



October 4, 2013

Independent Reasonable Assurance Report to the Directors of Heating, Refrigeration, and Air Conditioning Institute of Canada (“HRAI”)

Scope

We have been engaged by Heating, Refrigeration, and Air Conditioning Institute of Canada (the “Association” or “HRAI”) to perform a reasonable assurance engagement in respect of the following information presented in the 2012 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 2012 (together the “selected information”):

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

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 the Association’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*, dated July 31, 2012 (“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

The evaluation criteria used by HRAI are described in Appendix A. We consider the evaluation criteria to be suitable for our engagement.

¹ The maintenance and integrity of HRAI’s 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.



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, 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; and
- Reviewing the consistency of the selected information with the related disclosures in the 2012 Annual Report to the Director, Environmental Quality Branch, MOE.

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. For instance, with respect to indicator #2 as listed under the "Scope" section, the evaluation criteria are primarily focused on the process followed for reporting the data.



Basis for qualified opinion

In common with many stewardship associations, we were not appointed as auditors of the company until after December 31, 2012 and thus were unable to obtain sufficient appropriate audit evidence about the number and location of collection facilities at the beginning of the year. We were unable to satisfy ourselves by alternative means concerning the number and location of collection facilities held at December 31, 2011 which are stated in the 2011 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.

Qualified opinion

In our opinion, except for the matter described in the “Basis for qualified opinion” section, the selected information for the year ended December 31, 2012 presents fairly in accordance with the evaluation criteria, in all material respects:

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

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

Other matters

Our report has been prepared solely for the purposes of HRAI 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 HRAI 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.

A handwritten signature in black ink that reads "PricewaterhouseCoopers LLP". The signature is written in a cursive, flowing style.

**Chartered Accountant
October 4, 2013**



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 pages 11 and 12 of HRAI's 2012 Report to the Director, Environmental Quality Branch, MOE.**

The number of collection facilities is 1 location

Evaluation criteria:

- **Collection Facility** are considered to be locations with a signed contract with Summerhill (HRAI's agent) for the purpose of collecting, processing, shipping, and reporting on Program Products at any point during the reporting year.
- **Collection Points** are mechanisms for collection. This term is new to the program for the 2012 reporting year. In prior years, the collection points were considered the collection facilities. Collection Points may include the following types of businesses (also known as 'participants') and have either signed a formal document or a had a verbal discussion outlining their agreement with the Agency to take part in the program:
 - o Contractors
 - o Wholesalers
 - o Local or regional government recycling centers or transfer stations
 - o Direct send-back
- The total number of Collection Facilities is reported on the basis of the number of Collection Facilities who have a signed contract with the Agency to collect, process, ship, and report on collected program products during the reporting period. Collection Points are more of a mechanism of recovery that increases access to the public similar to the function of a Canada Post or Courier outlet.
- The changes in number and location of Collection Facilities are calculated by tracking the additions and removals of Collection Facilities throughout a given reporting year. This information is further compared with the equivalent data from the end of the prior year.
- **Program Products** are all products included in the program as listed in the currently approved product stewardship plan dated February 3, 2010 Section 1.3.



2. The total amount of the producer's product collected as presented in Section 5 on page 17 and Section 7 on page 19 of HRAI's 2012 Report to Director, Environmental Quality Branch, MOE.

Total amount of producer's product collected is estimated as:

- 1,887 Hg Thermostats containing 4,976 Hg Vessels,
- 1,129 Loose Hg Vessels; and
- 13 Electronic Thermostats.

Evaluation criteria:

- **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. The amount of Product Collected is reported as the total number thermostats and total number of Hg vessels received by the Collection Facilities during the reporting year.
- The quantification of Product Collected is based on the number of Thermostats and Hg vessels reported by the Collection Facilities as having been received/collected and diverted as a result of the Plan during the reporting year.
 - These amounts are monitored on a monthly basis through information collected that includes the number of thermostats and Hg vessels collected by geographic location.
 - Additional information is also collected for internal tracking purposes such as:
 - weight of plastics and metals collected,
 - brand of the thermostat collected; and
 - details of the mechanism used for collection (e.g. name and location of the Collection Point/Participant)
- **Program Products** are all products included in the program as listed in the currently approved product stewardship plan dated February 3, 2010 Section 1.3.