



June 30, 2014

Independent Reasonable Assurance Report on selected non-financial information included in the Canadian Wireless Telecommunication Association Annual Report to the Director, Waste Management

To the Directors of the Canadian Wireless Telecommunication Association

We have been engaged by the Canadian Wireless Telecommunication Association (“CWTA”) to perform a reasonable assurance engagement in respect of the following information (the “Selected Information”) detailed in Appendix A, and also included within CWTA’s Annual Report to the Director, Waste Management for the year ended December 31, 2013:

1. the location of collection facilities, and any changes in the number and location of collection facilities from the previous report;
2. the description of total amount of the producers’ product sold and collected and, if applicable, the producer’s recover rate; and
3. the description of performance for the year in relation to targets in the approved stewardship plan under Sections 8(2)(b), (d) and (e) of the Recycling Regulation.

Our opinion does not constitute a legal determination on CWTA’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 CWTA’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, version 2.0*, dated February 25, 2014 (“Assurance Requirements”) as specified by the Director under section 8(2)(h) of the Recycling Regulation of the Province of British Columbia.

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

Methodology and Assurance Procedures

We conducted our reasonable assurance engagement in accordance with the 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. This standard requires that we comply with independence requirements and plan and perform the engagement to obtain

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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 control 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 control. 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.

The main elements of our work were:

- 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 Annual Report of CWTA.

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

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 our report in the context of evaluation criteria.

Basis for qualified opinion

With respect to the first indicator listed above, we were unable to obtain sufficient, appropriate audit evidence about the number and location of collection facilities held at December 31, 2012 which are stated in the 2012 Annual Report to the Director, Environmental Quality Branch, MOE. As a result, we were unable to determine whether any adjustments to the changes in number and location of collection facilities were necessary.

With respect to the second indicator listed above, we were unable to obtain sufficient, appropriate audit evidence about the completeness and accuracy of the data provided to CWTA by third parties in relation to the total amount of the producers' product sold.

Qualified Conclusion

In our opinion, except for the possible effects of the matters described in the "Basis for qualified opinion" section, the Selected Information for the year ended December 31, 2013 presents fairly, in all material respects, based on the evaluation criteria listed in Appendix A:



1. the location of collection facilities, and any changes in the number and location of collection facilities from the previous report; and
2. the description of total amount of the producers' product sold and collected.

Emphasis of matter

Without further qualifying our opinion, we draw your attention to Appendix B which describes why certain items required by the Assurance Requirements to be included in the Appendix A have been excluded.

Other matters

Our report has been prepared solely for the purposes of CWTA's compliance with the reporting requirements relating to Sections 8(2)(b), (d) and (e) of the Recycling Regulation and is not intended to be used and should not be used for any other purpose. Our duties in relation to this report are owed solely to HRAI, and accordingly, we do not accept any responsibility for loss occasioned to any other party acting or refraining from acting based on this report.

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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 as presented in Section 4 on page 12 and Appendix K on page 26 of CWTA’s Annual Report to the Director, Waste Management.

“There were 522 permanent drop-off locations.”

The contents of Appendix K – List of Current drop-off locations in British Columbia.

Evaluation criteria:

- In B.C. Reg. 449/2004, collection facility" means (c) in respect of a product within the empty oil container product category, electronic and electrical product category, tire product category or packaging and printed paper product category, a collection facility established by the producer.
- “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.
- Reporting Period: January 1st to December 31st.
- “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. These include:
 - “Mobile devices”:
 - Cellular phones (with and without batteries)
 - Smartphones (with and without batteries)
 - Pagers
 - Wireless PDAs
 - Air cards;
 - Accessories (all additional parts that may come with the phone including chargers, headsets,



cables, etc.); and

- Cellular phone and Smartphone Batteries.
- The number of Permanent Collection Facilities is reported in the Annual Report and consists of the number of Collection Facilities that were listed in the Recycle My Cell searchable database.
 - Canada Post and courier service providers (e.g., FedEx) are recovery mechanisms that increase public access to the Collection Facilities.
- 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 tracking the number and location of Collection Facilities that opened and/or closed during the reporting period. These values are then summed and compared to the difference in total number of collection facilities reported and the equivalent data for the prior year.



2. The description of total amount of the producer’s product sold and collected, and if applicable, the producer’s recovery rate, as presented in Section 7 on page 15 & 16 of CWTA’s Annual Report to the Director, Waste Management.

Product Sold: “In 2013, a total of 755,391 devices were reported as having been distributed into BC.”

Product Collected:

<i>2013</i>		
<i>Program</i>	<i>Method</i>	<i>Quantity (units)</i>
Recycle My Cell Initiatives	Drop-off locations	4,309
	Mail-back	4,841

Note: Recovery rate has been excluded.

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.
- “Product Collected” is the estimated sum total of all Mobile Devices collected by any Collection Facility.
- “Recovery Rate” is the percentage of Product Sold into the market that has been collected.
- Reporting Period: January 1st to December 31st.

Product Sold:

- Quantification of Product Sold is based on data about Mobile Devices distributed into BC which is aggregated and provided to CWTA by a third-party consolidator.
 - 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.
 - CWTA provides manufacturer specific excel template spreadsheets to ensure that data for each province is appropriately captured and aggregated in a consistent manner each year.
 - Manufacturers aggregate the data received from carriers with their own for each province. This data is then sent to the third-party for consolidation.
 - CWTA provides the third-party with an excel template spreadsheets to ensure that data for each province is appropriately aggregated in a consistent manner each year
 - The third party 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.
 - Product Sold does not track inter-store (nation-wide) Mobile Device transfers, and what happens to unsold products, etc.
 - Product Sold contains estimates where actual data is not available.



- Product Sold is calculated as the number of units.

- There are currently no eco fees for Mobile Devices in BC.

Product Collected:

- Quantification of Product Collected is based on:
 - 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.).
 - Internal carrier collection programs (e.g., trade-ins, warranty repairs, etc.).
- 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. For example, if 10 devices were recovered from BC and a total of 100 devices were collected nationally, the percentage coming from BC would equal 10%.
 - 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 known percentage (in this case 10%) would then be attributed to the aggregate of unknown origin to determine the estimate of 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)

Recovery Rate:

- Is not applicable per the currently approved product stewardship plan.



Appendix B to the Assurance Report

It should be noted that the recovery rate was not included in the scope of the second indicator as CWTA is not required to report this rate to the Director per the evaluation criteria in Appendix A.

It should further be noted that the description of performance for the year in relation to targets in the approved stewardship plan under Sections 8(2)(b),(d) and (e) of the Recycling Regulation was not included as CWTA is not required to report this rate to the Director as there are no targets set in approved stewardship plan for these sections.