



June 30, 2014

Independent Reasonable Assurance Report to the Directors of Telus Corporation

Scope

We have been engaged by Telus Corporation (“Telus”) to perform a reasonable assurance engagement in respect of the following information presented in the 2013 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 website¹ for the year ended 31 December 2013 (together the “selected information”):

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

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 Telus’ 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 February 25, 2014 (“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

We consider the evaluation criteria used by Telus to be suitable for our engagement.

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,

¹ The maintenance and integrity of Telus’ 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.



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.

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.

Opinion

In our opinion, the selected information for the year ended December 31, 2013 presents fairly in accordance with the evaluation criteria, in all material respects:

1. the number and location of collection facilities, and any changes in the number and location of collection facilities from the previous report;
2. the total amounts of the producer's product sold and collected; and
3. the recovery rate.

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

Emphasis of matter

Without 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 Telus 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 Telus 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 Accountants

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 3 on page 6 of Telus' 2013 Report to the Director, Environmental Quality Branch, MOE.

- The number of collection facilities is 8 locations (2012: 8). During the year, TELUS started using the services of UTI Contract Logistics and Distribution, Brampton ON. During the year, TELUS ceased to use the services of Great Western Metals, Abbotsford BC.

Evaluation criteria:

- Reporting Period: January 1, 2013 to December 31, 2013
- "Collection Facilities" are centres that were owned by TELUS, had a signed contract with TELUS, or were non-contracted TELUS vendors, for the collection of Program Products as of a December 31st of the reporting year. Collection facilities owned by TELUS or TELUS Contractors/Vendors receive customer returns through recovery mechanisms. Both TELUS technicians and TELUS contractors/vendors recover equipment from customers and return to the centres. Additionally, TELUS has a mailback program whereby residential customers can return items via Canada Post outlets and business customers are provided with a courier pickup service.
- "Collection Facilities" are one of the following types of centres:
 - o Reverse Logistics/Triage Centres – e.g., Telmar, CTDI and GEEP;
 - o Processors - e.g., GEEP, Metalex, Edmonds Recycling, CCon Metals;
 - o Spare Central Stock – e.g., CTDI warehouse location for spare network equipment; or
 - o Redeployment Centres/Forward logistics - e.g, TELUS, CTDI and Telmar warehouse locations for used equipment brought back into inventory.
- "Collection Facilities" are not Canada Post, courier service providers (e.g., FedEx), technicians or Tier 2 locations.
 - o "Tier 2 locations" are TELUS locations where the technicians drop off material for return. These then are forwarded to any of the collection facilities.
 - o Canada Post, couriers (e.g., FedEx), and TELUS technicians are recovery mechanisms that increase public access to the Collection Facilities. For example, Canada Post has over 6,600 retail outlets across Canada.

2. The total amount of the producer's product sold and collected as presented in Section 7 on page 8 and of Telus' 2013 Report to Director, Environmental Quality Branch, MOE.

- Total amount of producer's product sold is 2,334 mt
- Total amount of producer's product collected is 702 mt

Evaluation criteria:

- “Program Products” are all products included in the program as listed in the currently approved product stewardship plan. These include:
 - o Cordless phones and corded desktop, VOIP phones and analogue terminal adapters;
 - o Public Access Equipment;
 - o Obsolete network infrastructure equipment (switches, servers), External customer networks, Servers, Optical network termination equipment, Internet equipment (routers, modems), Network cards;
 - o Video and teleconferencing equipment;
 - o TV equipment (PVRs, receivers, remote controls), Satellite TV equipment;
 - o Global Positioning Systems (GPS);
 - o Batteries; and
 - o Cables/accessories.
- Products not included in the program are mobile devices and their associated accessories.
- “Product Sold” is the amount of all Program Products distributed into BC by TELUS.
- “Product Collected” is the amount of all Program Products collected from sources known to be located within the province of BC that occurred through the Collection Facilities.

Product Sold:

- Quantification of Product Sold is based on data about Program Product movements as recorded in TELUS’ SAP system for the Reporting Period and is broken down by each Program Product.
- Product Sold is calculated by weight, however the number of units is also available for all Program Products. Conversion factors used for converting number of units to weight are calculated based on the average weight of the electronic. The weights are provided by the collection facilities that receive the electronics.

Product Collected:

- Quantification of Product Collected is based on annual reports generated by the Collection Facilities for the Reporting Period and includes delineation of the Program Products by province of origin.
- These reports are generated from the Collection Facility's individual inventory programs for the Reporting Period.
- Consolidated values for each Program Product are reported by quantity and end fate per product type (e.g., resale, scrap, etc).
- Products Collected from unknown origin (e.g., items where the return address are not legible) are accounted for using an estimate based on products returned through that same method but of known origin.
- Products Collected can be reported as either weight or number of units and is dependent on the identified end fate of the material product type (reuse vs. recycling). Conversion factors used for converting number of units to weight are calculated based on the average weight of the electronic. The weights are provided by the collection facilities that receive the electronic.

3. The recovery rate as presented in Section 7 on page 8 and of Telus' 2013 Report to Director, Environmental Quality Branch, MOE.

- Total recovery rate as 21%

Evaluation criteria:

- "Recovery Rate" is the percentage determined by dividing the total amount of Product Sold (number of units) by the total amount of Product Collected (number of units).

Appendix B to the Assurance Report

Telus is not required to report its product management in accordance with the pollution prevention hierarchy under Section 8(2)(d) for the year ended December 31, 2013. Telus has chosen not to present performance targets in its approved stewardship plan relating to fiscal year ended December 31, 2013 under Sections 8(2) (b), (d) and (e) of the Recycling Regulation as this disclosure is not required.