



KPMG LLP
777 Dunsmuir Street
Vancouver BC
V7Y 1K3

Telephone (604) 691-3000
Fax (604) 691-3031
www.kpmg.ca

INDEPENDENT REASONABLE ASSURANCE REPORT

To the Directors of Electronic Products Recycling Association

We have been engaged by the management of Electronic Products Recycling Association (the Company) to undertake a reasonable assurance engagement in respect of the following disclosures within the Company's Annual Report the Director (the Report) for the year ended December 31, 2014 (together the "Subject Matter"):

- 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);
- The description of how the product was managed in accordance with the pollution prevention hierarchy in accordance with Section 8(2)(d) of the Recycling Regulation;
- 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,
- The performance for the year in relation to approved targets under Sections 8(2)(b), (d) and (e) in accordance with Section 8(2)(g) of the Recycling Regulation.

The objective of this report is to disclose how the Company's management has discharged its responsibility to report on the Subject Matter in accordance with Section 8(2)(b), (d), (e) and (g) of the Recycling Regulation.

RESPONSIBILITIES

The Subject Matter is the responsibility of the Company'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 opinion does not constitute a legal determination on the Company's compliance with the Recycling Regulation.



EVALUATION CRITERIA

The suitability of the evaluation criteria is the responsibility of management. The evaluation criteria presented in Appendix 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 (ISAE) 3000, *Assurance Engagements other than Audit or Reviews of Historical Financial Information* published by the International Auditing and Assurance Standards Board. This Standard requires, amongst others, that the assurance team possesses the specific knowledge, skills and professional competencies needed to understand the information included within the Subject Matter, and that they comply with the independence and other ethical requirements of the International Federation of Accountants Code of Ethics for Professional Accountants.

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:

- Inquiries of relevant management of the Company's processes and related controls, to gain an understanding of the Company's data collection, monitoring and reporting processes in relation to the Subject Matter included in the Report;
- Performing walkthroughs to test the design, and where relevant the operating effectiveness, of internal controls relating to data collection and reporting of the Subject Matter;
- Comparison of the number of collection facilities disclosed to supporting collection contracts and collection records evidencing the existence of collection facilities;



- Comparison of sales and collection data included in the Report to internal records and recalculation of data, where appropriate;
- Gaining an understanding of the due diligence and mass balancing process applied to processors and their data, including attendance at an on-site due diligence inspection of a processor conducted as part of the Company's process for assessing how product was managed in accordance with the pollution prevention hierarchy;
- Confirmation through review of mass balance reporting and RQO approved downstream pathways that all Primary Processors reported volume shipped quarterly and that materials were shipped to approved downstream processors;
- Comparing the disclosed product management data and process description to the underlying reported data and sample source data;
- Reviewing the Report to determine whether it is consistent with our overall knowledge of, and experience with, the non-financial performance of the Company; and,
- Comparison of reported performance against targets to internal records and calculations of performance.

OPINION

In our opinion, the Subject Matter within Electronic Products Recycling Association's *Annual Report the Director* for the year ended December 31, 2014 presents fairly in accordance with the evaluation criteria, in all material respects:

- 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 product was managed in accordance with the pollution prevention hierarchy in accordance with Section 8(2)(d) of the Recycling Regulation;
- 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,



- The performance for the year in relation to approved targets under Sections 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 EPRA, and accordingly, we do not accept any responsibility for loss occasioned to any other party acting or refraining from acting based on this report.

KPMG LLP

Vancouver, Canada

June 29, 2015



Appendix 1 to the Independent Reasonable Assurance Report

Evaluation Criteria

COLLECTION FACILITIES

Specific Disclosures in the annual stewardship report for which evaluation criteria were developed		
Disclosed information	Claim in the Report	Reference
Number of collection facilities	Total Collection Sites – 174 depots	<i>1. Executive Summary Comparison of Key Performance Targets</i> on Page 5 <i>4. Collection System and Facilities</i> on Page 7
Changes to number of collection facilities	Increase in the number of depots in 2013 – 12 depots	<i>4. Collection System and Facilities</i> on Page 7

The following definitions 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:

- i. Collection Facility: any facility that has a signed End-Of-Life Electronics Agreement for the collection of returned EOLE
- ii. Collection Event: any collection of EOLE that does not require signing of an End-Of-Life Electronics Agreement to become a permanent collection facility.
- iii. Return-to-Retail Facility: a retail facility that collects and ships EOLE directly to Primary Processors. These facilities do not require signed EOLE agreements.

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:

1. The number of collection facilities is determined based on the number of facilities with signed End-Of-Life Electronics agreements in place with Encorp for collection of EOLE.
2. The number of collection facilities reported in the annual report is reconciled to the total number of collection facilities accepting EOLE (End-of-life electronics) on Encorp’s list of Authorized Depots as of December 31.



3. All collection facilities in Encorp's listing have signed End-Of-Life Electronics agreements in place with Encorp for collection of EOLE.
4. Changes in the number of collection facilities are determined based on notification of changes by individual facilities which are required to be made prior to the effective date of the change. These are recorded in new supplier/change forms which are reflected in updated collection facility listings each month.
5. One-off or intermittent collection events and return-to-retail facilities are excluded from the number of collection facilities.



PRODUCT MANAGEMENT

Specific Disclosures in the annual stewardship report for which evaluation criteria were developed		
Disclosed information	Claim in the Report	Reference
A description of how the recovered product was managed in accordance with the pollution prevention hierarchy (S.8(2)(d))	<ul style="list-style-type: none"> • Description of the Recycler Qualification Office and Recycler Qualification Program • Description of Mass Balancing • 2014 EPRA BC Mass Balance Results 	6. Pollution Prevention Hierarchy and Product / Component Management on pages 9 – 12

The following definitions were applied to the assessment of the description of how the recovered product was managed in accordance with the pollution prevention hierarchy in accordance with Section S.8(2)(d):

- i. Total weight of material processed, by category, is determined based on scaled deliveries from consolidation sites which are reconciled to invoiced material receipts from primary processors
- ii. Processors are defined as operations or facilities that manually or mechanically sort or process recovered material prior to (combined or segregated) transfer to a facility where the materials are recovered to the point where the material can enter back into the supply chain as a commodity, is used for energy generation or is treated as waste.
- iii. Primary processors are defined as operations or facilities that receive program product and initiate the recycling process by dismantling the product and sorting the materials through manual and/or mechanical means into various streams for the purpose of reclaiming recyclable materials and other approved management of residuals by downstream processors. This does not include consolidation, cross-docking, or brokering of received material without processing.
- iv. Downstream processors: are defined as operations or facilities that receive material from a primary processor or other downstream processors for the purpose of additional processing, refining and/or approved disposition of the material.

- v. Sites of final recovery are sites that accept unprocessed or processed material and treat the material to the point where it can enter back into the supply chain as a commodity, is used for energy generation or is treated as waste.

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 in accordance with Section S.8(2)(d):

1. EPRA maintains quantitative monitoring of deliveries to primary processors and from primary processors to the next point in the recycling process (mass balancing). To the extent that there are further steps in the recycling process prior to a point of final disposition, qualitative data is collected and the processing pathways are subject to a periodic audit process.
2. Prior to approval, all processors are subject to an initial due diligence review that establishes the downstream processing pathways for each category.
3. Primary processors report the weights shipped and the next destination of material components (e.g. wires & cables, copper bearing material, copper yokes, circuit boards, etc.) on a quarterly basis.
4. EPRA reviews the primary processor reporting on a quarterly basis to ensure material components are processed in line with the processing pathways as determined by the approved RQO Downstream Flow documentation.
5. On an annual basis, EPRA performs a verification of one primary processor's quarterly mass balance report to ensure reported data is accurate.
6. Based on primary processor reporting and the qualitative information on processing pathways of material components obtained by the RQO due diligence process, on an annual basis EPRA consolidates primary processor data and reports processing by category on a weighted average basis between:
 - Materials requiring further processing
 - Energy from waste

- Landfilled materials
 - Materials with unknown fate
7. In order to maintain RQO approval, primary processors require on-site re-audit within two years of approval and all other organizations (downstream processors and sites of final disposition) require re-audit within three years of last approval. The ongoing surveillance in the form of re-audits at a minimum:
- Identifies whether the processor has maintained documentation identifying any changes in downstream processing pathways
 - Assesses whether any new facilities in the processing pathway are approved processors
 - Assesses whether procedures for approval of new processors have been implemented
 - Assesses shipping records supporting downstream processing pathways by material component.

In addition to the standard re-audit frequency, a re-audit may be initiated prior to a scheduled review as a result of:

- a request for a change to an approved process, such as the materials processed, processing methods undertaken, or any downstream recyclers used; or
- as a result of any significant issues identified outside of the audit process, such as through media reports, regulatory notices or other incident reports.

Organizations may also be subject to periodic interim surveillance reviews to monitor status or performance against the identified requirements.

8. Prior to approval, all points of final recovery are subject to an initial due diligence review that establishes the nature of the activities occurring and the site and confirms that there are no further processing steps involved in material recovery and that the sites have regulatory approval to undertake the declared types of recovery.



PRODUCT SOLD AND COLLECTED

Specific Disclosures in the annual stewardship report for which evaluation criteria were developed		
Disclosed information	Claim in the Report	Reference
Product collected	Total WEEE Collected – 22,271 Metric Tonnes	<i>1. Executive Summary Comparison of Key Performance Targets</i> on Page 5 <i>7. Product Sold and Collected and Recovery Rate</i> on Page 12
Product sold	“In 2014, our stewards reported the supply of 9,604,503 regulated electronic products into the province”	<i>7. Product Sold and Collected and Recovery Rate</i> on Page 12
Recovery rate	See the evaluation criterion for performance for the year in relation to targets in the approved stewardship plan below	

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

1. Product Sold: Product sold is determined based on self-reporting by each steward of units sold by category on a monthly/quarterly basis.
2. Product Sold: Self-reported data is subjected to spot “reviews” of the completeness and accuracy of information on a sample basis covering approximately 62 stewards (of the 1,713 total) per year.
3. Product Collected: The weight of product collected is based on the weight of material shipped to processors by consolidation facilities as reported to Encorp on the documents accompanying the load (Movement Authorization forms (MAs))
4. Product Collected: Product weights identified on processors’ invoices are reconciled against shipping weight from consolidation sites for the specific pallets shipped.
5. Product Collected: The number of pallets collected is reconciled against the number of pallets shipped to processors from consolidation sites.



6. Product Collected: Adjustments for in-transit material and inventory at consolidation sites that are not yet invoiced by processors are made for annual reporting purposes.

TARGETS

Specific Disclosures in the annual stewardship report for which evaluation criteria were developed		
Disclosed information	Claim in the Report	Reference
Targets associated with Section 8(2)(b) per Approved Stewardship Plan: <ul style="list-style-type: none"> Maintain 90% accessibility (percentage of the population with access to a collection site) 	% of the population covered by collection sites – 98.1%%	<i>1. Executive Summary Comparison of Key Performance Targets</i> on page 5 <i>4. Collection System and Facilities</i> on page 7
Targets associated with Section 8(2)(d): <ul style="list-style-type: none"> Report on mass balancing 	<ul style="list-style-type: none"> Description of Mass Balancing 2014 EPRA BC Mass Balance Results 	<i>6. Pollution Prevention Hierarchy and Product / Component Management</i> on pages 10 – 12
Targets associated with Section 8(2)(d): <ul style="list-style-type: none"> Total weight of material recycled as a percentage of material collected. 	See criteria below	
Targets associated with Section 8(2)(e): <ul style="list-style-type: none"> Maintain a three year rolling average of a minimum of 18,000 metric tonnes of program material collected per annum commencing with the year 2011 Maintain WEEE per capita 4.0kgs/capita 	<ul style="list-style-type: none"> “22,645 metric tonne 2012-2014 average” 4.91 kilos per capita 	<i>9. Plan Performance</i> on page 15
Target associated with Section 8(2)(e): <ul style="list-style-type: none"> Recovery rate 	“Due to the nature of our products as durable goods, and their associated long life cycle, a recovery rate calculation is not practical. Instead our Stewardship Plan was approved based on reporting on a suite of measures as outlined in Section 1 and 9.”	<i>7. Product Sold and Collected and Recovery Rate</i> on page 13

In accordance with the Company’s approved stewardship plan, there are no targets associated with recovery rate. No evaluation criteria are required and an assurance opinion is not required.

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

1. Targets in the stewardship plan have been identified and reported on by management in the annual report; and
2. The description of progress against targets to date is supported by records of progress maintained by the Company.
3. Reporting on the “coverage” of the collection network is based on the percentage of BC residents living within 30min (urban areas) or 45min (rural areas) of a collection facility or Return-to-Retailer facility.
4. Mass balancing data is compiled from self-reported data from sites of final recovery. The compilation is subject to audit but the base data remain unaudited and may include estimates where sites of final recovery are unable to, or choose not to, report data.

The types of recovery in self-reported data are compared to the results from the due diligence review process for each site to determine whether the site is capable of, and approved for, the types of recovery identified.

5. Total weight of material recycled as a percentage of material collected was intended to demonstrate that the material collected is passed into the recycling chain rather than sent to waste. As such this is fully covered by the product management evaluation criteria above and no further evaluation criteria are necessary.
6. A three-year rolling average of program material is calculating using a simple average of total WEEE collected in 2012, 2013 and 2014.
7. WEEE per capita is calculated as total WEEE collected in 2014 divided by the 2014 population estimates for British Columbia.