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# ***Third Party Auditor's Report Summary of Verification***

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*Project Report Title:  
Pragmatic Conferencing  
GHG Inventory Report  
2012*

*Project Report Date:  
May 2012*

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# Contents

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Introduction	1
<hr/>	
Project Identification Information	1
Project Information	1
Verification Procedures Summary	1
Limitation of Liability	1
Scope	1
GHG Verification Objectives	2
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Verification Findings	2
Conclusion	3

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# *Introduction*

The purpose of this report is to summarize the verification procedures and results of these procedures for the following project in accordance with the requirements of ISO 14064-1:06 dated April 2006.

## *Project Identification Information*

**Project Proponent:** Pragmatic Conferencing Services Corp. ("Pragmatic")

**Project:** Verification of GHG Emissions

## *Project Information*

Pragmatic operates a teleconferencing business. Pragmatic would like verification of GHG emissions from its operations at 170 University Avenue, Toronto, Ontario as submitted in the Pragmatic Conferencing GHG Inventory Report 2012, dated May 2012 ("GHG Report").

## *Verification Procedures Summary*

- Preliminary analytical procedures;
- Anomaly investigation;
- Data management system and controls assessment;
- Site visit and interviews
- Conformance to the review criteria;
- Consistency assessment;
- Interviews/Follow up; and
- QA/QC process.

## *Limitation of Liability*

This report was prepared by PricewaterhouseCoopers LLP ("PwC") at the request of Pragmatic. The material in it is intended solely for the information of Pragmatic. PwC does not accept any responsibility to any other party to whom it may be shown or into whose hands it may come including any individuals or organizations who may obtain access to this report through applications under the Freedom of Information Act.

## *Scope*

**Temporal Scope:**

January 1, 2011 to December 31, 2011

**Topic Scope:** Carbon inventory

## GHG Verification Objectives

The objectives of our GHG verification are to obtain and evaluate evidence at a level consistent with the assurance being provided that support the assertion made by the client in the GHG Report. The GHG Report can be broken into the following categories of assertions:

1. GHG sources and sinks exist and the reduction occurred - *Existence or Occurrence*
2. Emissions and Removals that should be in the submission are included - *Completeness*
3. Quantities of emissions reported are the client's legal obligation, and quantities of reduction reported are the client's rights - *Rights and Obligations*
4. Reductions have been appropriately quantified (this is closely linked to the appropriate application of the approved quantification methodologies) - *Quantification*
5. The relevant ISO 14064-1:06 document has been appropriately applied and whether disclosures are adequate - *Presentation and Disclosure*

## Verification Findings

No material discrepancies were identified upon completion of our work and one non-material discrepancy remains upon completion of our work. Details are discussed below:

We identified three discrepancies with respect to the Assertion during our work.

1. In the review of the initial GHG report (provided on March 26, 2012), numbers were inconsistently documented including emissions from Pragmatic's electricity usage as 34.52 and 34.51 tonnes of CO<sub>2</sub>equivalent (tCO<sub>2</sub>e) throughout the GHG Report (specifically on pages 3, 8, 11 of the GHG Report), Pragmatic's natural gas usage was incorrectly noted as 10,000 m<sup>3</sup> (specifically on page 10 of the GHG Report) and Global Warming Potentials (GWP) were not factored into the calculations. Also, the original calculations as documented in the GHG report were made manually (with a calculator) rather than using an auditable, automated process. This was corrected in the second version of the report we received along with a calculation spreadsheet in the form of an Excel document.
2. In the second version of the GHG Report (provided on May 14, 2012) the GWP factors used were not those provided in the ISO standard. This was corrected in the third version of the report we received.
3. All calculations were initially based on total electricity and natural gas values for the building as provided via email from the landlord instead of using the invoices directly. Upon review of the invoices, the value for Electricity for the total building had been understated by 7,415 kWh and the value for Natural Gas for the total building had been understated by 4,147 m<sup>3</sup>. As Pragmatic is assuming 1/12 or 8.33% of the total building usage, this resulted in Pragmatic's understatement of 0.11 tCO<sub>2</sub>e from Electricity and 0.68 tCO<sub>2</sub>e from Natural Gas for a total of 0.79 tCO<sub>2</sub>e or 2%. Pragmatic elected to use the Electricity value provided by the landlord and the Natural Gas value from the invoices.

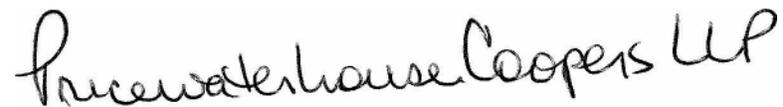
Most of these discrepancies were corrected by Pragmatic resulting in the fact that no material discrepancies identified during our work were left uncorrected. By electing to use electricity values from landlord's emails instead of the values from the utility invoices, the GHG assertion contains a non-material discrepancy, i.e. the GHG emissions were understated by 0.11 tCO<sub>2</sub>e or 0.3%.

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# *Conclusion*

Thank you for engaging us as the external reviewers of your 2011 annual GHG emissions report. Please refer to our statement of verification for our conclusion.

If you have any questions or comments on the points raised in this report please contact me at 416-941-8226.

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

Tony Pedari  
Partner, PricewaterhouseCoopers LLP

June 14, 2012

Date