



June 28, 2019

Independent practitioner’s reasonable assurance report on CWTA’s 2018 Annual Report to the Director of Extended Producer Responsibility Programs at the Ministry of the Environment, Government of British Columbia

To the Directors of the Canadian Wireless Telecommunications Association (CWTA)

We have undertaken a reasonable assurance engagement on the following information (the “subject matter information”) of Canadian Wireless Telecommunications Association (“CWTA”), as detailed in Appendix A, and also included within CWTA’s 2018 Annual Report (the “report”) to the Director of Extended Producer Responsibility Programs at the Ministry of the Environment, Government of British Columbia (“MOE”) during the period from January 1 to December 31, 2018:

- the location of collection facilities, and any changes in the number and location of collection facilities from the prior year in accordance with Section 8(2)(b) of the British Columbia Regulation 449/2004 Recycling Regulation (“Recycling Regulation”);
- the description of how recovered product was managed in accordance with the pollution prevention hierarchy in accordance with Section 8(2)(d) of the Recycling Regulation; and
- the total amount of the producers’ product collected for the period from January 1 to December 31, 2018 in accordance with Section 8(2)(e) of the Recycling Regulation.

Management’s responsibility

Management is responsible for preparation of the subject matter information in accordance with the evaluation criteria established in Appendix A. Management is also responsible for such internal control as management determines necessary to enable the preparation of the subject matter information that is free from material misstatement.

Our responsibility

Our responsibility is to express a reasonable assurance opinion on the subject matter information based on the evidence we have obtained. We conducted our reasonable assurance engagement in accordance with the International Standards on Assurance Engagements (ISAE) 3000, *Attestation Engagements Other Than Audits or Reviews of Historical Financial Information*, and the *Guide to Third Party Assurance for Non-Financial Information in Annual Reports – 2018 Reporting Year*, dated October, 2018 (“Assurance Requirements”), published by the MOE.

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This standard requires that we plan and perform this engagement to obtain reasonable assurance about whether the subject matter information is free from material misstatement.

Reasonable assurance is a high level of assurance, but is not a guarantee that an engagement conducted in accordance with this standard will always detect a material misstatement when it exists. The nature, timing and extent of procedures selected depends on our professional judgment, including an assessment of the risks of material misstatements, whether due to fraud or error, and involves examining evidence about management's preparation of the subject matter information in accordance with the criteria. We believe the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Our independence and quality control

We have complied with the relevant rules of professional conduct/code of ethics applicable to the practice of public accounting and related to assurance engagements, issued by various professional accounting bodies, which are founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behavior.

The firm applies Canadian Standard on Quality Control 1, *Quality Control for Firms that Perform Audits and Reviews of Financial Statements, and Other Assurance Engagements* and, accordingly, maintains a comprehensive system of quality control, including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Opinion

In our opinion, CWTA's subject matter information for the period from January 1 to December 31, 2018 has been prepared, in all material respects, in accordance with the criteria.

Emphasis of matter

Without qualifying our opinion, we draw your attention to Appendix B which describes why certain items required by the Assurance Requirements have been excluded. Our opinion is not qualified in respect of this matter.

Purpose of statement and restriction of use and distribution

The subject matter information has been prepared to report to the MOE Director, Extended Producer Responsibility. As a result, the subject matter information may not be suitable for another purpose.



Our report is intended solely for the purposes of CWTA and the MOE Director, Extended Producer Responsibility, in accordance with the terms of our engagement, and should not be distributed to or used by parties other than CWTA and the MOE Director, Extended Producer Responsibility.

PricewaterhouseCoopers LLP

Chartered Professional Accountants

Toronto, Ontario
June 28, 2019



Appendix A – Results and criteria

1. 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, as presented on pages 2, 7 and Appendix F of CWTA's 2018 Annual Report to the Director.

Result:

The number of permanent drop-off locations is 280. This is a net increase of 14 locations from the previous year. Appendix F of the report lists all drop-off locations in British Columbia by Program/Location Name, Account, Community and Regional District.

Reference: pages 2, 7 and Appendix F of CWTA's 2018 Annual Report to the Director.

Method of Reporting:

- Reporting Period: January 1st to December 31st.
- The number of Permanent Collection Facilities is reported in the Annual Report and consists of the number of Collection Facilities that were listed in the Recycle My Cell searchable database. The information recorded in this database is generated based on data updates provided by Carriers and non-carrier registrations. CWTA has worked with Carriers to generate data collection procedures detailing the types of drop-off locations which should be included or excluded in the reported data.
- Temporary, Processors/Consolidation Centres, and Reverse Logistics Centres/Warehouse Collection Facilities may be identified and reported to CWTA by Program Participants. These are compiled separately and may only be disclosed as a total number in the Annual Report.

The change in number and/or location of Permanent Collection Facilities is derived from the net difference from the previous year.

Definitions:

- In B.C. Reg. 449/2004, collection facility" means (c) in respect of a product within the empty oil container product category, electronic and electrical product category, tire product category or packaging and printed paper product category, a collection facility established by the producer.
- "Collection Facilities" are one of the following types of locations that are active as of December 31, 2018:
 1. Permanent – Carrier identified retail locations and franchisees, or other approved third party operators (e.g. non-affiliated retail stores, libraries, municipal centres, etc.) that host



Recycle My Cell collection boxes year round. These locations are accessible by consumers and included in the Recycle My Cell searchable database;

2. Temporary – Carrier identified locations, or other third party operators (e.g. schools, offices, etc.) that host collection boxes for a limited period of time, seasonal drives and challenge-based drives or other limited temporary collection activities. These locations are not included in the Recycle My Cell searchable database;
 3. Processors/Consolidation Centres – Facilities that receive Program Products via recovery mechanisms (product that is recovered via Mail-backs or delivered by couriers). These locations are not accessible by consumers; or
 4. Reverse Logistics Centres/Warehouses – Facilities where Program Products under warranty are returned. These locations are not accessible by consumers.
- “Collection Facilities” are not Canada Post or courier service providers (e.g., FedEx) locations.
 - “Program Participants” include carriers, manufacturers and processors as identified in the Annual Report.
 - “Program Products” are all products included in the program as listed in the currently approved product stewardship plan. These include:
 - “Mobile devices”:
 - Cellular phones (with and without batteries)
 - Smartphones (with and without batteries)
 - Pagers
 - Wireless PDAs
 - Air cards;
 - Accessories (all additional parts that may come with the phone including chargers, headsets, cables, etc.); and
 - Cellular phone and Smartphone batteries.

2. The description of how recovered product was managed in accordance with the pollution prevention hierarchy in accordance with 8(2)(d) of the Recycling Regulation as presented on pages 2, 8, 9, 10 and 11 of CWTA’s 2018 Annual Report to the Director.

Result:

- Of the volume of cellular devices audited (52,630), 78% were sent for reuse and 22% were sent for recycling.



- The dispositions of materials/components as outlined in Table 1, pages 9-10.
- The end fate descriptions as outlined in Table 3, page 11.

Reference: pages 2, 8, 9, 10 and 11 of CWTA's 2018 Annual Report.

NOTE: The selected information does not include the material sent to an R2 primary processor because insufficient data was obtained by the time of the audit. This is described on page 10.

Method of Reporting:

- Reporting Period: January 1st to December 31st.
- Processor selection is a business decision made by Program Participants based on a short list of accepted processors that maintain specific certifications and provide required services.
- Only devices that have been identified for recycling are audited since devices that have been identified for reuse are not likely to end up in landfill. Furthermore, CWTA has opted to leverage and focus reporting efforts on primary processors that are approved by the Recycler Qualification Office (RQO) or certified by the Responsible Recycling (R2) standard.
 - The devices sent for recycling are handled by RQO-approved or R2-certified processors.
 - Verification and confirmation that Primary Processors have sufficient environmental and safety oversight was done by viewing the RQO approval or R2 certification documentation for the 2018 reporting year.
- The downstream material flows and expected end fates of materials are based on information provided by the RQO-approved processors and supporting process documents.

Definitions:

The Pollution Prevention Hierarchy includes the following:

- “Reuse” – Wireless devices and batteries that can be resold or donated as a complete unit.
 - The Program Product may or may not be refurbished.
 - Program Products can be resold both within and outside the BC market.
- “Recycle” includes:
 - Wireless devices that cannot be Reused as a complete unit.
 - Wireless devices that have been broken down and harvested for parts (e.g. plastic).
 - Any commodities that are captured from the recycling process, such as through metal recovery.



- “Metal Recovery” relates to a recycling process where any element of the Program Product is extracted for next use (e.g. circuit boards are smelted and broken down to separate commodities).
- “Energy Recovery” relates to processing activities where any element of the Program Product is harvested to create energy.
- “Waste” includes any residual material from Program Products not captured in the three streams above (may include comingled packaging, etc.) and may go to landfill.
- “Other waste disposal” includes other approved and commercially-viable end fates not captured in the four streams above.
- “End fate” is defined as final processed state of each material commodity before reuse in another product or shipment to landfill.

3. The total amount of the producer’s product sold and collected and the recovery rate as presented on pages 2 and 12 of CWTA’s 2018 Annual Report to the Director.

Result:

Total amount of producer’s product collected in 2018 is 52,630 devices. Of this volume 94% (49,666) of the material was verified.

Note: Please see Appendix B which describes why the total amount of the producer’s product sold and the recovery rate have been excluded.

Reference: pages 2 and 12 of CWTA’s 2018 Annual Report.

Method of Reporting:

- Reporting Period: January 1st to December 31st.
- Quantification of Product Collected is based on:
 - Reports generated by the Processors/Consolidation Centres and potentially Reverse Logistics Centres/Warehouses Collection Facilities during the Reporting Period
 - These reports are generated from their individual inventory programs for the Reporting Period and are broken down by province of origin.
 - These reports include delineation of products by province of origin to the carriers and non-carrier members.
 - Consolidated values for each product category are reported by quantity and end fate per product type.



- Product Collected this is not reported includes carrier internal initiatives such as warranty repairs, devices returned because of buyer's remorse or damage, etc.
- Products Collected from unknown origin are accounted for using an estimate based on products returned that are of known origin, or attributed to the province in which the Carrier is headquartered. In the instance where amount is estimated the following process is used:
 - The amount of material collected from known origins is determined for each province. An aggregate total is also determined for Canada. Based on this information, the percentage of product recovered specifically from BC is determined. For example, if 10 devices were recovered from BC and a total of 100 devices were collected nationally, the percentage coming from BC would equal 10%.
 - The amount of material collected from unknown origin (where boxes are received at Processors/Consolidation Centres without a unique identifying number, or those collected via mail-back) are aggregated into a total quantity received. The known percentage (in this case 10%) would then be attributed to the aggregate of unknown origin to determine the estimate of what may have originated from BC.
- Products Collected can be reported as either weight or number of units and is dependent on the identified end fate of the product type (reuse vs. recycling).
- A conversion factor of 0.2kg/device is used for converting number of units to weight. This conversion factor is based on the standard unit applied by Ontario Electronic Stewardship, the Waste Diversion Ontario approved stewardship program that recovers cell phones and utilize weight for reporting. (Source: Final Revised (Phase 1 and 2) Waste Electrical and Electronic Equipment (WEEE) Program Plan)

Definitions:

- “Program Products” are all products included in the program as listed in the currently approved product stewardship plan. These include:
 - “Mobile devices”:
 - Cellular phones (with and without batteries);
 - Smartphones (with and without batteries);
 - Pagers;
 - Wireless PDAs; and
 - Removable External Air cards.
 - Accessories (all additional parts that may come with the phone including chargers, headsets, cables, etc.); and
 - Cellular phone and Smartphone Batteries.
- Products not included in the program:
 - Cordless phones;
 - Regular batteries (rechargeable or single use);



- Tablets; and
- PDAs without integrated cellular connectivity, laptop computers and answering machines.
- “Product Collected” is the estimated sum total of all Mobile Devices collected by any Collection Facility.



Appendix B - Exclusions

CWTA has not reported the recovery rate for the year in accordance with 8(2)(e) of the Recycling Regulations for the year ended December 31, 2018 as the approved stewardship plan does not outline the requirement to report recovery rates. If the stewardship program does not report a recovery rate in the approved plan, assurance for producers' product sold data is not required as outlined in the Assurance Requirements.

CWTA has not reported its performance for the year in relation to approved targets in their approved stewardship plans under 8(2)(b), (d) and (e) in accordance with 8(2)(g) of the Recycling Regulation for the year ended December 31, 2018 as CWTA is not required to report this to the Director as there are no targets set in the approved stewardship plan for these sections applicable to the reporting year.