

Environmental, Health and Safety Compliance
and System EHSMS Audit in Response to:

Washington State Preferred Performance
Measures for Direct Processors

WAC 173-900-650

Facilities Audited: Metro Metals Northwest Inc.
Vancouver, WA and Tacoma, WA

Auditors: James Rod Gonzalez, QEP, Bob Delich
Date: November 21st, 22nd, & 30th, 2023

Scope of Audit

This audit was designed to meet the specific requirements of the State of Washington's "Environmentally Sound Management Performance Measures for Direct Processors – Preferred Status" qualification requirements. The WA State Standards, WAC 173-900-650. These were interpreted, and a facility checklist was prepared to meet the standards requirements that related directly to the operations. The audit consisted of confirming the nexus between the two documents and the operations.

The ISO system manages non-conformances with the CAPA process. All the issues that have been identified will be managed appropriately to resolution and to prevent recurrence.

The two sites that were audited were:

Metro Metals Northwest Inc. facility located at 2401 St. Francis Ln, Vancouver, WA 98660 performed November 21st, & 30th, 2023.

Metro Metals Northwest Inc. facility located at 2202 East River St., Tacoma, WA 98421 performed November 22nd & 30th, 2023.

The facilities are well run and operate efficiently. Metro Metals demonstrated proficiency in their job duties and the management system in general. The Metro Metals staff demonstrated strong commitment to the management systems and the overall EHS performance of the company.

Audit Summary

The following is a summary of a comprehensive review for compliance of operations in response to the Washington State Department of Ecology Preferred Performance Standards for Direct Processors of Electronics Processors - WAC 173-9000.

1. Responsible Management Priorities – *Facility Maintains Compliance with Standards*
Inherent in the ISO 14001:2015, ISO 45001:2018, and R2v3 Standards, which is what this company utilizes as an EHSMS, is the continuous improvement of operations through management and operation's evaluations.

2. Legal Requirements – *Facility Maintains Compliance with Standards*
Both facilities use the EPA website, OSHA website, governmental websites, consultants to identify local, state, federal and international regulations. An external audit of compliance is completed every year by a third party. Internal audits are completed annually, and the certification bodies do an annual surveillance audit as well.

At the WA facility material continues to be managed under Fed UW regulations and WA regulations. The company agrees to be completely transparent with the WM DOE regarding non-compliant events. This is added to the Compliance Obligations Summary List at both facilities.

3. Environmental, Health, and Safety Management System EHSMS - Facility Maintains Compliance with Standards

Metro Metals Northwest Inc. is certified to ISO 14001:2015, and ISO 45001:2018. These are internationally recognized standards of excellence in Environmental, Health and Safety Management Systems. The company wide EHSMS is audited and updated, as new procedures are implemented, or as new materials are accepted. The EHSMS contains a diligent “Plan, Do, Check” component, which manages change and issues through constant management review. The system is 3rd party reviewed annually during surveillance audits required by these certifications.

4. Recordkeeping – Facility Maintains Compliance with Standards

Records are managed well as noted during the audits and all material downstream dispositions to final destinations were confirmed through the R2 audit certification processes, which also meet the WA DOE requirements.

- Circuit boards are consolidated at the Metro Metal Tacoma site and sent to [REDACTED] (tier 1), [REDACTED] (tier 2/EOL) in South Korea, [REDACTED] (tier 2/EOL) in Japan.
- CRT tubes from the Vancouver site are sent to [REDACTED] (tier 1) then to [REDACTED] (tier 2/EOL).
- LCDs from the Vancouver site is brokered through [REDACTED] (tier 1) then to [REDACTED], OR (tier 2). Circuit boards from the LCDs are sent to [REDACTED] (tier 3/EOL) in Japan. Mercury from the LCD process is sent to [REDACTED], MA (tier 3/EOL).
- Lead Acid Batteries are consolidated at the Metro Vancouver site and sent to [REDACTED] [REDACTED] (tier 1) with lead acid batteries going to [REDACTED] MN.
- Lithium Ion Batteries are consolidated at Metro Vancouver and brokered by [REDACTED] [REDACTED] OR (tier 1) then to [REDACTED], OR (tier 2) then to [REDACTED] NY (tier 3) EOL.
- Plastics from the Vancouver site is sent to [REDACTED] (tier 1) who brokers to Malaysia for processing.

Metro Metals uses an ERP (ScrapWare), as their tracking software to manage all inbound, in storage, and shipped materials.

Approved Downstream Vendors, as well as BOLs are used for tracking materials to final destinations.

See Attachment 01 – Approved Downstream Vendors 2023 TAC and VAN and the two tabs (VAN and TAC) for tracking of material to EOL.

5. On-site requirements - Facility Maintains Compliance with Standards

The auditor observed material handled per regulations and using acceptable industry standards. Housekeeping and material management were also on par with industry standards. Material is inventoried and moved quickly throughout and managed in a database to ensure that none is kept over 12 months. Facility scales at both sites have been calibrated and certified. Materials of Concern are not stored outside, and the security is adequate with visitor sign in, perimeter fencing, CCTV and 24/7 security guards. Worker safety is protected through training, OSHA required safety programs and housekeeping practices. Risk assessments have been done for

each job station and the auditor can verify that the appropriate PPE is worn. The health and safety training are consistent with requirements for the operation and the facility. IH monitoring and medical reviews have been conducted.

For the Vancouver facility, IH air monitoring was completed in 2014 for lead, cadmium, mercury, aluminum, arsenic, barium, chromium, copper, phosphorus, silver, hexavalent chromium, and results were well below OSHA PELs. Per the POC the operations and material being shredded have not changed.

Currently there is no processing at the Tacoma facility, they consolidate whole electronics until they have a full semi load to ship to Vancouver for processing.

6. Materials of Concern - Facility Maintains Compliance with Standards

The CB auditors observed Materials of Concern (MOC) being handled in accordance with standards (See Att 01 Approved Downstream Vendors 2023 TAC and VAN and the two tabs - VAN and TAC). The auditors verified that all downstream vendors for MOCs handle material per the WA State DOE Standards. Comprehensive on-site audits were reviewed by the CB auditor while on site and found to be well managed and detailed. Metro Metals agrees to notify the WA State DOE of vendor changes for all MOCs and this is built into their QEHSMS.

7. Recycling - Facility Maintains Compliance with Standards

Materials are managed to local, state, and federal requirements - observed during the site visit. Auditor observed dismantling and separation at Metro Metals Vancouver.

8. Reuse - Facility Maintains Compliance with Standards

Metro Metals accepts material for end-of-life.

9. Disposal of Residuals - Facility Maintains Compliance with Standards

Facility waste management procedures follows state and federal guidelines as observed by the certification auditors. No Materials of Concern (MOCs) go to non-HW landfills or incineration. Site waste is managed and separated to minimize material going to landfill and nothing from the recycling process goes to the landfill. Facilities do not generate HW. Shredder dust is sent to refineries for recovery of precious metals. HT pallets are reused, and non-HT pallets are sold for reuse.

10. Refurbishment - Facility Maintains Compliance with Standards

See reuse section.

11. Transport – Facility Maintains Compliance with Standards

Both facilities use all internal Metro Metals owned and operating trucking for transportation.

12. Prison Labor – Facility Maintains Compliance with Standards

Metal Metals does not use prison labor.

13. Facility Access – Facility Maintains Compliance with Standards

Metal Metals allows WA State DOE full record and site access – auditor discussed with management team.

14. Notification of Penalties and Violations – Facility Maintains Compliance with Standards

Metro Metals agrees to notify the WA DOE within 30 days if they receive a Notice of Violation at either facility included in this audit. The facilities have listed this requirement in the Compliance Obligations Summary List, to manage.

15. Due Diligence Downstream - Facility Maintains Compliance with Standards

Metro Metals has implemented comprehensive audit criteria for downstream vendors in order to assure that they are compliant with all applicable international, US, EU, and WA State DOE Standards. All current vendors have been audited and the CB auditors reviewed the documents for completion and compliance with the R2 standard during the certification audits. Metro Metals' audit protocol also includes the WA State DOE MOCs handling requirements as well.

16. Exporting – Facility Maintains Compliance with Standards

As confirmed during the R2 certification audits, Metro Metals is following WA DOE and FED EPA standards as the final destination for circuit boards are sent to [REDACTED] South Korea, [REDACTED] Japan, [REDACTED] Japan, and the facility has audits of these facilities on file, which were reviewed by the CB auditors during the certification audits. CRTs are no longer exported. CRT glass is sent to [REDACTED] IN where it is processed into frit for making ceramic tile and sent to [REDACTED] WI.

17. Insurance - Facility Maintains Compliance with Standards

Metro Metals holds the following insurances, which are valid through 7/01/2024.

General Liability: \$1,000,000 each occurrence / \$2,000,000 General Aggregate

Automobile Liability: \$1,000,000 Combined Single Limit

Umbrella Liability: \$5,000,000 Each occurrence / \$5,000,000 Aggregate

Pollution Liability: \$5,000,000 General Aggregate expires 03/01/2026.

Worker's Compensation: Certificate from the State of Washington was reviewed and current as of 11/21/2023.

18. Closure QEHSMS and Financial Responsibility - Facility Maintains Compliance with Standards

Tacoma - Reviewed the Closure Cost Estimate Worksheet dated 10-07-23 in the amount \$31,396.20. Metro Metals, LLC. has a letter of credit with Fairmount Tacoma, LLC, to meet all costs. Reviewed Closure Plan dated 06-22-22 which includes instructions and a timeline for completion.

Vancouver - Reviewed the Closure Cost Estimate Worksheet dated 10-07-23 in the amount \$33,170.50. The financial assurance for closure is more than the estimated closure cost to account for future increases and to minimize the changes needed by the financial instrument. Reviewed Closure Plan dated 06-22-22 which includes instructions and a timeline for completion.

19. Facility Security - Facility Maintains Compliance with Standards

The company's Tacoma facility is fully fenced, with gates locked after hours and utilizes keypads to administrative areas, only authorized employees are given key access to the facility after hours and codes to the internal secured areas.

The facility is under 24-hour surveillance through CCTV cameras by Kastle Systems. Fifteen cameras are located throughout the facility and recordings are stored for at least 90 days. CCTV areas cover both internal and external views. Any data secure area that has any entrance or exit is in full view of a camera. All visitors and contractors must sign in and out at the front desk. Visitors and contractors are always escorted or under the supervision of an employee while in the building.

The Vancouver site is fenced, with gates locked after hours and utilizes keypads to administrative areas, only authorized employees are given key access to the facility after hours and codes to the internal secured areas.

The facility is monitored by eight CCTV cameras located throughout the facility with 90 days of recording time. CCTV areas cover both internal and external views. All entrances and exit are in full view of a camera. All visitors and contractors must sign in and out at the front desk. Visitors and contractors are always escorted or under the supervision of an employee while in the building.

All buildings and data bearing equipment are kept locked and under surveillance when not attended. Material picked up by Metro Metals is received and transported in secured (locked) trailers until dropped off at the company sites. All trailers are sealed for delivery to downstream vendors, and only the downstream vendor can remove the seal. All records are backed up by Quest Rapid Recovery to servers replicated to Data Center (Secured Tunnel to Data Center), with WatchGuard T70 firewalls by Attentus Technologies.

Metro Metals Northwest Inc. Vancouver, WA and Tacoma, WA are both well-managed sites and the company has a commitment to working towards excellence in their operations and transparency and compliance with all regulatory bodies. The management team shows a strong commitment to the principles of the EHSMS and has designated above average resources for this purpose. In all the company operations, as well as document review, complete transparency was observed on behalf of the organization to the auditor.

Auditor Qualifications

The auditors, James Rod Gonzalez, QEP, and Bob Delich, Co-Owner/Managing Director of Greeneye Partners, LLC. are both certified by the State of WA DOE to perform this audit. The State of Washington's DOE maintains the auditor qualifications on file.

Findings

Metro Metals third party internal auditor, Rod Gonzalez noted findings during the November 21, 22 and 30, 2023 internal audits at both Vancouver and Tacoma sites:

SUMMARY OF FINDINGS

Metro Metals Tacoma

NC 01 – Lock-Out Tag-Out program does not have an annual review completed.

NC 02 – The loading docks do not have any fall protection when a trailer is not positioned at them.

Metro Metals Vancouver

NC 01 – Belt under shredder at head height and lower is not guarded from folks passing under.

NC 02 – Lock-Out Tag-Out program does not have an annual review completed.