



August 31, 2012

To: TELUS Communications Inc.

As specifically agreed, we have performed test procedures at TELUS Communications, Inc. (“the Agency” or “TELUS”) specific to its British Columbia operations for the year ended December 31, 2011 over certain non-financial information related to:

1. BC Reg449/2004, Section 8 (2) (b) - the location of its collection facilities, and any changes in the number and location of collection facilities from the previous report;
2. BC Reg449/2004, Section 8 (2) (d) - a description of how the recovered product was managed in accordance with the pollution prevention hierarchy; and
3. BC Reg449/2004, Section 8 (2) (e) - the total amount of the producer's product sold and collected and, if applicable, the producer's recovery rate.

The results of applying the procedures are detailed in the attached Appendix. These procedures do not constitute an audit of the Agency’s non-financial information and therefore, we express no opinion on the overall accuracy or completeness of the non-financial information of the Agency for the year ended December 31, 2011.

This letter is for use solely by TELUS and the British Columbia Ministry of Environment in connection with their consideration of the accuracy and completeness of certain non-financial information as reported by TELUS for the year ended December 31, 2011.

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## APPENDIX A

For the following procedures, test samples were selected from the 2011 calendar year, unless otherwise noted. Work was performed on British Columbia (“BC”) operations only.

**Non-Financial Information Requirement: BC Reg449/2004, Section 8 (2) (b) - the location of its collection facilities, and any changes in the number and location of collection facilities from the previous report.**

Procedure #	Objective/ Purpose	Testing Procedures	Results
1.1	To obtain comfort over the existence and accuracy of the collection facilities reported in the Agency’s annual report.	<ol style="list-style-type: none"> <li>1. For the period under review, obtain a listing of all Collection Facilities from the Agency.</li> <li>2. Compare total count of collection facilities from the listing with the annual report; investigate any discrepancies with the Agency as applicable.</li> <li>3. Randomly select a sample of Collection Facilities. Using contact information on the Facility listing provided in #1 above, phone each randomly selected Collection Facility to verify their existence and that they have an adequate understanding of the program.</li> </ol>	<p>Not applicable as collection is performed via:</p> <ul style="list-style-type: none"> <li>– Canada Post (Residential customer obtains prepaid waybills from Canada Post retail outlets);</li> <li>– TELUS Service technicians (when installing new equipment at residential or business customer location, technician may return old equipment via internal processes); and</li> <li>– TELUS internal processes (for internal use equipment).</li> </ul>
1.2	To obtain comfort over the completeness, consistency, and validity of the number of Collection Facilities.	<ol style="list-style-type: none"> <li>1. Obtain the historical data for the total number of collection facilities for the past 3 years as reported by the Agency in their annual reports.</li> <li>2. Investigate any fluctuations greater than 5% to understand the reason for the fluctuation in the number of collection facilities.</li> </ol>	Not applicable as collection is performed via the modes described in test 1.1.

**Non-Financial Information Requirement: BC Reg449/2004, Section 8 (2) (d) - a description of how the recovered product was managed in accordance with the pollution prevention hierarchy.**

Procedure #	Objective/Purpose	Testing Procedures	Results
<p><i>[Where Processors/Manufacturers etc. are subject to third-party certification around their product management practices, <b>only</b> Step 2.1 as well as sub-steps 1 – 2 in test 2.2 should be completed. Where Processors/Manufacturers etc. are not subject to third-party certification, Test 2.2 should be completed in its entirety.]</i></p>			
2.1	To obtain comfort over the effective weight <sup>1</sup> of end-use product collected and the accuracy of the manufacturer’s receipt of weight of product.	<ol style="list-style-type: none"> <li>1. Obtain a listing of all processors used by the Agency in the reporting period.</li> <li>2. Determine if all processors that are associated with the Agency hold valid ISO certifications and/or are Electronics Products Stewardship of Canada (“EPSC”) compliant. If so, obtain the 3<sup>rd</sup> party auditors opinion over processors’ compliance with ISO certifications and EPSC, where available.</li> <li>3. Ensure the auditor’s opinion is unqualified.</li> </ol>	<ol style="list-style-type: none"> <li>1. Obtained listing of all processors used during the period. Only one processor was used during the period (Global Electric Electronic Processing - "GEEP").</li> <li>2. Reviewed documentation received from TELUS about their procurement practice which includes an assessment of these registrations. Visited the processor's website to gain independent confirmation of ISO registrations. Downloaded certifications for ISO 9001:2004 and ISO 14001:2007 from GEEP website as TELUS did not keep evidence of these registrations on file.</li> <li>3. Reviewed ISO certifications for qualifications to opinion - none were observed.</li> </ol>

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<sup>1</sup> The term “weight” includes “volume” or “quantity,” respective to the type of product managed by the Agency.

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<b>Procedure #</b>	<b>Objective/ Purpose</b>	<b>Testing Procedures</b>	<b>Results</b>
2.2	To obtain comfort over the accuracy, completeness and existence of end-use of the product collected and the accuracy of the manufacturer's or processor's receipt of weight of product, test on a sample basis the deliveries of product recovered to their end-use (or next along the custody chain).	<ol style="list-style-type: none"> <li>1. Obtain the Agency's annual summary of product collected, recycled and reused.</li> <li>2. Obtain the processor spreadsheets that list products received from the Agency for the period under review. The listing should provide:               <ol style="list-style-type: none"> <li>a. The processor name/address.</li> <li>b. The total number of units sent from the Agency or collection sorting site.</li> <li>c. The total number of units of the product received at the processor.</li> <li>d. The date of delivery to the processor.</li> </ol> </li> <li>3. If there is not a listing of approved processors, ensure that the Agency is not a related party to the processor by researching the related parties of each organization and ensuring that the transaction was made at arm's length.</li> <li>4. If possible, randomly select shipments and obtain a copy of the invoice or other supporting documentation.</li> </ol>	<ol style="list-style-type: none"> <li>1. Obtained the Agency's annual summary of product collected, recycled and reused.</li> <li>2. Obtained the processor spreadsheets that list products received from the Agency for the period under review.</li> <li>3. Not applicable as GEEP is an approved processor.</li> <li>4. Selected 10 shipments throughout the year and obtained a copy of shipping document that accompanied the materials.</li> </ol>

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<b>Procedure #</b>	<b>Objective/ Purpose</b>	<b>Testing Procedures</b>	<b>Results</b>
		<p>5. Verify that each Invoice or other supporting document has evidence of the units of the product shipped by the Agency and received by the processor.</p> <p>6. Compare the total units listed on the Invoice or other supporting documentation with the units listed on the detailed listing received in #1 and note any discrepancies.</p>	<p>5. Reviewed shipping documents which contained detailed listing by product shipped from the Agency and received by the processor.</p> <p>6. Compared the total units listed on the shipping documents with the units listed on the detailed listing received in #1 and noted no discrepancies.</p>

**Non-Financial Information Requirement: BC Reg449/2004, Section 8 (2) (e) - the total amount of the producer's product sold and collected and, if applicable, the producer's recovery rate;**

Procedure #	Objective/Purpose	Testing Procedures	Results
<i>[If a 3<sup>rd</sup> party audits the Agency's schedule of product collected (recovery rate), complete only step 3.1; If no audit is performed, complete steps 3.2 through 3.4]</i>			
3.1	To ensure that there were no qualifications within the auditor's opinion over the schedule of product recovered.	<ol style="list-style-type: none"> <li>1. Obtain the Auditor's Opinion over the Schedule of Product Recovered for the most recent fiscal year.</li> <li>2. Review the opinion to ensure that there are no qualifications.</li> <li>3. Check the mathematical accuracy of the calculated recovery rate (where applicable), as reported in the audited financial statements.</li> <li>4. Compare calculated recovery rate to the recovery rate reported by the agency in their annual audited report. Note any discrepancies.</li> </ol>	Qualifications over the schedule of products recovered is not applicable as the schedule is not audited.
3.2	To ensure the accuracy and completeness of total product sold.	<p>Note that the financial statements, in the case of most agencies, include revenues from eco-fees which are tied to the total product sales.</p> <ol style="list-style-type: none"> <li>1. Obtain the Financial Statement Auditor's Opinion for the most recent fiscal year.</li> <li>2. Review the opinion to ensure that there</li> </ol>	Not applicable as TELUS does not charge eco-fees for its products.

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Procedure #	Objective/Purpose	Testing Procedures	Results
		<p>are no qualifications.</p> <ol style="list-style-type: none"> <li>3. Obtain a schedule of eco-fees by product type from the agency (in total and by unit).</li> <li>4. Compare the total eco-fees collected from the above schedule to the total reported in the Agency’s financial statements (as opined by the financial statement auditor).</li> <li>5. Recalculate the product sold by unit by dividing the total fees by product type by the per unit fee to arrive at total product sold for each unit.</li> <li>6. Compare calculated total product sold to the amounts reported by the Agency in their annual report. Note any discrepancies.</li> </ol>	
3.3	To obtain comfort over the completeness, accuracy, cut-off and validity of the total product recovered, test on a sample basis,	<ol style="list-style-type: none"> <li>1. Obtain a listing of product shipments (for each product the Agency manages) from collection facilities for the period under review with the following details:               <ol style="list-style-type: none"> <li>a. The Collection Facility name/address.</li> <li>b. The date of collection from the facility.</li> </ol> </li> </ol>	<ol style="list-style-type: none"> <li>1. Obtained detailed monthly reports from collection facilities for the period under review.</li> </ol>

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Procedure #	Objective/Purpose	Testing Procedures	Results
	the collection of product recovered.	<ul style="list-style-type: none"> <li>c. The consolidation site or processor to which the product was delivered.</li> <li>d. The date of delivery to the consolidation site or processor.</li> <li>e. The amount of product collected (in units and in weight, where applicable).</li> </ul> <ul style="list-style-type: none"> <li>2. Compare the total weight of product collected from the detailed listing to the report total of product recovered from the Agency's annual report.               <ul style="list-style-type: none"> <li>a. Reconcile the summary listing to the annual report.</li> <li>b. Sum any sub-listings and compare to the summary for the year used in 2(a).</li> </ul> </li> <li>3. Scan the detailed listing to ensure that there were no collections that were outside of the organization's fiscal year.</li> </ul>	<ul style="list-style-type: none"> <li>2. Compared the total weight of product per stream from the detailed listings to the report totals from the Agency's annual report.               <ul style="list-style-type: none"> <li>a. Reconciled the TELUS "Working Paper Summary 2011.xlsx" spreadsheet to the Agency's annual report. No issues were noted.</li> <li>b. Reviewed and recalculated the detailed monthly reports from the collection facilities. Then, reconciled the results to the TELUS "Working Paper Summary 2011.xlsx" spreadsheet used to populate the Agency's annual report. No discrepancies were noted in the selected sample.</li> </ul> </li> <li>3. Scanned the detailed monthly reports from the collection facilities. No collections observed as being outside of TELUS' fiscal year.</li> </ul>



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		<ol style="list-style-type: none"> <li>4. Randomly select shipments and obtain the supporting document (Bill of Lading or other support) to verify the amount of product shipped.</li> <li>5. Verify that each of the supporting documents received has appropriate evidence of the total product shipped and weight of product received by the consolidation site supported by a scale ticket or like support, and signatures by the collection facility, consolidation site and hauler/transporter.</li> <li>6. Confirm that the total product (in units/weight etc.) listed on the supporting document matches the total listed on the detailed listing.</li> </ol>	<ol style="list-style-type: none"> <li>4. Selected 10 shipments throughout the year and obtained a copy of shipping document that accompanied the materials.</li> <li>5. Reviewed shipping documents which contained detailed listing by product received by the collection facility.</li> <li>6. Compared the total units listed on the shipping documents with the units listed on the detailed listing received in #1 and noted no discrepancies.</li> </ol>

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Procedure #	Objective/Purpose	Testing Procedures	Results
3.4	To obtain comfort over the calculated recovery rate, by product type (where applicable).	<ol style="list-style-type: none"> <li>1. Check the mathematical accuracy of the calculated recovery rate (where applicable) by dividing product recovered by product sold, as reported in the audited financial statements.</li> <li>2. Compare calculated recovery rate to the recovery rate reported by the Agency in their annual report. Note any discrepancies.</li> </ol>	<ol style="list-style-type: none"> <li>1. Calculated the recovery rates for Payphones, Telsets/VOIP phones and GPS equipment based on numbers as supplied by TELUS.</li> <li>2. No discrepancies were noted.</li> </ol>