
INDEPENDENT ASSURANCE REPORT

To Multi-Material British Columbia

We have been engaged by the management of Multi-Material British Columbia (“MMBC”) to undertake a reasonable assurance engagement in respect of the following disclosures within MMBC’s Annual Report to the Director for the year ended December 31, 2015 (together the “Subject Matter”):

- Section 4: 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 BC Regulation 449/2004 (the Recycling Regulation);
- Section 5: The description of how the recovered product was managed in accordance with the pollution prevention hierarchy in accordance with Section 8(2)(d) of the Recycling Regulation;
- Section 7: The total amount of the producer’s product sold and collected and, if applicable, the producer’s recovery rate in accordance with Section 8(2)(e) of the Recycling Regulation; and,
- Section 8: Performance for the year in relation to approved targets under Section 8(2)(b), (d) and (e) in accordance with Section 8(2)(g) of the Recycling Regulation.

The objective of this Annual Report to the Director is to disclose how MMBC’s management has discharged its responsibility to report on the Subject Matter in accordance with Sections 8(2)(b), (d), (e) and (g) of the Recycling Regulation.

RESPONSIBILITIES

The Subject Matter is the responsibility of MMBC’s management, who have prepared the Subject Matter in accordance with the evaluation criteria, which are an integral part of the Subject Matter. Our responsibility in relation to the Subject Matter is to perform a reasonable assurance engagement and to express a conclusion based on the work performed. Our audit does not constitute a legal determination on MMBC’s compliance with the Recycling Regulation.

EVALUATION CRITERIA

The suitability of the evaluation criteria is the responsibility of management. The evaluation criteria presented in Attachment 1 are an integral part of the Subject Matter and address the relevance, completeness, reliability, neutrality and understandability of the Subject Matter.

SCOPE OF THE AUDIT

We carried out our reasonable assurance engagement in accordance with the International Standard on Assurance Engagements 3000 (ISAE 3000) published by the International Federation of Accountants (“IFAC”). This Standard requires, amongst other things, that the assurance team possesses the specific knowledge, skills and professional competencies needed to understand and audit the information included within the Subject Matter, and that they comply with the independence and other ethical requirements of the IFAC Code of Ethics for Professional Accountants.

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Multi-Material British Columbia

A reasonable assurance engagement includes examining, on a test basis, evidence supporting the amounts and disclosures within the Subject Matter. 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 Subject Matter. The main elements of our work were:

- Understanding and evaluating the design of the key processes and controls for managing and reporting the Subject Matter information used by management in preparing the Annual Report Subject Matter;
- Assessing the risks that the Subject Matter may be materially misstated;
- Responding to assessed risks through testing, on a test basis, the Subject Matter information used by management in preparing the Annual Report Subject Matter;
- Procedures such as inquiring, inspecting, observing, vouching to independent sources, recalculating and re-performing procedures were performed to obtain corroborating evidence to address assessed risks linked to the Annual Report Subject Matter; and
- Evaluating the sufficiency and appropriateness of the evidence obtained.

OPINION

In our opinion, the Subject Matter within MMBc's Annual Report to the Director for the year ended December 31, 2015 presents fairly, in accordance with the evaluation criteria presented in Attachment 1, in all material respects:

- 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;
- The description of how the recovered product was managed in accordance with the pollution prevention hierarchy in accordance with Section 8(2)(d) of the Recycling Regulation;
- The total amounts of the producer's product sold and collected and, if applicable, the producer's recovery rate calculated in accordance with Section 8(2)(e) of the Recycling Regulation; and,
- The description of the performance for the year in relation to approved targets under Section 8(2)(b), (d) and (e) in accordance with Section 8(2)(g) of the Recycling Regulation.

Our report has been prepared solely for the purposes of management's stewardship under the Recycling Regulation and is not intended to be and should not be used for any other purpose. Our duties in relation to this report are owed solely to MMBc, and accordingly, we do not accept any responsibility for loss incurred by any other party acting or refraining from acting based on this report.

BDO Canada LLP

Chartered Professional Accountants, Chartered Accountants

Toronto, Ontario
June 20, 2016

Attachment 1 to the Assurance Report

Evaluation Criteria

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

Specific Disclosures in the Annual Report for which evaluation criteria were developed:		
Disclosed information per Annual Report	Text of data claim in annual report	Reference
Section 4: Collection System and Facilities - Location of Collection Facilities	Table of locations of collection facilities by Regional District and Community, totaling 326 collection facilities comprised of 204 depots, 75 curbside and 47 multi-family location facilities.	Pages 9 - 21

Evaluation Criteria

The following evaluation criteria 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:

- The list of collection facilities is complete;
- Any change in the number of collection facilities is appropriately explained;
- The facility meets the requirement of a collection facility; and
- The number of collection facilities disclosed in the Annual Report is supported by evidence that is neutral and understandable.

Assessment of the description of how the recovered product was managed in accordance with the pollution prevention hierarchy under Section 8(2)(d) of the Recycling Regulation

Specific Disclosures in the Annual Report for which evaluation criteria were developed:		
Disclosed information per Annual Report	Text of data claim in annual report	Reference
Section 5: Pollution Prevention Hierarchy and Product / Component Management	Tonnes of material managed by recycling: 178,583 Tonnes of material managed by recovery (material or energy from the product as per PPH): nil Tonnes of material managed by disposal: 13,454.	Page 25

Evaluation Criteria

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 under Section 8(2)(d) of the Recycling Regulation:

- The conformance levels have been calculated based on the source data described in the Annual Report; and
- The process described in the Annual Report for managing the reliability of data has been implemented over the data included in the Annual Report.

Assessment of the total amounts of the producer's product sold and collected and, if applicable, the producer's recovery rate calculated in accordance with Section 8(2)(e) of the Recycling Regulation

Specific Disclosures in the annual report for which evaluation criteria were developed:		
Discloses information per Annual Report	Text of data claim in annual report	Reference
Section 7: Product Sold and Collected and Recovery Rate	<u>2015 Operating Year (Reflecting 12 months):</u> Amount of product sold (supplied by MMBC members)(te): 243,191 Amount of product collected (te): 186,509 Recovery rate: 77%.	Page 26

Evaluation Criteria

The following evaluation criteria were applied to the assessment of the total amounts of the producer's product sold and collected and, if applicable, the producer's recovery rate calculated in accordance with Section 8(2)(e) of the Recycling Regulation:

- Product sold has been calculated using the source data from the independent sources described in the Annual Report;
- Product recovered has been calculated using the source data from independent sources described in the Annual Report;
- Product re-used has been calculated using the source data from independent sources described in the Annual Report;
- Source data for sold, recovered and re-used is complete; and
- The calculation of the recovery rate using the appropriate source data is arithmetically accurate.

Assessment of the description of performance for the year in relation to targets in the approved stewardship plan under Section 8(2)(b), (d) and (e) in accordance with Section 8(2)(g) of the Recycling Regulation

Specific Disclosures in the annual report for which evaluation criteria were developed:		
Disclosed information on Targets per Annual Report	Text or data claim in relation to Targets	Reference
Section 8 - Plan Performance, Plan Target 1: Maintain at a minimum the overall provincial collection rate of 208,700 tonnes	MMBC collected 186,509 tonnes of material in 2015, which represents 77% of the tonnes supplied into the residential marketplace by MMBC's member-stewards.	Page 28
Section 8 - Plan Performance, Plan Target 4b: Direct 85% to 90% of collected PPP to recycling commodity markets	In 2015, 178,583 tonnes of MMBC's material were shipped to recycling end markets while 186,509 tonnes were collected (96%).	Page 30
Section 8 - Plan Performance, Plan Target 4c: Pollution Prevention Hierarchy Reporting	Tonnes of material managed by recycling: 178,583 Tonnes of material managed by recovery (material or energy from the product as per the Pollution Prevention Hierarchy): 0 Tonnes of material managed by disposal: 13,454	Page 31

Note: There were no performance targets for Section 8(2)(b) and the product sold and recovery rate for Section 8(2)(e) in the Packaging and Printed Paper Stewardship Plan.

Evaluation Criteria

The following evaluation criteria were applied to the assessment of the description of performance for the year in relation to targets in the approved stewardship plan under Section 8(2)(b), (d) and (e) of the Recycling Regulation:

- The list of targets is complete;
- The targets are neutral and consistent with the targets approved in the stewardship plan; and
- The performance of the targets are supportable by independent evidence.