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## **2015 INDEPENDENT REASONABLE ASSURANCE REPORT FOR SELECTED NON-FINANCIAL INFORMATION**

To the Directors of Electronic Products Recycling Association:

### **ASSURANCE LEVEL AND SUBJECT MATTER**

We have been engaged by the management of Electronic Products Recycling Association ('EPRA') to undertake a reasonable assurance engagement in respect of the following disclosures within EPRA's Annual Report the Director (the 'Report') and in Appendix 1, for the year ended December 31, 2015 (together the 'Subject Matter'):

- 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 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 express an opinion on how EPRA'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**

Management is responsible for the preparation and presentation of the Subject Matter in accordance with the evaluation criteria which are integral to the Subject Matter and are presented in Appendix 1, current as at the date of our report. Management is also responsible for establishing and



maintaining appropriate performance management and internal control systems from which the reported Subject Matter is derived.

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 EPRA's compliance with the Recycling Regulation.

#### **ASSURANCE STANDARD AND PROFESSIONAL REQUIREMENTS**

We conducted our engagement in accordance with International Standard on Assurance Engagements (ISAE) 3000 (Revised) *Assurance Engagements other than Audits or Reviews of Historical Financial Information*, issued by the International Auditing and Assurance Standards Board. ISAE 3000 requires that we comply with applicable professional standards, including International Standard on Quality Control 1.

#### **APPLICABLE 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.

#### **SUMMARY OF WORK PERFORMED**

We planned and performed our work to obtain all of the evidence, information and explanations we considered necessary in order to form our conclusion as set out below. 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 EPRA's processes and related controls, to gain an understanding of EPRA'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 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 conducted as part of EPRA's process for estimating how product was managed in accordance with the pollution prevention hierarchy;
- Confirmation through review of mass balance reporting and the use of Recycle Qualification Office (RQO) approved downstream pathways that 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 EPRA; 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, 2015 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.

**EMPHASIS OF MATTER**

Without qualifying our opinion above, we draw attention to the following:

As described under *Product Sold and Collected* in Appendix 1, the Ministry of Environment ***Guide to Third Party Assurance for Non-Financial Information in Annual Reports – 2015 Reporting Year*** indicates that assurance is not required for product sold data if the stewardship program does not have a recovery rate target in its approved stewardship plan against which it is required to report. As EPRA's approved stewardship plan does not have recovery rate target, our audit report does not include any opinion on the reported amounts of Product Sold in EPRA's Annual Report the Director for the year ended December 31, 2015.

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.

Vancouver, Canada

June 30, 2016



**Appendix 1 to the Independent Reasonable Assurance Report**  
**Subject Matter, Applicable Definitions and Evaluation Criteria**

**COLLECTION FACILITIES**

**SUBJECT MATTER**

<b>Specific Disclosures in the annual stewardship report for which evaluation criteria were developed</b>		
<b>Disclosed information</b>	<b>Claim in the Report</b>	<b>Reference</b>
Number of collection facilities	Total Collection Sites – 177 depots	<i>1. Executive Summary Comparison of Key Performance Targets</i> on Page 5  <i>4. Collection System and Facilities</i> on Page 8
Changes in number of collection facilities	This was a net increase of 3 depots over prior year.	<i>4. Collection System and Facilities</i> on Page 8

**APPLICABLE DEFINITIONS**

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. A collection facility does not include collection events or return-to-retail facilities.
- 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.

**EVALUATION CRITERIA**

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

### SUBJECT MATTER

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"><li>• Description of the Recycler Qualification Office and Recycler Qualification Program</li><li>• Description of Mass Balancing</li><li>• 2015 EPRA BC Mass Balance Results</li></ul>	<b>6. Pollution Prevention Hierarchy and Product / Component Management</b> on pages 10 – 14

### APPLICABLE DEFINITIONS

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.

#### EVALUATION CRITERIA

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. Acceptable end fates are determined in accordance with EPRA's approved stewardship plan, applicable regulation, and qualitative information on processing methods and end fate of materials/components obtained through Recycler Qualification Office (RQO) Recycler Qualification Program audits and due diligence processes.
2. 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.
3. Prior to approval, all processors are subject to an initial due diligence review that establishes the downstream processing pathways for each category which are in line with the acceptable end fates identified.
4. 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.
5. 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.

6. On an annual basis, EPRA reviews primary processor reporting to ensure input volumes match the culmination of output and inventory change volumes within a 3% margin of error.
7. Nationally, EPRA performs an annual verification of one primary processor's quarterly mass balance report to ensure reported data is accurate.
8. Based on primary processor reporting and the qualitative information on processing pathways of material components obtained through the RQO program, on an annual basis EPRA consolidates primary processor data and reports on a weighted average basis estimated conformance with acceptable end fates achieved with respect to the processing of components / materials.
9. 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.

10. Prior to approval, all points of final recovery are subject to an initial due diligence review by the RQO that establishes that the nature of the activities occurring at the site are in accordance with the identified acceptable end fates, 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**

**SUBJECT MATTER**

<b>Specific Disclosures in the annual stewardship report for which evaluation criteria were developed</b>		
<b>Disclosed information</b>	<b>Claim in the Report</b>	<b>Reference</b>
Product collected	Total WEEE Collected – 21,675 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 14
Product sold	“In 2015, our stewards reported the supply of 9,970,373 regulated electronic products into the province”	<i>7. Product Sold and Collected and Recovery Rate</i> on Page 14
Recovery rate	See the evaluation criterion for performance for the year in relation to targets in the approved stewardship plan below	

In accordance with the Ministry of Environment *Guide to Third Party Assurance for Non-Financial Information in Annual Reports – 2015 Reporting Year*, assurance is not required for product sold data if the stewardship program does not report a recovery rate, as defined in the Regulation, in accordance with the approved stewardship plan. Consistent with EPRA’s approved stewardship plan, there are no targets associated with recovery rate. Therefore, no evaluation criteria are required over Product Sold and an assurance opinion is not required over the reported amount of product sold.

**APPLICABLE DEFINITIONS**

There are no applicable definitions.

**EVALUATION CRITERIA**

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 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) )



2. Product Collected: Product weights identified on processors' invoices are reconciled against shipping weight from consolidation sites for the specific pallets shipped.
3. Product Collected: The number of pallets collected is reconciled against the number of pallets shipped to processors from consolidation sites.
4. 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

### SUBJECT MATTER

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"> <li>Maintain 90% accessibility (percentage of the population with access to a collection site)</li> </ul>	% of the population covered by collection sites – 98.1% (From 2014 study)	<i>1. Executive Summary Comparison of Key Performance Targets</i> on page 5  <i>4. Collection System and Facilities</i> on page 8
Targets associated with Section 8(2)(d): <ul style="list-style-type: none"> <li>Report on mass balancing</li> </ul>	<ul style="list-style-type: none"> <li>Description of Mass Balancing</li> <li>2015 EPRA BC Mass Balance Results</li> </ul>	<i>6. Pollution Prevention Hierarchy and Product / Component Management</i> on pages 10 – 14
Targets associated with Section 8(2)(d): <ul style="list-style-type: none"> <li>Total weight of material recycled as a percentage of material collected.</li> </ul>	See criteria below	
Targets associated with Section 8(2)(e): <ul style="list-style-type: none"> <li>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</li> <li>Maintain WEEE per capita 4.0kgs/capita</li> </ul>	<ul style="list-style-type: none"> <li>“22,523 metric tonne 2013-2015 average”</li> <li>4.6 kilos per capita</li> </ul>	<i>9. Plan Performance</i> on page 16
Target associated with Section 8(2)(e): <ul style="list-style-type: none"> <li>Recovery rate</li> </ul>	“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 15

In accordance with the Ministry of Environment *Guide to Third Party Assurance for Non-Financial Information in Annual Reports – 2015 Reporting Year*, assurance in relation to the accessibility performance target is not required annually. As the percentage of the population covered by collection sites was assured in the 2014 reporting year, no evaluation criteria are required and an assurance opinion is not required in 2015.



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

#### APPLICABLE DEFINITIONS

There are no applicable definitions.

#### EVALUATION CRITERIA

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. 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.

4. 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.
5. A three-year rolling average of program material is calculating using a simple average of total WEEE collected in 2013, 2014 and 2015.
6. WEEE per capita is calculated as total WEEE collected in 2015 divided by the 2015 population estimates for British Columbia.