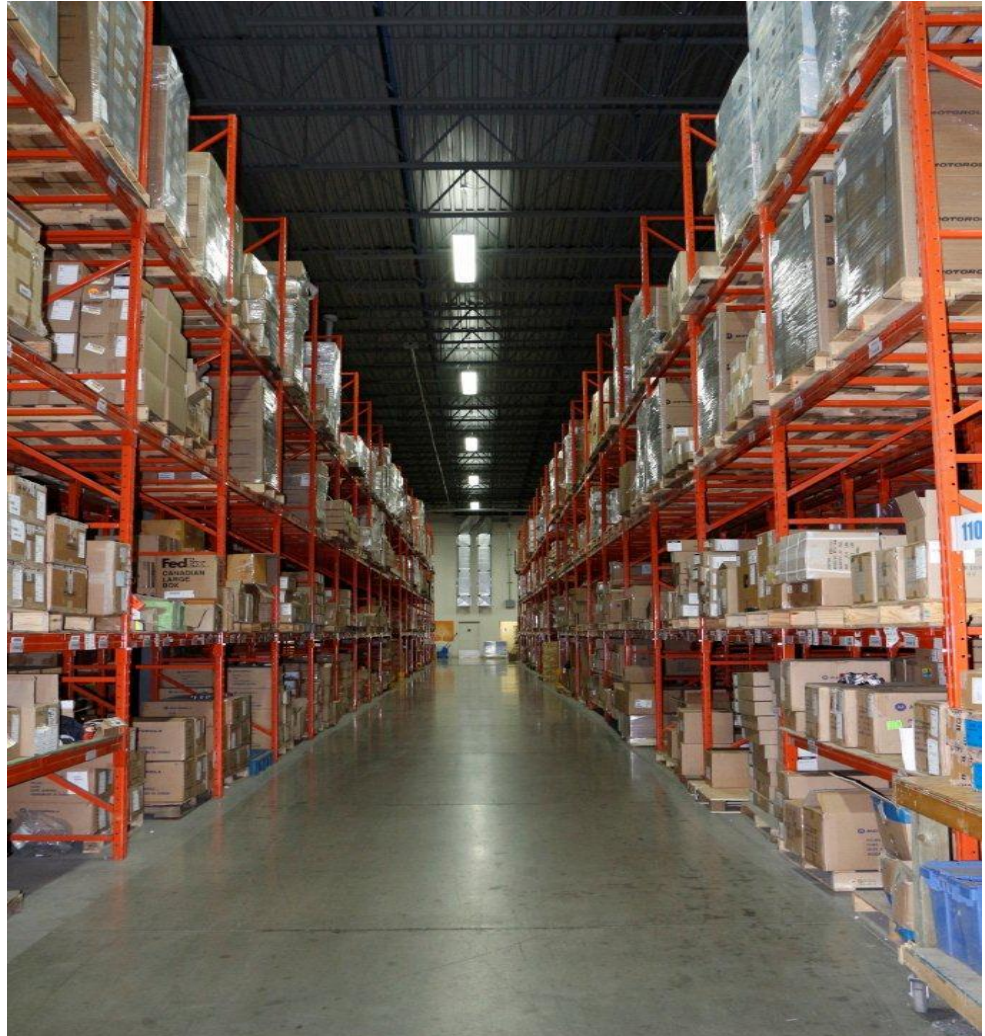




BC Electronic Equipment Stewardship Annual Report



Prepared by

Shaw Communications
Calgary, Alberta, Canada

for

BC Ministry of Environment
June 20, 2014

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1.0 OVERVIEW

Shaw Communications Inc. (Shaw), in coordination with the BC Ministry of Environment, developed a BC Electronic Equipment Stewardship Plan. Our Stewardship Plan was prepared in accordance with the requirements set out in the BC Recycling Regulation – Electronic and Electrical Product Category, and outlines Shaw’s program for the collection, refurbishing for re-use, resale and recycling of our electronic products covered by the regulations.

The following types of customer equipment are included in our Stewardship Plan in reference to the requirements provided for in the BC Recycling Regulation – Electronic and Electrical Product Category. This list is only an overview, and does not detail all of the individual components and accessories that may be associated with each equipment type.

- Modems
- Routers
- Set-top boxes
- Personal Video Recorders (PVRs)
- Remotes
- Satellite Receivers
- Batteries used in these devices

In addition to the customer equipment listed above, the following categories of Shaw’s internal-use equipment are also included in our Stewardship Plan:

- Modems
- Routers
- Set-top boxes
- Personal Video Recorders (PVRs)
- Satellite Receivers
- Batteries used in these devices

This first Annual Report covers the period July 1, 2012 to December 31, 2012, which follows the approval of our Stewardship Plan by the Ministry of Environment in August 2012.

2.0 PROGRAM PERFORMANCE MEASURES

2.1. Equipment Recovery

The primary performance measure of Shaw’s Stewardship Plan is our equipment recovery rate. This measure is calculated based on the amount of equipment that is returned to Shaw in BC divided by the amount of equipment distributed in BC during the reporting period. The amount of equipment is measured and reported by weight due to the ranges of size and composition of the various pieces of covered equipment, and because we believe this most accurately reflects the performance of our Stewardship Plan in diverting materials from landfill.

Although our Stewardship Plan is in its startup phase, we continue to target a recovery rate of 75% will be achieved by 2017.

For the period July 1, 2012 to December 31, 2012 covered by this report, Shaw distributed 480,538kg of equipment in BC. During this same period, Shaw recovered 340,645kg of equipment in BC, resulting in a recovery rate of 71%.

2.2. Management of Recovered Equipment

Consistent with the pollution prevention hierarchy outlined in the regulations, Shaw's performs a multiple-stage assessment of returned equipment to determine whether it can be reused or repaired:

- Equipment recovered in BC is first assessed to determine whether it can be reused or repaired locally. Reusable or locally repaired equipment is placed back within the local area's distribution stream. Equipment that cannot be reused or repaired locally is returned to one of Shaw's distribution centres in Alberta or Ontario.
- Recovered equipment received at our distribution centres is further assessed to determine whether the equipment can be reused, repaired or returned to the manufacturer under warranty. Reusable or repaired equipment is returned to Shaw's distribution stream for use in any of Shaw's service areas across Canada.
- Recovered equipment that is reusable or repaired, but is no longer part of Shaw's equipment portfolio in Canada, is assessed to determine if the equipment can be resold for use in other jurisdictions.
- Recovered equipment (in BC or our distribution centres) that cannot be reused, repaired or resold is harvested for reusable components and the remaining portion sent to one of Shaw's authorized recycling partners for processing.

The determination of specific performance metrics related to our management of recovered equipment is challenging because only a portion of our equipment can be assessed locally, and equipment returned from BC to our distribution centres in Alberta and Ontario is pooled with equipment received from other operations across Canada. For this initial report, we have gathered and are reporting information on the amount of covered equipment that was recycled in BC, and the amount of equipment that was returned to our distribution centres in Alberta and Ontario for further assessment.

For the period July 1, 2012 to December 31, 2012 covered by this report, Shaw recycled 4,884kg of equipment in BC, and returned 116,993kg of equipment to our distribution centres outside of BC. The remaining amount of equipment returned in BC was either refurbished locally for reuse, or is awaiting assessment at one of our BC facilities.

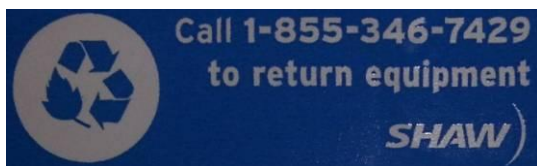
3.0 CUSTOMER AWARENESS

Shaw employs several approaches to inform our customers of the options available to them for returning equipment. These include:

- Shaw customer support personnel are able to advise customers how to return old equipment;
- Shaw technicians and installers are aware of what information to provide customers on the disposal of old equipment, and will at all times accept old equipment from customers;
- Stickers on Shaw electronic equipment include information to assist customers in returning equipment to Shaw;
- Information on Shaw's external website (Appendix A);
- Shaw has partnered with the Recycling Council of BC's – Recycling Hotline to provide consumers information about how to dispose of old Shaw equipment.

The majority of equipment returned to Shaw is collected in the normal course of our customer interactions, whether it be at one of our retail locations or at the customer's home with one of our Shaw technicians. Unlike many other consumer products, when a Shaw customer wishes to upgrade their equipment or no longer requires service, they generally must contact Shaw. It is during this interaction that Shaw most commonly advises customers of the available options for returning their old equipment to us in an environmentally responsible manner.

Shaw's internal procedures include steps to affix one of our return stickers, shown below, to equipment prior to initial deployment or during processing for reuse. As this practice was introduced recently, existing equipment in customers' homes may not display one of these stickers, however Shaw expects stickers to be applied upon the return and processing for reuse of this equipment.



4.0 EQUIPMENT COLLECTION PROCESS AND LOCATIONS

4.1. Collection Process

Shaw proactively contacts customers who have recently closed their accounts and continue to have equipment outstanding. Shaw provides a variety of methods for customers to easily return equipment (both leased and customer-owned) to us:

- Equipment may be picked up by a Shaw technician during the course of a service visit;
- Equipment may be dropped-off at one of our Shaw retail locations located throughout BC. These locations, described further below, are available to the public and will accept any Shaw equipment returned for processing, regardless of where the equipment was purchased;
- Where new equipment is shipped directly to a customer to replace existing equipment, a pre-paid waybill may be provided to return the existing equipment to us;
- In certain circumstances, customers may request and receive a shipping box with a pre-paid way bill to return unused equipment directly to us.

In addition to the methods outlined above, Shaw has made arrangements with a number of 3rd parties to accept certain equipment returns on our behalf. These arrangements allow convenient drop-off locations in communities where Shaw may not have a retail presence, or may provide additional return options to customers in larger centres.

If customers have difficulty in determining which equipment return methods are available to them, Shaw's customer support team is always available to provide assistance.

4.2. Collection Locations:

Shaw operates a large number of retail locations in BC that accept returned equipment from our customers. These retail/collection sites were put in place to meet Shaw's goal to provide over 80% of our customers access to a Shaw retail/collection location within an hour's drive. Additional details for the collection sites are provided in Appendix B.

- | | | |
|---------------------------------|-----------------|-------------------|
| ■ Abbotsford | ■ Whistler | ■ Sorrento |
| ■ Burnaby | ■ Castlegar | ■ Duncan |
| ■ Langley | ■ Chilliwack | ■ Salt Spring |
| ■ North Vancouver | ■ Cranbrook | ■ Victoria |
| ■ Richmond | ■ Grand Forks | ■ Campbell River |
| ■ Surrey (Guildford) | ■ Kamloops | ■ Courtenay/Comox |
| ■ Surrey (138 th St) | ■ Kelowna | ■ Nanaimo |
| ■ Vancouver (Shaw Tower) | ■ Prince George | ■ Port Alberni |
| ■ Vancouver (Oakridge) | ■ Salmon Arm | |

5.0 ENVIRONMENTAL IMPACTS AND MANAGEMENT

Management Framework

We are in the early, start-up phase of developing our environmental program and building an environmental baseline. As part of this program, we have recently developed an Environmental Management Framework, which provides structure around water use and management; energy consumption and best practices; and waste reduction and recycling.

We are proud of our sustainability efforts - in terms of the initiatives we have undertaken thus far and in identifying areas of focus for improvement. We continue to pursue sustainability interests that range from major projects to engaging our employees at the local level. This reflects our belief that real benefits in sustainability arise from the ongoing actions that we take in many parts of our business and the results we achieve.

5.2. Product Life Cycle Management

In addition to our process for recovering and reusing, where possible, equipment covered by our Stewardship Plan, Shaw recognizes other areas of the pollution prevention hierarchy where we can reduce the environmental impact of equipment we distribute in BC.

Although Shaw is not the manufacturer of the electronic equipment we distribute, we continue to work with our manufacturers to minimize or eliminate toxic or hazardous materials contained in both the products themselves and their associated packaging. The majority of the products we distribute are RoHS compliant.

Further, Shaw's distribution centres have undertaken initiatives to reduce their impact on the environment. These initiatives include steps to minimize and responsibly management other, non-electronic waste as well as the use of a renewable energy.

Shaw keeps getting greener

Our home is Canada. Keeping our country beautiful by making smarter environmental choices is just one way we're reducing our overall ecological impact.

Building our environmental management framework



Water: Building facility upgrades and retrofits to reduce water consumption are being installed. Site management practices to control and monitor water use are in place and being tested.



Energy: Shaw is one of Canada's largest users of Bullfrog Power, 100% renewable energy source. Our introduction of route optimization software for our fleet vehicles has resulted in a reduction of at least 25% in distance travelled per service order, which in turn has helped to reduce fuel consumption and greenhouse gas emissions.



Waste: The National Distribution Centre (NDC) is at the forefront of our waste reduction initiatives. In 2012 almost 1.5M lbs of material was redirected from landfills for recycling or reuse by the NDC. Planning for electronic stewardship is a key step in our waste management activities.



[Shaw's Electronic Stewardship Plan \(August, 2012\)](#) 



What can you do?

Go paperless, sign up for Easy Bill

For your convenience, Shaw offers many simple and secure ways to pay your bill, including the option of switching from your monthly paper bill to Easy Bill. With Shaw Easy Bill, your monthly bills are delivered right to your email inbox, how you pay is up to you. Switching to Shaw Easy Bill is fast, convenient and great for the environment. [Sign up for Easy Bill today](#)

Recycle your used Shaw equipment

Help Shaw continue to reduce our environmental footprint. Simply drop off your used Shaw electronics for recycling at any Shaw retail location. Any electronics issued for use with Shaw services can be returned: Modems, routers, television set-top boxes, PVRs, remotes, satellite receivers, and batteries used in these devices.

Share your environmental ideas with Shaw at environment@sjrb.ca



Appendix B
BC Equipment Drop-off Locations

Non-Financial Audit of BC Recycling Regulation

SHAW COMMUNICATIONS

December 31, 2013



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Independent Auditors' Report

To the Management of Shaw Communications:

We have audited the following Sections within the BC Electronic Equipment Stewardship Annual Report of Shaw Communications Inc. (the "Company") for the period from January 1 - December 31, 2013 (together the "Subject Matter" or the "Annual Report"):

- 2.0 - Program Performance Measures
- 4.0 - Equipment Collection Process and Locations
- 5.2 - Product Life Cycle Management
- Appendix B - BC Equipment Drop-off Locations

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

The Subject Matter is the responsibility of Shaw Communications' management who have prepared the Subject Matter in accordance with the evaluation criteria which are an integral part of the Subject Matter. Our responsibility is to express an opinion on this Subject Matter based on our audit. Our audit does not constitute a legal determination on the Corporation'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 audit in accordance with the International Standard on Assurance Engagements 3000 (ISAE 3000) published by the International Federation of Accountants. This Standard requires that the assurance team possesses the specific knowledge, skills and professional competencies needed to understand and audit the information included within the Subject Matter, and that they comply with specific requirements to ensure their independence.

An audit includes examining, on a test basis, evidence supporting the amounts and disclosures within the Subject Matter. An audit 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:

- confirming the existence of collection facilities and their understanding of the program through a combination of internet research and telephone inquiry;
- checking the units of product sold during the period and agreeing to supporting documentation on a test basis;
- checking the units of product collected during the period by agreeing to supporting documentation on a test basis;
- re-performing conversion calculations on a test basis; and
- ensuring wording of annual report is reflective of audit findings.

In our opinion, the Subject Matter within the Annual Report for the period ended December 31, 2013 is presented fairly in accordance with the evaluation criteria, in all material respects:

- the location of collection facilities in accordance with Section 8(2)(b) of the Recycling Regulation;
- the description of how the recovered product was managed in accordance with the pollution prevention hierarchy under Section 8(2)(d) of the Recycling Regulation;
- the description of how total amounts of the Company's product sold and collected and the Company's recovery rate has been calculated in accordance with Section 8(2)(e); and,
- the description of performance for the period in relation to targets in the approved stewardship plan under Section 8(2)(b),(d) and (e) 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 Shaw Communications, and accordingly, we do not accept any responsibility for loss occasioned to any other party acting or refraining from acting based on this report.

Calgary, Alberta
September 2, 2014

Ernst + Young LLP
Chartered Accountants

Appendix 1

Evaluation Criteria

The following evaluation criteria were applied to the assessment of the location of collection facilities, in accordance with Section 8(2)(b) of the Recycling Regulation:

- The Company operates and maintains records for all collection facilities including the location and total product quantity received which agrees to the number of collection facilities and aggregate weights as disclosed in the annual report.
- The definition of a collection facility as disclosed in the Annual Report is accurate.

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

- The units of received, recovered and distributed product have been recalculated using the data included in audit work performed in connection with the Company's audited financial statements.
- The Company maintains a listing of all product collected by product type and manufacturer.
- Total units and weights evaluated agreed with values disclosed in the Annual Report.
- Incremental unit weight as used in total weight calculations by the Company was confirmed on a test basis.

The following evaluation criteria were applied to the assessment of the description of performance for the period in relation to targets in the approved stewardship plan under Section 8(2)(b),(d) and (e) of the Recycling Regulation.

- Equipment recovery targets as outlined in the Company's electronic equipment stewardship plan relating to Section 8(2) (b), (d) and (e) have been identified and disclosed in the Annual Report.
- Target dates, goals and plans outlined in the stewardship plan are consistent with the targets in the Annual Report.
- Progress updates as outlined in the Annual Report are supported by communications and evidence.