

Independent Assurance Report

To the Director of the Canadian Battery Association and the Minister of Environment and Climate Change Strategy

We have undertaken a reasonable assurance engagement of the accompanying Annual Stewardship Report - British Columbia as it pertains to the Association's reporting requirements under the Environmental Management Act Recycling Regulation sections 8(2)(b), (d), (e), and (g) of Canadian Battery Association for the year ended December 31, 2021.

The Environmental Management Act Recycling Regulations sections 8(2)(b), (d), (e), and (g), against which the Annual Stewardship Report - British Columbia was evaluated, were designed for a specific purpose. Our report has been prepared for the purpose of management's stewardship under the Recycling Regulations. As a result, readers are cautioned that our report may not be suitable for another purpose.

Our Responsibility

Our responsibility is to express a reasonable assurance conclusion on the Annual Stewardship Report - British Columbia as it pertains to the Association's reporting requirements under the Environmental Management Act Recycling Regulation sections 8(2)(b), (d), (e), and (g) based on our reasonable assurance engagement. We conducted our reasonable assurance engagement in accordance with Canadian Standards on Assurance Engagements 3000, *Attestation engagements other than audits or reviews of historical financial information*.

Our Independence and Quality Control

We have complied with the independence and other ethical requirements of the rules of professional conduct, which are founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality, and professional behaviour.

The firm applies Canadian Standard on Quality Control 1, *Quality Control for Firms that Perform Audits and Reviews of Financial Statements, and Other Assurance Engagements* and, accordingly, maintains a comprehensive system of quality control, including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Summary of Work Performed

A reasonable assurance engagement includes examining, on a test basis, evidence supporting the amounts and disclosures within the Annual Stewardship Report – British Columbia. A reasonable assurance engagement also includes assessing the evaluation criteria used and significant estimates made by management, as well as evaluating the overall presentation of the Annual Stewardship Report – British Columbia. The main elements of our work include:

- Inquiring and discussing with management to obtain an understanding of the management and information systems, processes, and relevant controls used to generate, aggregate, and report the data in the Annual Report.
- Performing walkthroughs to test the design and effectiveness of internal controls related to data collection and reporting in the Annual Stewardship Report – British Columbia
- Agreeing the number of collection facilities to supporting documentation
- Confirming the existence of collection facilities including address, types of products accepted and hours of operation
- Investigate any significant fluctuation in the total number of collection facilities over the past three years
- Agreeing the total amounts of the producers' products sold and collected during the year to source records on a test basis
- Verifying that all recovered product was received by recycling and smelting facilities that have valid permits, approvals and/or export permits
- Agreeing data used in calculations to source documents on a test basis
- Agreeing the applicable Annual Stewardship Report – British Columbia target data to the approved stewardship plan to ensure completeness and consistency
- Reviewing the Annual Stewardship Report – British Columbia to determine whether it is consistent with our overall knowledge or, and experience with, the non-financial performance of the Association
- Comparison of reported performance against targets to internal records and calculations of performance.

Conclusion

Based on the procedures performed and evidence obtained, nothing has come to our attention that causes us to believe that the Annual Stewardship Report - British Columbia of Canadian Battery Association for the year ended December 31, 2021 has not complied, in all material respects, with Environmental Management Act Recycling Regulation sections 8(2)(b), (d), (e), and (g).

Nanaimo, British Columbia

June 30, 2022

Chartered Professional Accountants

DRAFT - For Discussion Purposes Only

Appendix 1 to the Independent Reasonable Assurance Report

Evaluation Criteria

Collection Facilities

Specific disclosures in the 2021 Annual Stewardship Report – British Columbia for which evaluation criteria were developed		
<i>Disclosed information</i>	<i>Claim in the report</i>	<i>Reference</i>
Number of collection facilities	253 Return Collection Facilities (RCFs).	Part 2, Section 8(2)(b) See Page 2 and Table 1 of the 2021 Annual Stewardship Report – British Columbia
Changes to the number of collection facilities	A decrease of 2 RCFs	Part 2, Section 8(2)(b) See Page 2 and Table 1 of the 2021 Annual Stewardship Report – British Columbia

The following definitions were applied to the assessment of the location of collection facilities, and any changes in the number and location of collection facilities from the previous report in accordance with Section 8(2)(b) of the Recycling Regulation:

- Collection facility: any consumer of industrial facility that accepts Lead Acid Batteries

The following evaluation criteria were applied to the assessment location of collection facilities, and any changes in the number and location of the collection facilities from the previous report in accordance with Section 8(2)(b) of the Recycling Regulation:

- The number of collection facilities is determined based on the number of retail outlets or industrial depots that advertise they will accept lead acid batteries.
- Changes in the number of collection facilities are determined based on a review of retail outlets and CBA members self reporting industrial battery depots.

Product Management

Specific disclosures in the 2021 Annual Stewardship Report – British Columbia for which evaluation criteria were developed		
<i>Disclosed information</i>	<i>Claim in the Report</i>	<i>Reference</i>
A description of how the recovered product was managed in accordance with the pollution prevention hierarchy	100% waste lead batteries sent to Permitted Recycling Facilities 100% Compliance to International Requirements	Part 2, Section 8(2)(d) Pollution Prevention Hierarchy and Product/Component Management See Page 2 and Table 1 of the 2021 Annual Stewardship Report – British Columbia

The following definitions were applied to the assessment of the description of how the recovered product was managed in accordance with the pollution prevention hierarchy in accordance with Part 2 Section 8(2)(d):

- Total weight of LABs processed, by category, is determined based on scaled deliveries to licensed smelters in North America by CBA members or exported by permit to OECD countries.
- The recycling requirements and emission levels for recyclers and smelters are set by Provincial, Federal, or State government as part of their permit/approval processes for the recycling and smelting facilities.

The following evaluation criteria were applied to the assessment of the description of how the recovered product was managed in accordance with the pollution prevention hierarchy in Part 2 Section 8(2)(d):

- All recovered LABs collected by CBA members are sent to recycling and smelting facilities that have valid permits, approvals and/or export permits.

Product Sold and Collected

Specific disclosures in the 2021 Annual Stewardship Report – British Columbia for which evaluation criteria were developed		
<i>Disclosed information</i>	<i>Claim in the report</i>	<i>Reference</i>
Product sold	Lead Battery Sales in BC 24,475,218 kg	Part 2, Section 8(2)(e) Table 1 of the 2021 Annual Stewardship Report – British Columbia
Product collected	Lead Battery Recycled in BC \$25,226,792 kg	Part 2, Section 8(2)(e) Page 2 and Table 1 of the 2021 Annual Stewardship Report – British Columbia
Recovery rate	Lead Battery Recovery Rate 103.1%	Part 2, Section 8(2)(e) Page 2 and Table 1 of the 2021 Annual Stewardship Report – British Columbia
Recovery rate target of 95%	Recovery rate 103.1%	Part 2, Section 8(2)(3) Page 2 and Table 1 of the 2021 Annual Stewardship Report – British Columbia

The following evaluation criteria were applied to the assessment of total amounts LAB sold and collected and the recovery rate calculated in accordance with Part 2, Section 8(2)(3) and the specific targets associated with Section 8(2)(e) of the Recycling Regulation in the approved Stewardship Plan (2016):

- Product sold: determined based on self-reporting by each steward of units sold by category on a monthly /quarterly/annual basis.
- Product collected: based on the weight of material shipped to brokers, recyclers, and smelters for recycling
- Product collected: adjustments for in transit material and inventory at consolidated sites that are net yet invoiced by processors are made for annual reporting purposes.
- Targets in the Stewardship Plan (2016) have been identified and reported by management in the 2021 Annual Stewardship Report – British Columbia and
 - The description of progress against targets to date is supported by records maintained by the CBA.
 - The expected outcomes and target dates in the 2021 Annual Stewardship Report – British Columbia are consistent with the targets in the Stewardship Plan (2016).
 - The facts disclosed in the annual update on progress are supportable by evidence, neutral and understandable.
 - The Stewardship Plan 2016 -2020 referred to has not yet been approved by the Ministry of Environment and Climate Change.