



June 27, 2013

## **Independent Reasonable Assurance Report to the Directors of Canadian Wireless Telecommunications Association (“CWTA”)**

### **Scope**

We have been engaged by Canadian Wireless Telecommunications Association (the “Association” or “CWTA”) to perform a reasonable assurance engagement in respect of the following information presented in the 2012 Annual Report to the Director, Environmental Quality Branch, Ministry of the Environment (“MOE”) as hosted on the Association’s and British Columbia (“BC”) MOE’s website<sup>1</sup> for the year ended 31 December 2012 (together the “selected information”):

1. the location of its collection facilities, and any changes in the number and location of collection facilities from the previous report; and
2. the total amount of the producer’s product distributed and collected.

Our opinion does not constitute a legal determination on the Association’s compliance with the British Columbia Regulation 449/2004 Recycling Regulation (“Recycling Regulation”).

### **Responsibilities**

Preparation and fair presentation of the selected information in accordance with the evaluation criteria, as listed in Appendix A, is the responsibility of the Association’s management. Management is also responsible for such internal control as management determines is necessary to enable the preparation of the selected information such that it is free from material misstatement. Furthermore management is responsible for preparation of suitable evaluation criteria in accordance with the *Third party assurance requirements for non-financial information in annual reports*, dated July 31, 2012 (“Assurance Requirements”) as specified by the Director under section 8(2)(h) of the Recycling Regulation and International Standard on Assurance Engagements 3000 (“ISAE 3000”), “Assurance Engagements other than Audits or Reviews of Historical Financial Information” published by the International Federation of Accountants.

Our responsibility is to express an opinion on the selected information based on the procedures we have performed and the evidence we have obtained.

### **Criteria**

The evaluation criteria used by CWTA are described in Appendix A. We consider the evaluation criteria to be suitable for our engagement.

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<sup>1</sup> The maintenance and integrity of CWTA’s website is the responsibility of Management; the work carried out by PricewaterhouseCoopers does not involve consideration of these matters and, accordingly, PricewaterhouseCoopers accepts no responsibility for any changes that may have occurred to the reported information or criteria since they were initially presented on the website.

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### **Methodology & assurance procedures**

We conducted our procedures in accordance with the ISAE3000 standard. This standard requires that we comply with independence requirements and plan and perform our procedures to obtain reasonable assurance about whether the selected information is free of material misstatement.

A reasonable assurance engagement includes examining, on a test basis, evidence supporting the amounts and disclosures within the selected information. The procedures selected depend on our judgment, including the assessment of the risks of material misstatement in the selected information due to omissions, misrepresentation and errors. In making those risk assessments, we consider internal controls relevant to the entity's preparation and fair presentation of the selected information in order to design assurance procedures that are appropriate in the circumstances, but not for the purpose of expressing a conclusion on the effectiveness of the entity's internal controls. 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 selected information.

Within the scope of our work we performed, amongst others, the following procedures:

- Obtaining an understanding of the management systems, processes, and controls used to generate, aggregate and report the data;
- Testing relevant documents and records on a sample basis;
- Testing and re-calculating quantitative information related to the selected information on a sample basis; and
- Reviewing the consistency of the selected information with the related disclosures in the 2012 Annual Report to the Director, Environmental Quality Branch, MOE.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### **Inherent limitations**

Non-financial performance information is subject to more inherent limitations than financial information, given the characteristics of the selected information and the methods used for determining and calculating such information. Qualitative interpretations of relevance, materiality and the accuracy of data are subject to individual assumptions and judgements. Furthermore, the nature and methods used to determine such information, as well the evaluation criteria and the precision thereof, may change over time. It is important to read the Report in the context of evaluation criteria. For instance, with respect to indicator #2 as listed under the "Scope" section, the evaluation criteria are primarily focused on the process followed for reporting the data.



**Basis for qualified opinion**

With respect to indicator #1, as listed under “Scope” above, numerous errors were noted in the completeness and accuracy of the number and location of collection facilities. As of the date of our audit report, management was still in the process of rectifying the deficiencies and correcting the errors. As a result, we were unable to confirm or verify by alternative means the completeness and accuracy of the number and location of collection facilities as at December 31, 2012, or the change in number and location of the collection facilities versus prior year. Accordingly, we are unable to provide reasonable assurance as it relates to aforementioned indicator #1.

**Qualified opinion**

In our opinion, except for the matter described in the “Basis for qualified opinion” section, the selected information for the year ended December 31, 2012 presents fairly in accordance with the evaluation criteria, in all material respects:

- 2. the total amounts of the producer’s product distributed and collected.

Our opinion has been formed on the basis of our assurance procedures and is subject to the inherent limitations set out herein.

**Other matters**

Our report has been prepared solely for the purposes of CWTA to comply with the Assurance Requirements 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 CWTA and BC MOE, and accordingly, we do not accept any responsibility for loss occasioned to any other party acting or refraining from acting based on this report.

*PricewaterhouseCoopers LLP*

**Chartered Accountant  
June 27, 2013**



## Appendix A to the Assurance Report

### 1. The location of collection facilities, and any changes in the number and location of collection facilities from the previous report.

#### Evaluation criteria:

- **Collection Facilities** are one of the following types of locations:
  1. Permanent – Carrier identified retail locations and franchisees, or other approved third party operators (e.g. non-affiliated retail stores, libraries, municipal centres, etc.) that host Recycle My Cell collection boxes year round. These locations are accessible by consumers and included in the Recycle My Cell searchable database;
  2. Temporary – Carrier identified locations, or other third party operators (e.g. schools, offices, etc.) that host collection boxes for a limited period of time, seasonal drives and challenge-based drives or other limited temporary collection activities. These locations are not included in the Recycle My Cell searchable database;
  3. Processors/Consolidation Centres – facilities that receive Program Products via recovery mechanisms (product that is recovered via Mail-backs or delivered by couriers). These locations are not accessible by consumers; or
  4. Reverse Logistics Centres/Warehouses – facilities where Program Products under warranty are returned. These locations are not accessible by consumers.
- **Collection Facilities** are not Canada Post or courier service providers (e.g., FedEx) locations.
- The total number of collection facilities is reported on the basis of the following quantification methodology:
  - o The number of Permanent Collection Facilities is reported in the Annual Report to the Director, Environmental Quality Branch, MOE (“Annual Report”) and consists of the number of Collection Facilities that were listed in the Recycle My Cell searchable database.
  - o Temporary, Processors/Consolidation Centres, and Reverse Logistics Centres/Warehouse Collection Facilities may be identified and reported to CWTA by Program Participants. These are compiled separately and may only be disclosed as a total number in the Annual Report.
- The change in number and/or location of Permanent Collection Facilities is calculated by comparing the number and location of Collection Facilities for a reporting period with the equivalent data for the prior year.
- **Program Participants** include carriers, manufacturers and processors as identified in the Annual Report.
- **Program Products** are all products included in the program as listed in the currently approved product stewardship plan.



**2. The total amount of the producer's product distributed and collected as presented in Section 7.1 on page 15 and Section 7.2 on page 16 of the CWTA's 2012 Report to Director, Environmental Quality Branch, MOE respectively.**

Total amount of producer's product distributed is estimated as 726,908 units

Total amount of producer's product collected is estimated as 63,413 units

**Evaluation criteria:**

- **Product Sold** is the estimated amount of all Mobile Devices distributed into BC, whether they result in an end sale to a consumer or not, by the Program Participants to carrier-affiliated retail stores, third party retailers, corporate retailers and distribution centres. Quantification of Product Sold is based on data for Mobile Devices distributed into BC which is aggregated and provided to CWTA by a third-party consolidator.
  - o CWTA provides carrier specific excel template spreadsheets to ensure that data for all relevant manufacturers is appropriately captured in a consistent manner each year
    - Carriers provide their provincial data to manufacturers that are part of the RMC program.
    - Manufacturers aggregate the data received from carriers with their own for each province. This data is then sent to the third-party for consolidation.
    - The third party consolidator receives this information from the various Program Participants, consolidates it and provides that number to CWTA. The third party does not validate the numbers for accuracy, completeness or validity.
    - CWTA develops estimates for devices that have been shipped to distribution centres based on allocation of devices shipped to defined locations.
  - o Product Sold does not track inter-store (nation-wide) Mobile Device transfers or what happens to unsold products
  - o Product Sold contains estimates where actual data is not available.
  - o Product Sold is reported as the number of units.
- **Product Collected** is the estimated sum total of all Program Products collected by any Collection Facility. Quantification of Product Collected is based on:
  - o Reports generated by the Processors/Consolidation Centres and potentially Reverse Logistics Centres/Warehouses Collection Facilities during the Reporting Period and include delineation of products by province of origin to the carriers or CWTA directly for some parts of the program.
    - These reports are generated from their individual inventory programs for the Reporting Period.
    - Consolidated values for each product category are reported by quantity and end fate per product type (e.g., resale, scrap, etc.).
  - o Internal carrier collection programs (e.g., trade-ins, warranty repairs, etc.).
  - o Products Collected from unknown origin are accounted for using an estimate based on products returned that are of known origin.



- The amount of material collected from known origins is determined for each province. An aggregate total is also determined for Canada. Based on this information, the percentage of product recovered specifically from BC is determined.
  - The amount of material collected from unknown origin (where boxes are received at Processors/Consolidation Centres without a unique identifying number, or those collected via mail-back) are aggregated into a total quantity received. The percentage of devices recovered from BC calculated above would then be attributed to the aggregate of devices from unknown origin to determine an estimate for what may have originated from BC.
- Products Collected can be reported as either weight or number of units and is dependent on the identified end fate of the product type (reuse vs. recycling).
- A conversion factor of 0.2kg/device is used for converting number of units to weight. This conversion factor is based on the standard unit applied by Ontario Electronic Stewardship, the Waste Diversion Ontario approved stewardship program that recovers cell phones and utilize weight for reporting. (Source: Final Revised (Phase 1 and 2) Waste Electrical and Electronic Equipment (WEEE) Program Plan)
- **Program Products** are all products included in the program as listed in the currently approved product stewardship plan. These include:
  - Mobile devices:
  - Cellular phones (with and without batteries);
    - Smartphones (with and without batteries);
    - Pagers;
    - Wireless PDAs;
    - Removable External Air cards;
  - Accessories (all additional parts that may come with the phone including chargers, headsets, cables, etc.); and
  - Cellular phone and Smartphone Batteries.
- Products not included in the program:
  - Cordless phones;
  - Regular batteries (rechargeable or single use);
  - Tablets; and
  - PDAs without integrated cellular connectivity, laptop computers and answering machines.