



January 8, 2021

Dear Brand Owners:

RE: SALES VERIFICATION OF REPORTED CONTAINER SALES FOR 2020 FISCAL YEAR (FY)

As part of the Appointment Agreement, for Encorp Pacific (Canada) to act on your behalf to fulfill the Recycling Regulation of BC, Encorp requires all brand owners to provide a third party sales verification report on an annual basis. The sales verification process implemented starting with 2013, requires completion of thirteen (13) specified procedures and a Declaration of compliance by each registered brand owner.

The report on specified procedures has to be completed by an external auditor, internal auditor, or senior officer of the company depending on the unit sales volume. Please refer to Table 1 for the level of required compliance. The reports have to be submitted to Encorp Pacific (Canada) directly by the assurance provider and include the following:

- 1) **Schedule A** - Schedule of Units Charges and Returns
- 2) **Schedule B** - Report on Specified Procedures (*Ensure to insert your company letterhead in the letter.*)
- 3) **Appendix 1** - Specified Audit Procedures on Sales Verification Schedule (*Ensure to fill in the comments.*)
- 4) **Schedule C** - Declaration of Compliance

The sales verification package specific to your company annual volume can be obtained at <http://www.return-it.ca/beverage/industry/annualaudit/>. The package is available in Word format for ease of use for your company.

The review shall cover a period **from January 1, 2020 to December 31, 2020** with a listing of unit charges by container type. An option exists where a brand owner can report based on its company's recent fiscal year-end. The sales verification reports have to be submitted before **April 1, 2021**.

If you have any questions regarding the sales verification requirements for 2020, please do not hesitate to contact us.

Regards,

Encorp Pacific (Canada)



Table 1

Annual Unit Volume	Minimum Verification Methodology
> 10,000,000	External Auditor
> 5,000,000 but < 10,000,000	External Auditor or Internal Auditor
< 5,000,000	External Auditor or Internal Auditor or Senior Officer

