cleanup program. Legacy tires are still an issue in the province yet in other jurisdictions the legacy issue has been dealt with. The cost of dealing with any “out of program materials” like tube and ag tracks with steel need to be costed separately. Also, the operational reserve will be budgeted and projected over the next number of years. All the

budgets will provide a multi-year forecast and show a surplus or a deficit. A deficit will lead to consideration of a consumer fee increase. A consumer fee increase is expected under this PSP.

Fee increase decisions will be made by the board, based on analysis by management regarding the need, the amount, and the timing of the increase. The need for an increase will be discussed with the advisory committees to consider the impact and ensure proper justification. TSS will then approach the ministry for feedback and if a fee increase is needed to meet obligation under the PSP and remain sustainable, submit a request to the minister for approval and as a revision to the PSP.

The only significant source of revenue for the program is Tire Recycling Fees. To meet PSP commitments, fees must match the costs of the programs needed to provide effective management of scrap tires. TSS will evaluate options and provide recommendations to the ministry regarding any need for fee adjustment during the term of this PSP.

Process for Collecting Tire Recycling Fees

Retailers are responsible for collecting the appropriate Tire Recycling Fees (TRF) as prescribed for each tire classification at the point of purchase. Consumers can then leave behind their old tires. It is acceptable for retailers, and retailers only, to cull tires for re-use and retread. Retailers remit these TRFs to TSS to operate the scrap tire recycling program on their behalf. Along with the TRFs, retailers complete a Remittance Form which outlines their sales and fee breakdowns over the Reporting Period. TSS tracks the sales and collections for audit purposes.

Fee Setting Methodology

During this PSP term TSS will:

- Consider the tire reference weight study completed in May 2025 to review fees for each classification. The study shows the average PLT weight is greater than the last time the fee structure was determined. Collection fees and processing fees are paid by weight. Future possible TRF increase might be supported by the impact of these higher weights.
- TSS will review fees in other jurisdictions and consider the forecasted budget for TSS to determine if fees may need to be adjusted.
- Any decision to increase fees must be reviewed by the advisory committees, be approved by the directors, and approved by the minister as an amendment to the PSP.
- Fees must cover the cost of managing the approved PSP, assuming all matters are taken to ensure efficiency of program operations and administration.

The best practice for setting fees within comparable tire stewardship programs in Western Canada, along with other stewardship programs in Saskatchewan is to project the total program costs and to attribute the fair share of costs to each tire sold. The following formula provides a general basis for determining how fees will be set. This process seeks to minimize cross-subsidization of fees across different tire classes.

$$\frac{(\text{Collection Estimates} * \text{Costs of Goods Sold}) + \text{Portion of Overhead Costs}}{\text{Forecast Tire Sales by Tire Classification}} = \text{Tire Recycling Fee}$$

Where:

$$\frac{\text{Projected Tires Sold in Class} * \text{Total Overhead Costs}}{\text{Projected Total Tires Sold}} = \text{Portion of Overhead Costs}$$

The premise of the methodology is to ensure that each tire is attributed to its fair share of costs, accounting for the Costs of Goods Sold (i.e. collection and processing) and Overhead (i.e. rent, wages, etc.). Overhead is allocated using the number of units as a proxy. The fee setting methodology is driven by covering expected costs. TSS currently has overhead costs of approximately 6 – 10% of total revenues. This fee setting methodology is driven by covering expected costs. TSS will focus on controlling administration costs to keep fees competitive while being able to allocate funds to support legacy tires programming. The setting of fees moving forward will be based on the following principles:

Reasonable fees: TSS strives to keep fees aligned with the costs of the program, and the expectations for scrap tire management in Saskatchewan.

Competitiveness: TSS strives to support Saskatchewan retailers and allow them to maintain competitiveness with neighboring provinces for tire sales. Although the fee setting methodology aims to minimize cross-subsidization, ensuring fees are comparable to other provinces will also be a factor in the setting of fees.

Engagement and Transparency: If the need arises to increase TRFs, TSS will engage retailers and the advisory committee as part of planning for the change and will be transparent on projected increases, timelines, and other changes.

TSS will review the fees each year in concert with the annual budgeting process. TSS will consult with retailers and the advisory committees when considering new fees. TSS understands that if there is a need to change the TRFs from what is stated in this PSP, that TSS would require approval from the minister for this change.

3.3 COLLECTION & TRANSPORTATION

Collectors are contracted service providers with TSS to collect scrap tires from retailers and transport the tires to TSS contracted processors. TSS has three independent contracted collectors. The agreements with each collector lay out the business, service, and legal obligations of both parties in providing services to retailers and responsive scrap tire collection. TSS manages these contracts to ensure all collectors are meeting the terms of the agreement. In 2024 an RFP managed by SaskBuilds on behalf of TSS resulted in proposals for collectors for another three-year term. Contracts with the top proponents were finalized at the end of 2024. Under this PSP collectors will receive training as valued representatives of the TSS program.

Process

There are six collection zones in Saskatchewan served by three collectors. In each of these zones, the collector is responsible for tire collection services in that zone. The collectors are responsible for coordinating with the retailers in their area to pick up the tires from each location within their zone. Retailers may also contact TSS to request tire pickup and TSS will coordinate to ensure pickup is conducted in a timely manner to accommodate these requests. Tires are transported by the collectors to TSS processors. Once a month, collectors submit a request for payment for the period immediately prior to the date submitted. TSS will match the information inputted by collectors and processors into the tracking system. TSS pays collectors within 30 days of receiving the invoice and are paid through Electronic Fund Transfer (EFT). Under this PSP, technology adoption using a mobile app, QR codes and a tracking system for shipments will streamline the process, improve accountability, and provide better real time data to TSS.



Collection Transportation Rates Setting Methodology

The Transportation Fees vary by zone and are market driven. Collectors bid on a zone by providing assurances they have the expertise, experience, and resources to provide the required level of service. Then they provide a price specific to each zone and to the Moose Jaw or the Saskatoon area processing site. They are selected through a competitive Request for Proposals (RFP) process and under contract for a period of three years. It is a combination of qualitative scoring and the bid price. TSS is committed to continuing to use these competitive processes.

Northern, First Nations & Remote Communities

Under this PSP TSS will develop a program to serve the northern and remote communities of Saskatchewan. TSS will:

- Continue partnering with Indigenous Service Canada (ISC) to coordinate and clean up tires located on First Nations in Saskatchewan.
- Coordinate with other stewardship programs and Producer Responsible Organizations (PROs) in the province to arrange for pickups of recyclable material in northern and remote communities.
- The Clavet marshaling yard will be evaluated as a model, considering operations and costs, for other landfill/transfer stations remote areas, in the north and at First Nations.

Collaboration and Efficiencies

Industry development initiatives to improve efficiency, operations, safety and hauling, handling, and processing of tires will be developed on an annual basis between the collectors and TSS in annual planning sessions, based on best practices and industry experience. TSS and the collectors will research and work to understand how hauling equipment can bring better program efficiencies and improve the safety of program operations.

3.4 PROCESSING & RECYCLING

Processors are TSS service providers contracted to accept transported scrap tires from collectors and process them into approved end uses and recycled materials for various markets.

All processors, within and outside of Saskatchewan, must be contracted with TSS to receive scrap tire deliveries from Saskatchewan. Processors sign a TSS Processors Services Agreement and scrap tires will not be directed to a processor unless a signed TSS Processor Services Agreement is executed with TSS. All processors must follow all applicable regulations. The ministry must be informed of all out of province shipments of scrap tires before they occur.

Under this PSP, TSS will work closely with the processor to ensure efficient operations between the collector and the processor, to develop new markets and product uses, and encourage efficient operations. Sustainability audits will ensure fair compensation to each processor. Also, with updated contractual terms in place for both processors, required reporting will ensure TSS knows what products are produced and the acceptable end-use destination.

Under this PSP all TSS processor contracts specify processing incentive fees are paid only after processing has been completed and the processed material has been sold to an intermediate or end market. This incentivizes a processor to process and “move” processed product shortly after the costs of processing are incurred. This is to encourage a steady “flow” of scrap tires from being received, to then being processed, and then to being sold for an end use. The processor reports at the end of each month to TSS detailing the quantity of material processed for each product, and where the processed product has been sold to, or used. The payment method agreed to in the TSS processor contracts reward processing performance versus delivery weights of scrap tires.

Process

Collectors deliver tire loads to the processors after collection from retailer locations. Upon delivery, the processors sign off on the delivery and the tires are weighed at a certified scale at the processor site. All processors have an onsite certified scale, as does the Clavet marshaling yard. The processor submits a request for payment following the last day of the month for all sales of the product along with an invoice, management report and any other information that TSS may require, in a manner and format determined by TSS. Tires are processed into environmentally acceptable products and applications. Processors, for example, may process the scrap tires into tire shred, nuggets, crumbs, and manufactured goods, among others. Under this PSP, technology adoption of a tracking system for material produced and end use, will streamline the process, improve accountability, and provide better real time data to TSS.

Collaboration and Efficiencies

Industry development initiatives to improve efficiency, operations, safety and hauling, handling, and processing of tires will be developed on an annual basis between the processors and TSS in annual planning sessions, based on best practices and industry experience. TSS and the processor will contribute to best practice hauling, handling, and safety of program operations. TSS will work towards eliminating any future needs for marshaling yards.

3.5 ACCEPTABLE PROGRAM MATERIALS, PRODUCTS AND USES

TSS will enforce the following acceptable and non-acceptable end uses with processors that receive scrap tires from TSS:

Acceptable End Products

- Molded products include:
 - Mats
 - Vehicle ramps
 - Traffic cone weights
 - Paving stones
 - Parking curbs
 - Landscape mulch
 - Planters
 - Mud flaps
 - Truck box liners
 - Feeders
 - Blast mats.
- Manufactured products include:
 - Crumb rubber
 - Tire derived aggregate meeting civil engineering specifications
 - Landscape mulch
 - Die cut products.
 - Sidewall rings

Acceptable Uses

- Culled tires for safe re-use and retread (Saskatchewan retails only)
- Reused tires or tires derived products for environmental, civil or structural engineering applications.
- Crumb rubber material or modifiers for use such as tire derived aggregate and paving for roadways, walkways, playground material, sports track and roofing material.
- Tire derived fuel
- Approved Research and development projects

Prohibited Uses

- Improper storage and stockpiling
- Illegal dumping
- Unlicensed burning
- Non-compliant geotechnical projects
- Landfilling

Note: Non-acceptable end uses listed in the table above are not exhaustive, and other acceptable end uses may be developed as technology advances. Additional end uses will be based on consultation with the processors, and advice received and approved by the Ministry

Alternative Applications to TSS

- Reused tires for alternative applications which are approved by TSS with advice from the Ministry and include an end -of-life recovery plan and fee for potential recovery at a cost to TSS.

Alternative Applications to TSS

Requests for scrap tires to be used for alternative applications must include the information required by TSS to evaluate acceptability and approved by TSS with advice from the ministry. Applications must include the entity or individual name and contact information, as the prime applicant is being accountable and responsible for carrying out the plan and intended use and include an end-of-life recovery plan and a fee to TSS for potential recovery. These uses, such as physical structures, or anchoring material are considered on a case-by-case basis by TSS and must be registered by TSS if approved. This applies to all TSS program tires.

3.6 NON-PROGRAM MATERIALS

Dealing with Non-Program Materials

The scrap tire program in Saskatchewan collects fees on new tire sales which are to be used to collect and process the products specified on the TSS website. (See Appendix.) TSS does not have a program nor have funds to collect and process the following non-program materials:

Non-Program Materials

- Any tire with a rim size 7" or less
- Oversized tires (OTR) larger than 39"
- Vehicle tire inner tubes
- Tires still on rims
- Foam Filled Tires
- Wheelbarrow tires
- Snowmobile/quad tracks.
- Bicycle or electric bike tubes and tires
- Recapped and retreaded tires
- Wheelchair/electric mobility aid tires

Under this PSP, TSS will develop a program to deal with non-program materials accumulated at collector yards, processor locations and the Clavet marshalling yard, including a budget and timelines for responsible disposal of these materials.

TSS will also research alternative means for retailers to handle, manage and dispose of these materials on their own, or work with collectors and processors to consider how the extra handling and costs can be addressed.

In some cases out of program materials (where no TRF is collected) will not be accepted by the collector or the processor at the retailer, in other cases TSS may find an alternative market or acceptable disposal option and collect these materials to support retailers.

In the past, car, truck, and tractor tire tubes, and bike tubes and bike tires, were picked up by the program. TSS will endeavour to continue to pick up these materials as long as TSS has an alternative market or acceptable disposal option. These services might change as costs are monitored and as alternative markets can change.

Also, no fees collected under the program are designated for legacy tires, nor for the cleanup of legacy tires that might be contaminated with dirt, steel rims or tubes. TSS has taken the position in the past to deal with legacy tires based on available funds "left over" from fees collected, however these funds are limited given the extra costs associated with industry restructuring in the last few years and as other costs rise. TSS will establish an annual program fund to deal with legacy tires.

Under the previous PSP past practices have continued without the budget nor clear direction, and therefore TSS will manage the messaging of these program changes from past practices.

3.7 HIGHER VALUE PROCESSING

In addition to processing incentive payment model, the TSS manages the program with the following hierarchy framework as prescribed in the PSP Guidelines from the Ministry.

Extraordinary circumstances requiring an exception to the PSS, requires Minister approval. TSS may deviate for or during safety, health, or environmentally threatening situations.



3.8 FOCUS ON RESEARCH AND MARKET DEVELOPMENT

TSS commits to the establishment of a market development fund under this PSP to be eventually up to 5% of the revenues of the program and will work in conjunction with the processor on market development in Saskatchewan. Initial market development efforts from both TSS and processors will be in the use of higher quality TDA (for leachate layer) and RMA, and the adoption of rubber modified asphalt in Saskatchewan.

Finding new and sustainable markets is critical to the success of processors. Equally critical is ensuring that there are no stockpiles, that higher value products can be produced, and that processors can meet the ever-increasing future supply of scrap tires. Various approaches will be utilized, including engaging in meetings with processors and different stakeholders to develop relationships and connections in new and potential markets; engaging with different post-secondary institutions, and government ministers; or becoming involved with different research projects which may help to find new markets for scrap tire derived products.

TSS will assist processors with research. TSS will consider research related pilot projects for rubber modified asphalt, and the use of scrap tires for alternative fuels. TSS will work to encourage the development of rubberized asphalt in Saskatchewan through the Ministry of Highways. TSS and CRM Canada will jointly approach the asphalt industry and the uses of asphalt including provincial and municipal to develop trials of rubber modified asphalt under the oversight of CRM Canada and using CRM Canada equipment. TSS will work with the northern processor as well on the market development of its products.

3.9 LEGACY PROGRAMMING

Legacy tires are old scrap tires that landowners or consumers have held on to for years and have never had a tire recycling fee paid on them, since they were purchased prior to the program being in place in the province. For the last four years TSS has registered over 200 legacy tire piles and pickups. The ability of TSS to address these legacy tires has been highly contingent on available funds from its own internal budget along with the operational ability of TSS processors to accommodate the material (in terms of non-contaminated tires and extra volumes). Finding a solution to this dilemma will be a major focus during this PSP.

TSS will work with the processors, collectors, advisory committees, and the ministry on the development of a program for the collection and disposal of legacy tires. TSS needs a plan to collect legacy tires on a timely basis. TSS will develop a budget, and source of funds, to work through the registered legacy tire pickups at TSS, as well as develop a plan for “dirty” legacy tires which may include adding material screening operations.

TSS will follow its process of continuing to register requested pickup of legacy to tires and will categorize into small and large. This TSS database of the various legacy piles in the province provides insight into the scope of the problem. Under this PSP TSS will use criteria for prioritizing stockpiles such as the number of tires, condition and age of tires and the site; topography and access; site ownership and access; and social, environmental and health impacts and health risks.

Additional costs are not just for collection and processing, as legacy tires can require extra handling, are not reliable source material for crumbling, and may still be on the rims. TSS will investigate how other jurisdictions are managing legacy tires as well as work the processors and with collectors and then implement a funded program.

3.10 TIRE CREDITS AND RETURN TO RETAILER

Under this PSP the “Tire Credits” system will be reviewed and then phased out so credits will be no longer managed or tracked. Once a collector is at a retailer site who follows the program, all eligible tires are picked up.

The Return to Retailer (R2R) program provides Saskatchewan residents with an additional scrap tire disposal option. The program allows residents to drop off a maximum of ten (10) rimless scrap tires, free of charge at select tire retailers, even if the tires were not originally purchased at that location. The select retailers store the scrap tires on-site, which are then picked up through normal tire collection operations and delivered to processors. TSS will evaluate the R2R program.

3.11 NEW SERVICE PROGRAMS

Coordinated Municipal & Community Pickup Days

TSS will investigate, under this PSP, the potential to coordinate with local municipalities to register a community drop off site for TSS collectors to regularly pick up from. The costs for such a program will be developed and funds will need to be identified before its launch.

Stockpile Prevention: Financial Resources & Education

Processors are required to have financial resources for reclamation in the event they go out of business. In addition to financial assurances, processors are also required to provide a documented closure plan to the ministry that could be implemented in the case of any potential facility closure. These plans address how processors plan to be able to cover any stockpile issues if a closure were to arise.

3.12 COMPLIANCE PROGRAMS

Retailer Compliance Program

TSS generates its revenue through the collection of tire recycling fees on tires sold throughout Saskatchewan. Each retailer that sells tires to an end user is required to collect the tire recycling fee based on tire type and tire size and remit those fees to TSS. TSS costs are directly attributed to these sales, and it is in the organization's best interest to ensure that all fees are paid.

Retailers that fall out of compliance are not eligible for collection services from TSS until their accounts are brought up to good standing. If retailers are negligent in remitting over multiple reporting periods, then TSS engages the Ministry of Environment based on the terms of the established Compliance and Enforcement Guidance Document.

TSS uses a third-party professional audit firm to complete the audits for retailer compliance. The third party uses different auditing procedures.

These steps include:

- Obtaining the reports that retailers use to calculate the tire recycling fees to be remitted; compare the data generated from these reports to the remittances.
- Obtain the retailers' general ledger for the applicable sales accounts and the tire recycling fee account.
- Cross reference tire sales to the tire recycling fee accounts, ensuring there are corresponding fees collected for all new tire sales.
- Sample invoices to ensure the tire recycling fee is appropriately charged based on the number and size of tires sold.
- Compare the total tire recycling fee collected for the period to the remittance; and
- Obtain all tire purchase invoices and calculate an expected tire recycling fee to be collected and compare them to what has been remitted to TSS.

During 2025, the ministry and TSS have agreed to review and revise the current retailer compliance and enforcement program to streamline and make compliance more efficient and immediate. Ongoing non-compliance can be referred by TSS to the ministry for a compliance and enforcement plan. After warnings from the ministry, under the legislation, a retailer can be charged and fined for non-compliance. TSS commits to a regular audit cycle of all retailers, and specific audits for retailers that are suspected of falling out of compliance.

TSS will also participate in CATRA's Harmonized Compliance Review (HCR) program. In general, HCRs involve a single auditing firm engaged by CATRA to conduct retailer compliance reviews on behalf of all Canadian jurisdictions involved in the HCR for tire retailers operating across

provincial boundaries.

Current Collection & Processor Compliance Program

The collector is compensated by TSS based on the weight of rubber (scrap tires) picked up from the retailers and delivered to a TSS processor or the TSS marshalling yard. Currently, TSS processor agreement paid on outbound or processed material with incentivized rates to promote the amount of value-added material. As a method of internal control, TSS's new tracking app and software will also compare information collected at retailers with the weight of the loads delivered to the processor. This will be reviewed prior to payments being made.

Dispute Mechanism with Retailers

Within TSS agreements with retailers and contracted service providers, there are provisions set out in which TSS will follow in the event of a dispute to manage to a resolution as quickly as possible. The following provides a general overview of this process, which has been defined to resolve issues in a fair, transparent and unbiased, independent manner from all perspectives.

- First, the parties will try to resolve the issue in collaboration together in a reasonable manner in good faith after receiving written notification of the dispute issue from the other party. If the manner is not resolved in 30 days, any party may initiate arbitration.
- If dispute cannot be settled informally, arbitration will be the manner for resolving the dispute and will be settled by binding arbitration in Regina before a single arbitrator in accordance with The Arbitration Act, 1992 (Saskatchewan).
- Arbitration will be initiated by written notice by either party or the other party. The selection of an arbitrator will be by mutual agreement of the parties. In the event the parties are unable to select an arbitrator, either party may request the Court of Queen's Bench for Saskatchewan to appoint the arbitrator.
- The award rendered by the arbitrator will be final and binding on the parties and not subject to further appeal and judgement. This award rendered by the arbitrator may be entered in any court having jurisdiction and will be in writing and specify the factual and legal basis for the award.
- The parties must pay all fees and expenses owed to the arbitrator equally.
- It is the intent of the parties that any arbitration shall be concluded as quickly as possible.

Quality Control & Assurance

TSS internal tracking systems and procedures will support quality control and assurance aspects of retailers, collectors and processors meeting their respective obligations. All retailer's remittances, collection and processing invoices are reviewed internally for accuracy and follow up on to address any errors. These activities are all processed, and all data is entered into the program's tracking system which manages remittance and collection data. A negative balance on retail sales versus collections is used to identify retailers that may not be remitting their fees on a timely basis and an opportunity to ensure they keep their accounts up to date to get continued service.

TSS will continue to use and maintain a customized tracking system that tracks all key aspects of the program, including remitted TRFs, tire sales, scrap tires collected, transport locations for scrap tires and scrap tires processed. This system is integral in generating the reporting required by the program for managing performance throughout the year and reporting to the board, the ministry and other stakeholders.

4.0 PERFORMANCE MEASURES & TARGETS; REPORTING

4.1 PERFORMANCE MEASURES

The following table provides an overview of performance measures and targets that TSS uses as benchmarks for performance and based on information provided by other programs nationally through CATRA. They are broken down by key groupings: Collection & Processing/Recovery, Accessibility, Programing Sustainability, GHG, and Awareness & Stakeholder Satisfaction. See the corresponding sections below.

Collection & Processing Measures; Rrecovery Rate Measures

The Recovery Rate is one of the most often cited statistics in the tire stewardship industry which recognizes the total units collected, divided by the total number sold. TSS has seen a significant improvement in the rate since its inception. TSS sets a performance target of 85% by 2028 which represents an equal improvement of ~9% from the average recovery rate from last 4 years. In 2023, by comparison Alberta and Manitoba had diversion rates of 87% and 68%, respectively.

Recovery Rate

Year	Rate
2017	70.0%
2018	71.6%
2019	75.4%
2020	70.8%
2021	73.6%
2022	72.9%
2023	72.5%
2024	83.6%

	Performance Measure	PSP Target
Collection and Processing		
1	Recovery Rate (excl. NVS) (Total units collected / Total Units Sold)	85% by 2028
2	Processor Year end of Inventory (Year end inventory on site by weight)	10,000 tones at year end
Accessibility		
3	Percentage of Population Served	55%
	Percentage of population Centres served	90%
	Percentage of population living in Centres served	90%
4	Revamped R2R	+50% retailers
5	Percentage of RM receiving legacy cleanup	90%
Program Sustainability and Financial Management		
6	Administration Costs	<8%
7	Greenhouse Gas Emissions Impact (Million km driven)	-35.00
Awareness and Stakeholder Satisfaction		
8	Education (awareness of tire recycling program and benefits)	70%
Retailer Satisfaction		
9	Understand how program works	80%
	Overall very satisfied / satisfied /neutral	90%

Accessibility Measures - Population Served

TSS wants the program to be more accessible for people to recycle tires. The accessibility of the program can be analyzed through the percentage of the population served. Though TSS cannot influence the location of retailers in the province, TSS can engage with municipalities to find unique solutions to provide collection services, such as through the RM/landfill Registration Applications and Agreements. Also, TSS can continue to develop programming for northern, remote and First Nation Communities.

Population Served	Total	w/ Retailer	%	Population	Population Served	%
Cities	17	17	100.0%	689475	689,475	100.0%
Towns	149	143	96.0%	149600	147,918	98.9%
Villages	251	175	69.7%	40407	33,539	83.0%
Resort Villages	40	3	7.5%	6785	1,542	22.7%
Rural Municipalities	296	92	31.1%	176501	77,270	43.8%
Northern Hamlets & Villages	22	12	54.5%	11577	7,377	63.7%
First Nations Reserves	173	5	2.9%	55850	3,057	5.5%
Total	948	447	47.2%	1,130,195	960,178	85.0%

Number of R2R Locations

TSS will review this program and replace it or may increase the proportion of retailers that are part of the R2R program by making it easy to participate and limiting the requirements of the program and the retailer. Currently there are 8.7% of retailers who are part of the R2R program, with zones as low as 4.2%.

Zone	Retailers	R2R	%
Zone 1	223	25	11.2%
Zone 2	282	25	8.9%
Zone 3	258	27	10.5%
Zone 4	214	18	8.4%
Zone 5	236	10	4.2%
Zone 6	154	14	9.1%
	1367	119	8.7%

Percentage of Rural Municipalities Receiving Cleanup

TSS is tracking large scale cleanups that cannot be accommodated through the R2R program through its website and as the legacy cleanup program is developed and launched, landfills are registered with TSS, pickups by RM will be reported.

Program Sustainability & Financial Management - Administration Costs

TSS has administration fees of less than 10% and will manage to achieve this goal.

	2024	2023	2022	2021	2020	2019	2018
Admin.	7.9%	8.6%	6.9%	6.5%	4.0%	5.8%	7.3%

TSS' goal is prudent funds so TRFs are kept as low as possible while providing fair incentives to collectors and processors as well as to fund programs like market development and legacy tires.

Greenhouse Gas Emissions

With the help of Scope 3 Consulting, TSS will continue to track the environmental impact of its processing and collection efforts. The method measures the amount of carbon emissions displaced by using tire derived products versus traditional or other products. TSS now tracks the impact of its program, and the most recent data shows a 46% improvement from 2022 data and 330% improvement from 2018. In the last 5 years, TSS program efforts have resulted in the equivalent removal of 100 million kilometers of vehicle travel.

GHG Impact (equivalency of million kms driven)							
	2018	2019	2020	2021	2022	2023	5 yr total
Impact Reduction	-7.23	-13.99	-15.67	- 18.14	-16.30	-23.86	-97.94

Awareness & Stakeholder Satisfaction - Education & Awareness

TSS conducts online study on awareness of their program to the public. In the most recent

survey 51.4% of respondents indicated they were aware that the province had a tire recycling program and 40.1% of respondents were aware of TSS's Return to Retailer program which is available to dispose of small quantities of scrap tires.

Retailer Education and Satisfaction

An understanding of how the program works is a key driver of satisfaction amongst retailers. TSS completed an online survey that was sent to all retailers in 2023 to understand a benchmark of their awareness and satisfaction with the program. 76.2% of retailers were gauged to properly understand how the program works and 89% of retailers indicated they were overall neutral to very satisfied with the program.

4.2 Program Reporting Requirements

TSS will adhere to the following reporting requirements as stated within the regulations and guidelines set by the Ministry of Environment.

Quarterly Reporting

TSS submits quarterly reports to the Minister outlining activities of the program during the reporting period including:

- Description of tire shipments, including the volume and type of tires shipped to each shipping destination; and
- The end use at each shipping destination.

Annual Reporting

TSS submits an annual report each year to the ministry outlining activities of the program during the reporting period, including:

- The number of tires sold.
- The number of scrap tires recycled the manner and location in which tires were recycled.
- The number of stockpiled scrap tires recycled and the way they were recycled.
- The names of the first sellers.
- Any other information that the Minister may require, including:
 - A description of the public education or awareness and communication program with examples of advertisements or communications.
 - The amount spent on public education or awareness and communication.
 - The number of collection locations

TSS will also make available for the public our Annual Report on our website.

5.0 FUNDING MODEL

Program Funding

The program is funded through the collection of Tire Recycling Fees (TRFs). These fees can be found in Appendix. The fees are collected on any new tire sales as well as tires sold on new vehicles (NVS). TRFs are set by TSS on PLT, MTRK, AG, OTR I and OTR II tires. The fee rates vary by tire type to compensate for the higher costs of collecting and disposing of larger tires.

Program Expenses

These TRF fees are used in the operation of the tire recycling program in Saskatchewan with no TRFs collected directed to the government. TSS was active in reducing expenditure and making program changes to improve the financial position of the organization up until 2022. Since then, extra costs occurred in legal fees, consulting, and higher processing costs, and the Clavet marshalling yard given the delays in setting up a northern processor. Under this PSP the program, organization and finances will stabilize as major industry changes have been made.

Appendix Certificate of Incorporation

Certificate of Incorporation

I certify that:

TIRE STEWARDSHIP OF SASKATCHEWAN INC.

102026123

was incorporated as a Saskatchewan Non-profit - Membership under
The Non-profit Corporations Act, 1995
on June 28, 2017.



Director of Corporations
June 28, 2017

Appendix Summary of Engagement Responses

Advisor Group	Timing and Process	Input provided and Incorporated into PSP
Board Members Meetings Team calls Phone calls Emails	November, March, April Draft Review in November 2024 and May 2025	Build in process to development board committees and more structure. Add board members with defined roles. Clarifying what falls outside of the program. Need for annual strategic planning. More regular financial reporting Improve relationship and communication with Ministry and with Retailers
Ministry input Draft reviews Meetings Emails	Fall - 2024 - draft review! November Meeting 2024 – May 2025	Incorporate recommendations from third party review. Add in justification of out of province shipping. Confirm processors paid after processing and sold. Strengthen board and recommendations for membership. Improve governance and communication and relationship with Ministry
Collector Discussions Teams In person Phone calls emails	March, April, May 2025	Clarify the materials that are in and out of the program. Input on the implementation of tracking each load from pickup to delivery to processor. Input on the “branding” of trucks, vehicles, and trailers Input on retailer education and communication
Retailer Discussions		Clarify the materials in and out of the program. Identification of need for more policies on acceptable materials, tires on rims, trucks etc. Better service levels and tracking
Processor Discussions	March / April 2025	The importance of clean loads and Need for regular meetings and communication to manage issues. The need to review processing fees on a regular basis. Importance of improving safety and handling of tires when transferred from collector to processor. Clarify with collectors on out of program tires. The role of TSS in developing local markets through a market development fund
Advisory Committee Review	November 2024 -re view draft; input on committee purpose and structure May 2025 – review and input to draft	Need to provide more clarity around the role of the advisory committees. Advice on the governance of the board. Inform annual planning. Minimum number of meetings annually
Other Programs – Manitoba and Alberta	April /May 2025	In program and out of program definitions. Board structure and roles. Planning, budgeting, and funding programs Legacy tires and community drop offs. Technology and tracking

Appendix Tire Recycling Fees (TRF)

CLASSIFICATION	TRF (\$) + GST	TIRE TYPES	DEFINITION
PLT PASSENGER CAR / LIGHT TRUCK Rim Sizes 8" - 30"	\$5.00	<ul style="list-style-type: none"> • Passenger Car (P), Light Truck Tires (LT) • Small RV, Trailer, and Utility Trailer Tires • Motorcycle, All Terrain Vehicle and Golf Cart Tires • Lawn and Garden Equipment • Forklift, Skid Steer, Press-on Solids, and Front Tractor and Implement Tires up to a maximum sixteen" rim 	<ul style="list-style-type: none"> • Passenger Tires (P) are designed for use on passenger cars, light trucks, small RVs, and multipurpose passenger vehicles, including sport utility vehicles and crossover utility vehicles. • Codes found on the sidewall of Passenger and Light Truck tires are (P) Passenger and (LT) Light Truck. Temporary Spares are marked (T) Temporary • Includes all tires specifically designed for on/off highway motorcycles, motorcycle sidecars, motor bikes, mopeds, mini-cycles, golf carts and all-terrain vehicles (ATV) • RV Trailer and Utility Trailer tires are marked (ST) Special Trailer • Includes pneumatic Forklift tires, Press-on Solid tires, Bobcat/Skid Steer tires measuring 16" and under • Includes Free Rolling Farm and Implement tires deemed for use on farm equipment up to a maximum sixteen" rim size. • Tires are usually identified with the sidewall marked (IMP) Implement
MTRK MEDIUM TRUCK Rim Sizes 15" - 24.5"	\$14.00	<ul style="list-style-type: none"> • All tires not marked "LT" or "ST." • Semi and Industrial Truck Tires • Wide Base Skid Steer and Loader Tires 17.5" rim and larger • Forklift, Skid Steer, Press-on Solids and Front Tractor and Implement Tires 16.1" rim and larger 	<ul style="list-style-type: none"> • Includes drive wheel tires used on tractors and combine equipment. These tires are normally identified with a sidewall marking (R) Radial Ply or (HF) High Flotation and are 16.1"-20." <p>*Also commonly known as Commercial Truck Tires - Truck and Bus tires including Wide Base or Heavy Truck tires designed for truck/bus applications and larger (RV) Recreational vehicle tires not marked (P) or (LT) Passenger or Light Truck</p>
AG AGRICULTURAL TIRES Rim Sizes 24" and up	\$25.00	<ul style="list-style-type: none"> • Agriculture (All Rear & Front Wheel Drive) Tires • Ag tracs 	<ul style="list-style-type: none"> • These tires include ALL Rear and Front Wheel Drive tires classified as Agriculture tires. • Tires are designated with one of the following sidewall markings R-1/R-1W/R-2/R-3/R-4/HF1/HR2/HF3/HF4
OTR I OFF THE ROAD/MINING Medium Types (Rim Sizes up to and including 23.5" - 25")	\$57.00	<ul style="list-style-type: none"> • Off-the-Road, Mining, Earthmover, Construction Tires within classification up to and including 23.5-25" Tires • Forestry Tires • Rubber Tracks on Industrial Equipment 	<ul style="list-style-type: none"> • Tires used on tree harvesting equipment and are normally identified with a sidewall marking with suffix letters (LS) Logger/Skidder • Includes OTR Mining, Earthmover (E), Construction (C), Grader (G) Industrial (IND) and Aircraft tires up to and including size 23.5-25" tires

<p>OTR II</p> <p>OFF-THE ROAD/MINING</p> <p>Larger Types (Rim Sizes 26.5-25" and up)</p>	<p>\$140.00</p>	<ul style="list-style-type: none"> Off-the-Road, Mining, Earthmover, Construction Tires over 23.5"- 25" to a maximum rim size of 39" 	<ul style="list-style-type: none"> Includes OTR Mining, Earthmover (E), Construction (C), Forestry (F), Industrial (IND), and other on/off highway tires over the size of 23.5-25" <p>*OTR tires that exceed thirty-nine" rim is not part of the scrap tire program – no recycling fee applicable and no disposal service provided</p>
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Out of program materials

Any tire with a rim size 7" or less, OTR larger than 39", tires still on rims, foam filled tires, wheelbarrow tires, packer wheels, solid forklift tires, snowmobile/quad tracks, bicycle or electric bike tires, recapped and retreaded tires, wheelchair/electric mobility aid tires (tire tubes and bike tires, check with TSS)

PLEASE NOTE

Fees also apply to disposal of scrap tires not accompanied by a new tire sale, and warranty replacement tires