



KPMG Performance Registrar Inc.

Box 10426, 777 Dunsmuir Street
Vancouver BC V7Y 1K3
Canada

Telephone (604) 691-3000
(604) 691-3401
Telefax (604) 691-3031
www.kpmg.ca

Paula Kerr
Business Process Improvement Manager
Wakefield Canada Inc.
3620 Lake Shore Blvd West
Toronto, Ontario M8W 1P2

October 12th, 2010

Dear Ms. Kerr

Re: ISO 14064-3 Audit Engagement Report for Wakefield Canada Inc.

Our ISO 14064-3 Verification Audit Engagement Report for Wakefield Canada Inc. is attached. The report documents the results of the verification that took place during the period June through August 2010.

We value the ongoing working relationship that we have with Wakefield Canada Inc., and appreciate the assistance provided to the verification team by Company staff during the verification process.

If you have any questions regarding the results of the verification please call me at the phone number listed below.

Yours truly,

Phillip Ludvigsen, Ph.D.
Senior Manager
(416) 777-3049

Enc: ISO 14064-3 Verification Engagement Report for Wakefield Canada Inc.



**ISO 14064 Verification Engagement Report for
Wakefield Canada Inc.**

Wakefield Canada Inc. GHG Inventory 2008

October 12th, 2010

The information in this report is confidential and may be legally privileged. It is intended solely for the use of the intended recipient, Wakefield Canada Inc. Access to this report by anyone else is unauthorized. If you are not the intended recipient, any disclosure, copying, distribution or any action taken or omitted to be taken in reliance on it, is prohibited and may be unlawful. Any opinions contained in this report are subject to the terms and conditions expressed in the governing KPMG PRI client engagement contract.



Table of Contents

| | | |
|----|-----------------------------|---|
| A. | Client Information | 1 |
| B. | Verification Details | 1 |
| C. | Verification Findings | 3 |
| D. | Verification Statement..... | 5 |

A. Client Information

| | |
|-------------------------------|-----------------------|
| Client Name: | Wakefield Canada Inc. |
| Client Representative: | Ms. Paula Kerr |
| Assessment Number: | 2609 |

B. Verification Details

| | | |
|-------------------------------|---|---------------------|
| Verification scope: | <p>This verification assessed the greenhouse gas (GHG) emissions of Wakefield Canada Inc. as an organization for the period January 1st, 2008 – December 31st, 2008. The Report and subsequent verification address emissions associated with owned and operated facilities as well as related employee air travel.</p> <p>The GHG assertion for the period was presented in the <i>Wakefield Canada Inc. Greenhouse Gas Inventory 2008 Version 1.2</i> (The Report) as 2,611 tonnes of CO₂ equivalent</p> | |
| Verification Standard: | ISO 14064 Part 3 | |
| Verification Criteria: | CSA CleanStart® program from the Canadian Standards Association ISO 14064 Part 1 | |
| Level of Assurance: | Reasonable | |
| Verification date(s): | Initial on-site familiarization: June 18 th , 2010 Verification planning and document review: June 19 th – July 9 th , 2010 On-site Verification : July 12 th , 2010 Verification Completion and Reporting: July 13 th , 2010– October 12 th , 2010 | |
| Materiality | Agreed upon quantitative materiality of 5% of total annual GHG emissions. | |
| Verification team: | Lead auditor: | Phil Ludvigsen |
| | Audit team members: | Sylvi Holmsen |
| | Audit team members: | Michael Zhang |
| | Technical Reviewer | Chris Ridley-Thomas |
| Multi-site sampling | Information and data were collected from all three of Wakefield Canada Inc.'s facilities (Toronto - Ontario, Laval - Quebec, and Edmonton - Alberta). The Toronto headquarters/distribution facility was selected for the single site visit. This facility was chosen because of its centralization of data systems and controls as well as being representative of the types of operations (distribution and sales). | |

| | |
|--|---|
| <p>Verification procedures:</p> | <p>The procedures used to conduct the verification involved a combination of: (1) documentation and records review, and (2) staff interviews. The audit procedures included:</p> <ul style="list-style-type: none"> • Examination of the 2007 and 2008 Corporate GHG Reports; • Test-checking the accuracy of source records for fuel purchases and electricity use; • Test-checking the accuracy of source records for vehicle VIN numbers and associated fuel efficiencies; • Examination of 2008 GHG inventory spreadsheet and underlying calculations to confirm the formula references and accumulation of data and re-performance of a sample of the calculations; • Cross-check of emission factors against referenced sources and assessment of the appropriateness of the selected factors; and, • Site visit to the Toronto Offices and distribution facility to verify the location and existence of onsite sources of GHG emissions and conduct staff interviews. |
| <p>Inherent limitations in our report</p> | <p>Greenhouse gas and energy use data are subject to inherent limitations. A number of different measurement techniques may be utilized in accordance with the requirements of the verification criteria which may vary in precision and /or outcome, resulting in (materially) different greenhouse gas emissions estimates.</p> |
| <p>Report distribution:</p> | <p>Wakefield Canada Inc. KPMG verification files CSA Standard's CleanStart® Registry Any distribution of the verification statement by Wakefield Canada must include the complete verification statement and associated assertion. Publication of the verification report is not permitted.</p> |
| <p>Confidentiality requirements:</p> | <p>Except as required by law, a legal or judicial process, a professional duty and the requirements of our accreditation, KPMG, will treat as strictly confidential any information which comes into the possession of its officers, directors, employees or agents in the course of conducting the verification of Wakefield Canada Inc.'s Greenhouse Gas assertion.</p> |

C. Verification Findings

Control Environment

A reasonable assurance engagement considers the control environment in place when designing and conducting tests to evaluate the GHG assertion. These tests support our opinion on the GHG assertion and are not designed to support a separate opinion on the effectiveness of internal controls over GHG assertions.

Controls in place include:

- a) Electricity usage is metered by the local utility at the point of service. These meters are serviced by employees of the local utility.
- b) Fuel purchase records (amount, location, time/date, authorized user, etc.) for delivery trucks are captured electronically based on the use of corporate credit cards that are controlled via corporate policies and financial procedures. There is periodic tracking and cost review.
- c) Truck delivery logs contain customer drop-off and odometer (mileage) readings. These logs are reviewed against summary reports.
- d) Records Retention – Wakefield Canada Inc. intends to retain applicable GHG inventory records in accordance with its ISO 9001 procedures.

GHG Calculation methods and assumptions

The major GHG calculation methods and assumptions for Wakefield Canada Inc.'s 2008 corporate GHG inventory include:

- a) Truck (Heavy Duty) Emissions – are estimated from fuel purchases and standard emission factors for heavy duty diesel vehicles with advanced or moderate air pollution control (Environment Canada National Inventory Report, May 2008, Table 12-7).
- b) Vehicle (Light Duty) Emissions - are estimated from employee mileage records, fuel efficiency derived from vehicle type and model year, and standard emission factors for Tier 1 - Light Duty Gas Vehicles (Environment Canada National Inventory Report, May 2008, Table 12-7).
- c) Air Travel (business) Emissions - are estimated primarily from electronic travel agency records. Other out-of-system travel is captured via expense account reimbursement records. Approximate flight distances were broken into short, medium, and long haul flights following guidelines from the GHG Protocol Initiative (WRI/WBCSD).

- d) Natural Gas Emissions – Usage is based on monthly utility invoices. Emission factors for natural gas combustion were obtained from the Environment Canada National Inventory Report, May 2008, Table A12-1 for Residential, Construction, Commercial/Industrial and Agriculture sources.
- e) Electricity Usage Related Emissions – Usage is based on monthly utility invoices. Electricity generation emission factors for the applicable Province were taken from Environment Canada National Inventory Report, May 2008, Tables 6, 7, and 10.
- f) Propane Emissions – Usage is based on purchase invoices for delivered 33lb CARB Cylinders. All cylinders delivered were assumed to be used within the calendar year. Emission factors for propane combustion were obtained from Environment Canada National Inventory Report, May 2008, Table A12-7 – Propane Vehicles.

GHG Assertion

Our assessment of the GHG assertion stated in Wakefield Canada Inc.'s 2008 Corporate GHG report (July, 2010) did not identify any material discrepancies.

Opportunities for improvement

Without qualifying our verification statement the following opportunities for improvement were identified during the audit:

- 1 Currently, the Company does not have a GHG Management Handbook providing specific information about data collection, manipulation and storage as well as quality control, methodologies, employee responsibilities and reporting processes for the GHG inventory. As a result, there is an opportunity to improve the system documentation for GHG reporting to reduce the likelihood of inconsistent application of processes during future reporting periods.

D. Verification Statement

To the management of Wakefield Canada Inc.

We have been engaged by Wakefield Canada Inc. (the Company) to examine the greenhouse gas emission (GHG) assertion of 2,611 tonnes of CO₂ equivalent for the period January 1, 2008 to December 31st, 2008 presented in the *Wakefield Canada Inc. Greenhouse Gas Inventory 2008 Version 1.2* (the Report).

The Company is responsible for the preparation and presentation of the information within the Report. Our responsibility is to express a conclusion as to whether the greenhouse gas assertion is presented fairly in accordance with ISO 14064-1 *Specification with guidance at the organization level for quantification and reporting of greenhouse gas emissions and removals* and the specific requirements of the Canadian Standards Association's CleanStart® program (together, the verification criteria)

Our duties in relation to this report are owed solely to the management of the Company. Accordingly we do not accept any responsibility for any loss occasioned to any third party acting or refraining from action as a result of this report.

We completed our examination in accordance with ISO 14064-Part 3 *Specification with Guidance for the validation and verification of greenhouse gas assertions*. As such, we planned and performed our examination in order to provide reasonable, rather than absolute assurance, with respect to the greenhouse gas assertion. We believe our work provides a reasonable basis for our conclusion.

Based on our examination, in our opinion the greenhouse gas emission assertion presented in the Report is presented fairly in accordance with the verification criteria, in all material respects.

Greenhouse gas and energy use data are subject to inherent limitations. A number of different measurement techniques may be utilized in accordance with the requirements of the verification criteria which may vary in precision and /or outcome, resulting in (materially) different greenhouse gas emissions estimates

KPMG PRI

October 12th, 2010