WASHINGTON STATE DIRECT PROCESSOR PERFORMANCE STANDARDS AUDIT REPORT
EWC Group, Inc.
Tukwila, Washington

July 22, 2019

Prepared for:

EWC GROUP, INC.
20413 87th Ave. S.,
Kent, WA 98031

Prepared by:

ENVIRONMENT INTERNATIONAL LTD.
9752 Lake Shore Blvd. NE.
Seattle, WA 98115
(206) 525-3362

Dr. P. J. Bridgen Lead Auditor, CEO of Environment International Ltd.
CONTENTS

EXECUTIVE SUMMARY ................................................................. 1
  Facility Information ................................................................. 1
  Methodology ................................................................. 1

PERFORMANCE STANDARDS FOR DIRECT PROCESSORS ................. 3
  1. Responsible Management Priorities ................................... 3
  2. Legal Requirements ......................................................... 4
  4. Recordkeeping ................................................................. 8
  5. On-site Requirements ......................................................... 9
  6. Materials of Concern .......................................................... 14
  7. Recycling ................................................................. 14
  8. Reuse ........................................................................... 15
  9. Disposal of Residuals .......................................................... 16
  10. Refurbishment ................................................................. 17
  11. Transport ........................................................................ 18
  12. Prison Labor ..................................................................... 19
  13. Facility Access ................................................................. 19
  14. Notification of Penalties and Violations ............................... 19
  15. Due Diligence Downstream .................................................. 20
  16. Exporting ........................................................................ 21
  17. Insurance ........................................................................ 22
  19. Facility Security ................................................................. 23

CONCLUSIONS ................................................................................. 24

ACRONYMS AND ABBREVIATIONS

CEP  Covered (or Consumer) Electronic Product
CRT  Cathode Ray Tube
EHSMS  Environmental, Health, and Safety Management System
OECD  Organization for Economic Co-operation and Development
OSHA  Occupational Safety and Health Administration
PCB  Printed Circuit Board
WAC  Washington Administrative Code
EXECUTIVE SUMMARY

Under contract with EWC Group, Inc., Environment International Ltd. (EI) performed an audit on July 19, 2019, at the EWC Group facility in Kent, WA. The purpose of the audit was to assess the facility’s conformance with Washington State Direct Processor Performance Standards in accordance with WAC 173-900-650. The conclusion of the auditor is that EWC Group’s Tukwila facility meets all minimum and preferred standards. This report presents the results and findings from the audit.

Facility Information

The EWC Group facility is a leased portion of a warehouse located at 20413 87th Ave. S., Kent, WA 98031. The facility is approximately 28,800 sq ft and consists of a large open area with four loading docks and smaller attached office space.

Methodology

One Auditor Dr. Pamela Bridgen, Senior Scientist and CEO, a Registrar Accreditation Board Certified Lead Auditor from Environment International Ltd. performed the third-party audit on July 18, 2019 and prepared this report. Dr. Bridgen led the EWC Group’s third-party audits annually from 2009 to 2018 and is familiar with EWC Group operations. The auditor inspected the site’s facilities, interviewed EWC Group personnel, and reviewed facility records. After a brief opening meeting and review of records, the auditor went on a site tour of the facility to get an overview of the operation and observe the processes being performed. Interviews were conducted with several staff members. The auditor reviewed additional records and documentation and assessed the facility’s compliance with environmental performance standards for direct processors of electronic waste in Washington State.

At the conclusion of the site visit, an informal closing meeting was held. The most senior representative present at the opening and closing briefings was James Piek, CEO and President. Table 1 presents a summary of all Washington State direct processor performance standards (minimum and preferred) and indicates whether or not EWC Group’s facility and operations conform to each standard.
Table 1: Conformance of Seattle Facility of EWC Group, Inc. with Washington State Direct Processor Performance Standards (Minimum and Preferred).

<table>
<thead>
<tr>
<th>Performance Standard</th>
<th>Minimum Standard</th>
<th>Preferred Standard</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Responsible Management Priorities</td>
<td>✔</td>
<td>N/A</td>
</tr>
<tr>
<td>2. Legal Requirements</td>
<td>✔</td>
<td>N/A</td>
</tr>
<tr>
<td>3. Environmental, Health, and Safety Management Systems</td>
<td>✔ ✔</td>
<td>✔</td>
</tr>
<tr>
<td>4. Recordkeeping</td>
<td>✔ ✔</td>
<td>✔</td>
</tr>
<tr>
<td>5. On-site Requirements</td>
<td>✔ ✔</td>
<td>✔</td>
</tr>
<tr>
<td>6. Materials of Concern</td>
<td>✔ ✔</td>
<td>N/A</td>
</tr>
<tr>
<td>7. Recycling</td>
<td>✔ ✔</td>
<td>✔</td>
</tr>
<tr>
<td>8. Reuse</td>
<td>✔ ✔</td>
<td>✔</td>
</tr>
<tr>
<td>9. Disposal of Residuals</td>
<td>✔ ✔</td>
<td>✔</td>
</tr>
<tr>
<td>10. Refurbishment</td>
<td>N/A</td>
<td>✔</td>
</tr>
<tr>
<td>11. Transport</td>
<td>✔ ✔</td>
<td>✔</td>
</tr>
<tr>
<td>12. Prison Labor</td>
<td>✔ ✔</td>
<td>N/A</td>
</tr>
<tr>
<td>13. Facility Access</td>
<td>✔ ✔</td>
<td>N/A</td>
</tr>
<tr>
<td>14. Notification of Penalties and Violations</td>
<td>✔ ✔</td>
<td>N/A</td>
</tr>
<tr>
<td>15. Due Diligence Downstream</td>
<td>N/A</td>
<td>✔</td>
</tr>
<tr>
<td>16. Exporting</td>
<td>N/A</td>
<td>✔</td>
</tr>
<tr>
<td>17. Insurance</td>
<td>N/A</td>
<td>✔</td>
</tr>
<tr>
<td>18. Closure Plan and Financial Responsibility</td>
<td>N/A</td>
<td>✔</td>
</tr>
<tr>
<td>19. Facility Security</td>
<td>N/A</td>
<td>✔</td>
</tr>
</tbody>
</table>
PERFORMANCE STANDARDS FOR DIRECT PROCESSORS

1. Responsible Management Priorities

Minimum Performance Standards

A direct processor must periodically evaluate its management strategies to assure it takes advantage of new more effective technologies and is otherwise continuously improving its practices and processes.

Per EWC Group’s Direct Processor Performance Standard document (dated July 2018), p. 7, EWC will evaluate its management strategies as needed to assure that EWC is up to date on newer technologies that could be more advantageous than current practices and processes, reflecting a commitment to continuous improvement. Informal meetings have been held to review strategies and an evaluation form dated March 1, 2019 was reviewed during the audit.

Preferred Performance Standards

No additional performance standards.
2. Legal Requirements

Minimum Performance Standards (no additional preferred performance standards)

(a) A direct processor must comply with all federal, state, and local requirements and, if it exports, those of all transit and recipient countries that are applicable to the operations and transactions in which it engages related to the processing of CEPs, components, parts, and materials and disposal of residuals. These include but are not limited to applicable legal requirements relating to:

(i) Waste and recyclables processing, storage, handling, and shipping; and
(ii) Air emissions and waste water discharge, including storm water discharges; and
(iii) Worker health and safety; and
(iv) Transboundary movement of electronic equipment, components, materials, waste, or scrap for reuse, recycling, or disposal.

(b) Upon request by a covered entity, a direct processor must make available information to that covered entity about any financial penalties, regulatory orders, or violations the direct processor received in the previous three years. If the direct processor receives subsequent penalties or regulatory orders, the direct processor must make that information available within sixty days after any subsequent penalties or regulatory orders are issued.

Per EWC Group’s Direct Processor Performance Standard document (dated July 2018), p. 9, EWC will comply with all federal, state, and local requirements.

During the site visit and staff interviews, no violation of federal, state, or local regulations was observed in the areas for storage, handling, and preparation for shipment of waste and recyclables.

During the site visit and staff interviews, no violation of federal, state, or local regulations was noted regarding air emissions and water and stormwater discharges, nor of regulations regarding worker health and safety.

To date, EWC has not incurred financial penalties, regulatory orders, or violations, and interviewed staff indicated that they are aware of whom they are required to inform in the event that they incur such a penalty in the future.

Minimum Performance Standards

(a) A direct processor must develop, document, fully implement, and update at least annually a written EHSMS that includes all of the following:

(i) Written goals and procedures that require the direct processor to systematically manage its environmental, health, and safety matters.

(ii) Utilization of a "plan, do, check, act" model that identifies environmental aspects, implements operational controls, and provides corrective action procedures. Elements of this model must include:

   (A) Plan
       (I) Identification of environmental impacts, and legal and regulatory requirements;
       (II) Establishment of environmental goals, objectives and targets;
       (III) Plan actions that work toward achieving identified goals;
       (IV) Plan for emergency preparedness and response; and
       (V) Commitment of management support.

   (B) Do
       (I) Establish roles and responsibilities for the EHSMS and provide adequate resources;
       (II) Assure that staff are trained and capable of carrying out responsibilities; and
       (II) Identify and correct problems and prevent recurrence; and
       (III) Provide a measurement system that quantifies the application of the model.

EWC has developed a written EHSMS within the EWC Group’s Direct Processor Performance Standard document (dated July 2018) that was made available to the auditor. EWC has fully implemented the EHSMS. The EHSMS explicitly includes plans and procedures covering the required topics on the following referenced pages. Interviews conducted during the site visit did not indicate any deviation from these policies.

pp. 10 through 19
General environmental goals, objectives, targets, and plans to achieve same are on page 12. Environmentally sound and safe methods for processing/dismantling LED panel displays were reviewed by EWC management in 2018 and a decision was made to ship them out intact to Far West recycling. An emergency preparedness and response plan is included on pages 14-17, and the commitment of management support is on page 18.

pp. 20 through 23
Employee training records from initial training and meetings were examined and all employees had signed off on receiving the initial training. Six meetings have been held so far in 2019 and all employees had signed off as participating in the meetings. Two dismantle line employees were interviewed. Both employees were aware of their responsibilities.
(IV) Establish a process for communicating about the EHSMS within the business.

(C) Check
(I) Monitor key activities and track performance;

(D) Act
(I) Conduct annual progress reviews;
(II) Act to make necessary changes to the EHSMS; and
(III) Create and implement an action plan for continual improvement.

(iii) A worker safety and health management plan that conforms to a consensus-based standard covering worker health and safety such as ANSI Z10 or to a similarly rigorous in-house standard.

(iv) A plan for responding to and reporting exceptional releases that could pose a risk to worker safety, public health, or the environment. Such releases include emergencies such as accidents, spills, fires, and explosions. The direct processor must submit this plan to all appropriate emergency responders, e.g., police, fire department, hospitals.

(v) A plan is conformable with ISO 14001, Institute of Scrap Recycling Industries' Recycling Industry Operating Standards ("RIOS"), the International Association of Electronic Recyclers' ("IAERS") standard, or other standards designed at a level appropriate for processing at the facility.

(b) A direct processor must ensure all employees understand and follow the portions of the EHSMS relevant to the activities they perform.

pp. 19
Responsibility for monitoring performance and correcting problems is assigned.

p. 7 and p. 28
Progress reviews are discussed as part of overall evaluation of management strategies. Updates and improvements to the EHSMS are not limited to once per year but are implemented as necessary.

EWC’s Hazard Communication Program and Illness and Injury Prevention Program fulfill these requirements.

p. 14 - 15
Staff interviews indicated that employees are familiar with emergency plans and are prepared to implement them as necessary.

The EHSMS contains most of the elements required for conformance with ISO 14001 although the system is not certified as conforming to ISO 14001.

Staff interviews indicated that the personnel are familiar with the EHSMS as it relates to their activities.
**Preferred Performance Standards**

(c) The EHSMS must also include a procedure for:

(i) Identifying and evaluating the environmental, health, and safety impacts of downstream vendors, and

(ii) Utilizing the information in (a) in the selection of downstream vendors.

On page 52 of the EWC Group’s Direct Processor Performance Standard document (dated July 2018), EWC pledges to review all downstream vendors for labor, health, and environmental standards at least every 3 years.

Currently, EWC utilizes two vendors to receive materials of concern. These vendors are Far West Recycling in Oregon and TDM / Cali Resources in Mexico. Work that EWC has done to verify downstream vendors’ standards includes review of vendors’ RIOS: 2016 and Responsible Recycling System certification, and documentation through correspondence of vendors’ environmental, health, and safety standards.

During the site visit, EWC shared letters from vendors and audit questionnaires attesting to their compliance with environmental, health, and safety regulations. The auditor also reviewed Certificates of Recycling for CRT glass shipped to Mexico to ensure appropriate disposition and to validate against the mass balance report. During interviews, EWC staff exhibited a strong commitment to ensuring that their materials not pass downstream to companies with poor environmental records.
4. Recordkeeping

Minimum Performance Standards

(a) A direct processor must maintain documentation such as commercial contracts, bills of lading, or other commercially accepted documentation for all transfers of CEPs, components, parts, materials, and residual into and out of its facilities.
(b) A direct processor must retain documents required for at least three years.

Preferred Performance Standards

(c) The direct processor must also maintain records for any brokering transactions for at least three years.

Per EWC Group’s Direct Processor Performance Standard document (dated July 2018), p. 32, EWC has a policy to retain all transaction records for at least 3 years. During the audit, EWC showed the auditor the binders and electronic filing used to keep such records, which appeared to be complete. During interviews, EWC staff indicated that they understood the three-year requirement for maintaining records.

The CEO/President indicated to the auditor that EWC does not engage in brokering activities. Therefore, there are currently no records to be maintained.
5. On-site Requirements

Minimum Performance Standards

(a) General

(i) Direct processors must take all practicable steps to maximize recycling.
(ii) A direct processor must have the expertise and technical capability to process each type of CEP and component it accepts in a manner protective of worker safety, public health, and the environment.
(iii) A direct processor must use materials handling, storage and management practices, that assure that all work and storage areas are kept clean and orderly.
(iv) Speculative accumulation:
   (A) "Speculative accumulation" means holding, storing or accumulating CEPs, components, parts, materials, or residual derived therefrom for more than one hundred eighty days.
   (B) Generators and facilities holding, storing, or accumulating CEPs, components, parts, materials, or residual derived there from for more than one hundred eighty days will be considered holding, storing, accumulating solid or hazardous waste and subject to applicable treatment, storage or disposal regulations or equivalent.
(v) A direct processor must use a certified scale to weigh CEPs and components counted towards a plan's equivalent share.

During the site visit, all steps to ensure recycling were being taken. All staff interviewed indicated that no CEPs nor components go to the landfill; all are recycled in some way.

During the site visit, although the warehouse was fairly full at the time of the audit, all handling and storage areas were observed to be tidy and regular sweeping was taking place.

During interviews, staff indicated that they were aware of the requirement not to accumulate CEPs for longer than 180 days. All storage containers examined were marked with the accumulation start date. No CEP was observed in the warehouse with an accumulation start date earlier than April 2019. The next outgoing shipment is scheduled in about two weeks.

The latest servicing and calibration of the scale was performed in June 2019. The calibration certificate was provided for inspection by the auditor. The calibration certificate indicated no problems with the scale.
(b) Storage
A direct processor must store materials of concern removed from CEPs, components, parts, materials, or residuals in accordance with WAC 173-900-650(11) in a manner that:

(i) Protects them from adverse atmospheric conditions and floods and, as warranted, includes a catchment system;
(ii) Is secure from unauthorized entrance; and
(iii) Is in clearly labeled containers and/or storage areas.

EWC’s storage area is entirely indoors and is raised above ground level.

During the audit, EWC’s storage area appeared secure.

All storage containers were clearly labeled at the time of the audit.

(c) Exceptional releases posing risks
A direct processor must be prepared to immediately implement the practices set forth in its EHSMS for responding to and reporting exceptional releases that could pose a risk to worker safety, public health, or the environment, including emergencies such as accidents, spills, fires, and explosions.

The potential release posing the greatest risk at EWC is broken CRTs containing lead and broken fluorescent tubes from LCD screens containing mercury.

According to interviews with employees conducted during the audit, all workers are trained to handle breakage situations, as well as other release situations. It was a topic of the company safety meeting in February 2019.
**Preferred Performance Standards**

*(d) Workforce and Environmental Protection*

(i) **Hazard identification and assessment:** A direct processor must conduct on an ongoing basis (as new types of CEPs, components, parts and materials are processed or new processes are utilized) a hazards identification and assessment of occupational and environmental risks that exist or could reasonably be expected to develop at the facility.

Such risks could result from any sources, including but not limited to:
- Emissions of and/or exposure to substances
- Noise
- Ergonomic factors
- Thermal stress
- Substandard machine guarding
- Cuts and abrasions

(ii) **The hazards identification and assessment is captured in writing and incorporated as a component of the direct processor’s EHSMS.**

Specific staff members are tasked with keeping up with new types of CEPs and components and their concomitant hazards, as well as new recycling processes that may become available. For example, employees read regular communications from, and review web sites of industry leaders such as E-Scrap News, Recycling Resources, Recycling Today and Plastics Recycling to learn about vendors and new recycling approaches. EWC has a comprehensive safety code that includes protections against all risks listed in the standard.

(iii) A direct processor must manage the hazards and minimize the releases it identifies using an appropriate combination of strategies in the following order of priority:

- Engineering controls
- Administrative and work practice controls
- Personal protection equipment

(A) Engineering controls:

(I) A direct processor must use at least one of the following:

- Substitution (e.g., replacing a toxic solvent with one less toxic),
- Isolation (e.g., automating a process to avoid employee exposure), or
- Ventilation and, if appropriate, capture (e.g., fume hood), And

(II) All of the following:

- Dust control, capture, and clean up,
- Emergency shut-off systems, and
- Fire suppression systems.

(B) Administrative and work practice controls:

A direct processor must use administrative and work practice controls including appropriate combinations of:

(I) Regular, documented health and safety training that covers information from the hazardous assessment, safe management handling, spill prevention, engineering controls, equipment safety, and use and care of personal protection equipment; with training for new hires and refresher courses for all employees that is understandable to them given language and level-of-education considerations,

(II) Job rotation, as feasible, given workforce size,

(III) Safe work practices,

(IV) Medical monitoring,

(V) Safety meetings.

(C) Personal protective equipment, including respirators, protective eyewear, cut-resistant gloves, etc. as appropriate for the risks involved in the tasks being performed.

EWC Group’s work space is well-ventilated.

Dust control is not applicable as there are no shredding, grinding or other dust-generating operations at EWC’s facility. One machine, a baler, has an emergency shut-off system. EWC’s facility has a sprinkler system.

Health and safety training materials for employees were made available to auditor for inspection, and covered all topics listed in the standard.

Safe work practices are documented in EWC’s EHSMS.

According to an employee interview, EWC employees have safety meetings on a regular basis.

According to two dismantle line employees, EWC employees are required to wear personal protective equipment, including, among other items, boots, safety glasses, and masks as needed. The EWC Group’s Direct Processor Performance Standard document (dated July 2018), indicates the requirement for training regarding personal protective equipment as part of each employee’s training record (pages 21-22).
(iv) A direct processor must use and document monitoring and sampling protocols according to state and federal standards and provide assurances that the practices it employs are effective and continuously managing the risks it has identified. This includes complying with all applicable Federal or State (Occupational Safety and Health Administration) OSHA standards and sampling and/or monitoring protocols.

(v) A direct processor must treat anyone performing activities in its facilities, using the standard of care established in this section. Direct processors are not required to provide medical monitoring for short-term, temporary and volunteer workers.

(vi) A direct processor must designate a qualified employee or consultant to coordinate its efforts to promote worker health and safety. This individual is identified to all employees and two-way communication is encouraged between employees and this individual regarding potential hazards and how best to address them.

EWC complies with state and federal monitoring requirements at monthly safety meetings. The CEO/President indicated that the meetings cover the topics listed on page 22 of EWC Group’s Direct Processor Performance Standard document (dated July 2018) and training records document the specific topics covered. Records from 6 meetings in 2019 were reviewed.

During the audit, the employees interviewed confirmed that they are treated by EWC with the standard of care established in its EHSMS. The auditor observed other employees at work and confirmed that they appeared to be treated with the same standard of care.

Responsibility for hazard communication is on page 18 of EWC Group’s Direct Processor Performance Standard document (dated July 2018). In several sections, employees are encouraged to talk with the hazard communication manager or their own manager if they have safety concerns. Employees interviewed indicated that they felt the facility was safely operated, with very few safety concerns. All employees indicated that if a concern arose they would contact their supervisor or one of the senior managers for direction.
6. Materials of Concern

Minimum Performance Standards (no additional preferred performance standards)

Materials of concern must be handled according to the standards in this section. "Materials of concern" are any of the following:

(a) Any devices, including fluorescent tubes, containing mercury or PCBs;
(b) Batteries;
(c) CRTs and leaded glass; and
(d) Whole circuit boards.

Per EWC Group’s Direct Processor Performance Standard document (dated July 2018), pp. 41-42, EWC has identified all sources of materials of concern. Specific disposition of each material concern, including end-of-life processing destination country, is listed in a table on page 42 of that document.

7. Recycling

Minimum Performance Standards

(a) Recycling

(i) A direct processor must remove from CEPs and components destined for recycling any parts that contain materials of concern that would pose a risk to worker safety, public health, or the environment during subsequent processing.

(ii) A direct processor must remove any parts that contain materials of concern prior to mechanical or thermal processing and handle them in a manner consistent with the regulatory requirements that apply to the items, or any substances contained therein. Circuit boards and materials derived therefrom will be allowed to be shredded prior to separating.

The EWC Group’s Direct Processor Performance Standard document (dated July 2018), pp. 43-46 list, lays out specific procedures for properly handling, classifying, and storing materials of concern and all other materials. During the audit, auditors observed workers dismantling computers. CRT glass and fluorescent tubes from LCD screens were packaged in a separate area, in a way that minimized the likelihood of breakage and thus a release to the environment of any hazardous substance. The auditor also observed separate storage for circuit boards and batteries.

Preferred Performance Standards

(b) Recycling:

(i) A direct processor must dismantle, separate, and/or mechanically process, as appropriate, CEPs, components, and parts from which materials are to be recovered for recycling into separate “material streams” to generate value, recover materials and minimize waste, and to enable safe management through to final disposition.

During the audit, all CEPs and components were observed being separated into distinct material streams for recycling or recovery. Staff indicated that no waste currently goes to a landfill from the EWC facility.
8. Reuse

Minimum Performance Standards

(a) Reuse
(i) "Reuse" means any operation by which an electronic product or component of a covered electronic product changes ownership and is used, as is, for the same purpose for which it was originally purchased.
(ii) For a CEP, component or part to be put to reuse it must be fully functioning.
(iii) CEPs, components and parts gleaned for reuse shall not be included in the weight totals submitted to a plan for compensation.

Preferred Performance Standards

(b) Reuse:
(i) Before shipping CEPs, components, or parts for reuse, the direct processor must:
   (A) Test and ensure that the CEPs, components, and parts are functioning properly for the same purpose for which they were originally purchased.
   (B) Accurately label, package, and ship the CEPs, components, and parts in a manner that will minimize damage during transport.
(ii) A direct processor must verify a legitimate end-use market for the intended purpose of any CEPs, components or parts shipped for reuse.
9. Disposal of Residuals

Minimum Performance Standards

(a) Disposal of residuals

(i) "Residuals" are leftover materials from processing CEPs, components, parts and materials. Residuals are materials that cannot be used for their original function or cannot be recycled and are sent by a processor to a disposal facility.

(ii) Residuals must be properly designated and managed under applicable solid waste and hazardous waste laws at the location where disposal occurs.

(iii) A direct processor must not send residuals containing materials of concern to incinerators or solid waste landfills if doing so will pose a higher risk to worker safety, public health, or the environment than alternative management strategies.

(iv) Residuals from processing of materials of concern must not be mixed with other residuals for the purpose of disposal.

During the audit, staff interviews indicated that a company goal is to send little to no waste to incinerators or landfills. Per EWC Group’s Direct Processor Performance Standard document (dated July 2018), p. 47, EWC Group pledges to properly designate and manage residuals under applicable solid and hazardous waste regulations.

Per EWC Group’s Direct Processor Performance Standard document (dated July 2018), p. 47, EWC further commits to not send residuals containing materials of concern to incinerators or solid waste landfills.

EWC separates all material streams for recycling and recovery.

Preferred Performance Standards

(b) Residuals must be disposed of in a regulated solid waste disposal facility. Residuals containing materials of concern must be disposed in a regulated hazardous waste disposal facility.

EWC does not currently have waste streams to which this standard applies. However, during interviews, staff indicated that they were familiar with this requirement and would not have trouble complying if EWC’s processes change in the future.
10. Refurbishment

Minimum Performance Standards

No minimum performance standards from WAC 173-900-650.

Preferred Performance Standards

(a) Refurbishment:
   (i) A direct processor must adhere to all the performance standards in this document for all on-site activities relating to CEPs, components, and parts destined for refurbishment.
   (A) A direct processor must conform to all performance standards in this document for its onsite and downstream vendors’ refurbishment operations, and when shipping CEPs, components, or parts to downstream vendors for refurbishment.
   (ii) CEPs, components and parts gleaned for refurbishment shall not be included in the weight totals submitted to a plan for compensation.
   (iii) A direct processor must verify a legitimate end-use market for the intended purpose of any CEPs, components or parts shipped for refurbishment.

During the audit, staff indicated that EWC does not refurbish CEPs or send CEPs to downstream vendors to be refurbished. During interviews, staff indicated that they were familiar with this requirement and would not have trouble complying if EWC’s processes change in the future.
11. Transport

Minimum Performance Standards

(a) A direct processor must ensure that all CEPs, CEP components and materials to be transported are packaged in compliance with all applicable transport laws and rules.

Per EWC Group’s Direct Processor Performance Standard document (dated July 2018), p. 48, EWC assures that its CEPs, CEP components, materials, and residuals will be transported appropriately so as to prevent spillage, breakage, contamination, or any other risks posed to public health or the environment. During the site visit, all CEPs, components, and residuals appeared to be packed securely in preparation for transport in compliance with transport laws.

Preferred Performance Standards

(b) A direct processor must ensure all CEPs, components, parts, materials, and residuals to be transported are packaged appropriately in light of the risk they could pose during transportation to public health or the environment and the level of care warranted by their intended use.

(c) A direct processor must obtain written documentation or a third-party certification indicating that their transporters have all the necessary regulatory authorizations and no significant violations of relevant legal requirements during the past three years.

Per EWC Group’s Direct Processor Performance Standard document (dated July 2018), p. 48, EWC assures that its CEPs, CEP components, materials, and residuals will be transported appropriately so as to prevent spillage, breakage, contamination, or any other risks posed to public health or the environment. During the site visit, all CEPs, components, and residuals appeared to be packed securely in preparation for transport in compliance with transport laws.

EWC shared with the auditor written documentation dated July 11, 2019 regarding the regulatory authorizations and absence of significant legal violations during the past three years for its transporter, BG Trucking.
12. Prison Labor

Minimum Performance Standards (no additional preferred performance standards)

Direct processors may not use federal or state prison labor for processing.

Per EWC Group’s Direct Processor Performance Standard document (dated July 2018), p. 49, EWC does not participate in the hiring of federal or state prison inmates. During interviews, staff indicated that they were familiar with this requirement.

13. Facility Access

Minimum Performance Standards (no additional preferred performance standards)

(a) Direct processors must allow access to the facility and the documentation required in this section for the purposes of assessing compliance with the requirements in this chapter and for sampling to:
   (i) Ecology and ecology's designee(s);
   (ii) Third-party observers for the purposes of sampling;
   (iii) For processors used by the standard plan:
      (A) The authority;
      (B) The authority's designee(s);
   (iv) For processors used by an independent plan:
      (A) That plan's authorized party;
      (B) The authorized party's designee for that plan.

Per EWC Group’s Direct Processor Performance Standard document (dated July 2018), p. 50, EWC will allow Ecology, third-party observers (for the purpose of sampling), and members of the Authority access to its facilities for the purpose of assessing compliance. During interviews, staff indicated that they were familiar with this requirement.

14. Notification of Penalties and Violations

Minimum Performance Standards (no additional preferred performance standards)

Each direct processor must notify Ecology within thirty days if the direct processor receives any penalties, violations or regulatory orders related to processing activities.

Per EWC Group’s Direct Processor Performance Standard document (dated July 2018), p. 51, EWC will notify Ecology within 30 days if EWC receives any penalties, violations, or regulatory orders related to processing activities. During interviews, staff indicated that they were familiar with this requirement.
15. Due Diligence Downstream

Minimum Performance Standards


Preferred Performance Standards

(a) For materials of concern and residuals containing materials of concern a direct processor must only use downstream vendors who conform with all of the performance standards in this document.

(i) A direct processor must review its downstream vendors’ conformity to these standards at least every two years and more frequently as changes in circumstances warrant. The direct processor must provide the verification and documentation to Ecology upon request.

(ii) A direct processor must document the chain of custody of all materials of concern and their residuals through final disposition.

(iii) A direct processor does not need to conduct the due diligence for downstream vendors certified to the performance standards in this document by an accredited body.

Per EWC Group’s Direct Processor Performance Standard document (dated July 2018), p. 52, EWC pledges to partner only with downstream vendors meeting EWC’s labor, health, and environmental standards. EWC reviews all downstream vendors at least every three years, and is prepared to provide documentation upon request.

EWC shared vendor audit questionnaires attesting their compliance with environmental, health, and safety regulations. During interviews, EWC staff members were clearly committed to ensuring that their materials not be passed downstream to companies with poor environmental records.

During the audit, chain of custody records were inspected for shipments containing materials of concern. For each shipment, an invoice or certificate was provided verifying final disposition by a conforming downstream vendor.

In addition, shipping information and Certificates of Recycling (CORs) were reviewed for CRT glass shipped to TDM in Mexico from August 2015 and March 2019. All materials were accounted for.
16. Exporting

Minimum Performance Standards

Preferred Performance Standards
(a) A direct processor that exports materials of concern must ensure that each transit and recipient country legally accepts such imports. For each country that is not a member of the Organization for Economic Co-operation and Development (OECD), this entails either:
   (i) Requesting and receiving documentation, prior to shipping, from the Competent Authority of each such transit and/or import country, that clearly verifies in English that the country legally accepts such imports, or
   (ii) Requesting and receiving, prior to shipping, confirmation—that the country(ies) legally accepts such imports—from the United States Environmental Protection Agency, which in turn will communicate with the other country’s Competent Authority to get a determination.

Per EWC Group’s Direct Processor Performance Standard document (dated July 2018), p. 53, EWC pledges to ensure that CEPs, components, and residuals are legally accepted by any importing countries. EWC prefers to export to OECD nations and currently exports materials of concern only to OECD countries. With the exception of CRT glass that is shipped to Mexico, all materials of concern are sent to Far West Recycling in Oregon, which is certified to RIOS: 2016 and Responsible Recycling by Orion Registrar, Inc. through March 2022. If EWC decides to work with a vendor from a non-OECD country, staff indicated that EWC will obtain the necessary documentation from the government entity legally responsible for trans-boundary transactions prior to shipment.

In addition, as required by WMMFA, EWC keeps on site all the required information regarding disposition of materials of concern. The most recent shipping paperwork was compared with the mass balance report and appeared to be consistent.

EWC has documentation to validate the legitimacy of the downstream processors of materials of concern. It has certificates of RIOS and Responsible Recycling certification from Far West Recycling. For TDM, EWC has certificates of recycling for each shipment showing that the downstream vendor is handling the materials appropriately.
17. **Insurance**

*Minimum Performance Standards*

*Preferred Performance Standards*

(a) A direct processor possesses adequate Comprehensive or Commercial General Liability Insurance including coverage for:

(i) Bodily injury,
(ii) Property damage,
(iii) Pollutant releases,
(iv) Accidents and
(v) Other emergencies.


18. **Closure Plan and Financial Responsibility**

*Minimum Performance Standards*

*Preferred Performance Standards*

A direct processor must develop and keep current a closure plan and a sufficient financial instrument that assures proper closure of the facility and assures against abandonment of any CEPs, components, parts, materials or residuals.

Per EWC Group’s Direct Processor Performance Standard document (dated July 2018), p. 62-3 and 71, EWC has estimated costs for a third-party closure and has established a bank trust account with funds sufficient to cover those costs. During the site visit, EWC provided the June 30, 2019 statement for the bank account with the funds to cover the closure cost estimate.
19. Facility Security

Minimum Performance Standards


Preferred Performance Standards

A direct processor must have a functioning security program that controls access to all or parts of the processing facility in a manner and to a degree appropriate given the type of CEPs, components, parts, materials, and residuals handled and the needs of the customers served and may include such items such as indoor and outdoor lighting, secured facilities, and perimeter fencing.

This is described on p 73 of EWC Group’s Direct Processor Performance Standard document. ADT is under contract for continuous monitoring of the facility by four cameras throughout the facility, motion sensors and door alarms. The cameras are also connected to screens inside the facility offices for on-site monitoring during the work day.
CONCLUSIONS

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>CRT Glass</td>
<td>Manually removed from CEP; separate panels, metals, and all other residuals</td>
<td>Glass to glass; all materials reused in new glass products</td>
<td>Mexico/South Korea</td>
<td></td>
</tr>
<tr>
<td>Circuit Boards</td>
<td>Manually removed from CEP</td>
<td>Primary smelter for precious metal recovery</td>
<td>U.S./Japan</td>
<td></td>
</tr>
<tr>
<td>Batteries</td>
<td>Manually removed from CEP and sorted</td>
<td>Metal Recovery</td>
<td>U.S.</td>
<td></td>
</tr>
<tr>
<td>by type</td>
<td>Mercury Devices</td>
<td>Mercury recovery</td>
<td>U.S.</td>
<td></td>
</tr>
<tr>
<td>-------------------------</td>
<td>--------------------------------</td>
<td>--------------------------</td>
<td>--------------------</td>
<td></td>
</tr>
<tr>
<td>Manually removed from CEP, managed as Universal Waste</td>
<td>Mercury recovery</td>
<td>U.S.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Materials of Non-Concern</td>
<td>Steel</td>
<td>Metal recovery</td>
<td>U.S./Hong Kong</td>
<td></td>
</tr>
<tr>
<td>Manually removed from CEP</td>
<td>Metal recovery</td>
<td>U.S./Hong Kong</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Plastics</td>
<td>Plastic Recovery</td>
<td>China/Malaysia/Thailand</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Manually removed from CEP</td>
<td>Plastic Recovery</td>
<td>China/Malaysia/Thailand</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Insulated Wire</td>
<td>Primary smelter for precious metal recovery</td>
<td>U.S./Japan</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Aluminum</td>
<td>Manually removed from CEP</td>
<td>Metal Recovery</td>
<td>U.S.</td>
<td></td>
</tr>
</tbody>
</table>
This Contract for Processing Services ("Contract") is made and entered into by and between the Washington Materials Management and Financing Authority, hereinafter referred to as the "AUTHORITY," and the below-named firm, hereinafter referred to as "CONTRACTOR."

CONTRACTOR Name: EWC Group, Inc
Address: 20413 87th Ave S
City, State & Zip Code: Kent, WA 98031
Phone: 253-872-1829
E-mail Address: info@ewcgroup.net
Washington State UBI No.: 602 86 3820
Federal ID No.: 26-3357331

SECTION 1: SERVICES

1.1 Scope of Work. CONTRACTOR agrees to provide services and staff, and otherwise do all things necessary for or incidental to processing covered electronic products (or "CEPs") provided by the AUTHORITY or an authorized representative. This Contract is not a guarantee of Work or any level of Work during the term hereof. The AUTHORITY reserves the right to procure services from any qualified CONTRACTOR on the basis of the price, quality and convenience of services provided. The scope of this Agreement shall be interpreted to be consistent with applicable law, now and during the term of this CONTRACT.

1.2 Definitions.

1.2.1 Collector. The term "collector" means an entity that is licensed to do business in Washington state and that gathers unwanted covered electronic products from households, small businesses, school districts, small governments, and charities for the purpose of recycling and meets the registration and collector performance standard requirements set forth in WAC 173-900.

1.2.2 Covered Electronic Products. The term "covered electronic products" includes any one of the following four types of products that has been used in Washington state by any covered entity, regardless of original point of purchase: (a) any monitor having a viewable area greater than four inches when measured diagonally; (b) a desktop computer; (c) a laptop or portable computer; or (d) any video display device having a viewable area greater than four inches when measured diagonally including a portable DVD player, e-reader or tablet device.

The term "covered electronic products" does not include: (a) a motor vehicle or replacement parts for use in motor vehicles or aircraft, or any computer, computer monitor, or television that is contained within, and is not separate from, the motor vehicle or aircraft; (b) monitoring and control instruments or systems; (c) medical devices; (d) products including materials intended for use as ingredients in those products as defined in the federal Food, Drug, and Cosmetic Act (21 U.S.C. Sec. 301 et seq.) or the Virus-Serum-Toxin Act of 1913 (21 U.S.C. Sec. 151 et seq.), and regulations issued under those acts; (e) equipment used in the delivery of patient care in a health care setting; (f) a computer, computer monitor, or television that is contained within a clothes washer, clothes dryer, refrigerator, refrigerator and freezer, microwave
oven, conventional oven or range, dishwasher, room air conditioner, dehumidifier, or air purifier; automatic teller machines, vending machines or similar business transaction machines; or (g) hand-held portable voice or data devices used for commercial mobile services as defined in 47 U.S.C. Sec. 332 (d)(1).

1.2.3 Covered Entity. The term "covered entity" means any household, charity, school district, small business, or small government located in Washington state.

1.2.4 Direct Processor. The term "direct processor" means a processor contracted with a CEP recycling plan to provide processing services for the plan.

1.2.5 Processing Facility. The term "processing facility" means a facility where the processing of CEPs for a plan is conducted by a direct processor.

1.2.6 Processor. The term "processor" means an entity: (a) engaged in disassembling, dismantling, or shredding electronic products to recover materials contained in the electronic products and preparing those materials for reclaiming or reuse in new products in accordance with processing standards established by this chapter, and (b) that may salvage CEPs, components, and parts to be used in new products.

1.2.7 Processing. The term "processing" means disassembling, dismantling, or shredding electronic products to recover materials contained in the CEPs received from registered collectors or transporters and preparing those materials for reclaiming or reuse in accordance with the performance standards for direct processors set forth in this Contract.

1.2.8 Transporter. The term "transporter" means an entity that transports covered electronic products from collection sites or services to processors or other locations for the purpose of recycling, but does not include any entity or person that hauls their own unwanted electronic products.

SECTION 2: PERIOD OF PERFORMANCE

The period of performance under this Contract will be from January 1, 2019, through December 31, 2019. The AUTHORITY shall have the option of renewing the Contract for additional annual periods.

SECTION 3: RECEIPT OR DELIVERY OF COVERED ELECTRONIC PRODUCTS

3.1 Delivery. The AUTHORITY shall deliver covered electronic products to CONTRACTOR at those times and places, in those quantities, and in the manner agreed to by AUTHORITY and CONTRACTOR. CONTRACTOR's receipt of covered electronic products at its processing facilities and CONTRACTOR's taking of possession and control of covered electronic products at the point of delivery shall constitute acceptance of covered electronic products for the purpose of processing.

3.2 Examination of Materials. The AUTHORITY shall permit CONTRACTOR reasonable access to delivered covered electronic products for purposes of examining and sampling prior to accepting the covered electronic products. CONTRACTOR shall accept conforming covered electronic products which have been tendered and delivered in conformance with this Contract.

3.3 Documents. For each delivery of covered electronic products to the CONTRACTOR, the AUTHORITY or its authorized representative shall provide CONTRACTOR those completed documents, shipping papers or manifests as are required for lawful transfer of the covered electronic products to CONTRACTOR at the point of delivery. Such documents shall meet applicable federal, state or local rules and regulations, including, but not limited to, the Electronic Products Recycling Act, RCW 70.95N, et seq., Hazardous Materials Transportation Act, 49 U.S.C. §§1801, et seq., as amended, the Toxic Substances Control Act, 15U.S.C. §§ 2601 et seq., as amended, and the Resource Conservation and Recovery Act of 1976, 42 U.S.C. §§ 6901 et seq., as amended.
7.5  **Timely Payment.** Payment shall be considered timely if made by the AUTHORITY within thirty (30) calendar days after receipt of properly completed invoices. Payment shall be sent to the address designated by the CONTRACTOR in this Contract.

SECTION 8:  **TERMINATION**

8.1  **Termination.** The AUTHORITY may, in its sole discretion, terminate the Contract, without incurring any termination charges or penalties to the AUTHORITY, by giving CONTRACTOR thirty (30) days' written notice of cancellation. The notice of termination shall specify the date when this Contract or services terminates. The AUTHORITY shall have no responsibility to CONTRACTOR for any services performed by CONTRACTOR after the effective termination date.

8.2  **Termination for Breach.** Either party may terminate this Contract or any services under this Contract upon five (5) days prior written notice if the other party (i) has breached any material provision of this Contract, including non-payment and/or improper partial payment of invoices; or (ii) has violated applicable federal, state, or local laws, ordinances, or regulations. The notice of termination shall specify the date when this Contract terminates and the reason for termination.

SECTION 9:  **CONTRACT MANAGEMENT**

The Contract Manager designated below for each party shall be the contact person for all communications and billings regarding the performance of this Contract.

<table>
<thead>
<tr>
<th>CONTRACTOR Contract Manager</th>
<th>AUTHORITY Contract Manager</th>
</tr>
</thead>
<tbody>
<tr>
<td>James Piek</td>
<td>John Friedrick, Executive Director</td>
</tr>
<tr>
<td>EWC Group, Inc</td>
<td>Washington Materials Management and Financing Authority</td>
</tr>
<tr>
<td>President</td>
<td>116 N. Oakes Ave. Ste B</td>
</tr>
<tr>
<td>20413 87th Ave S</td>
<td>Cle Elum, WA 98022</td>
</tr>
<tr>
<td>Kent, WA 98031</td>
<td>Phone (509) 674-5871</td>
</tr>
<tr>
<td>Phone: (253) 872-1829</td>
<td>Fax: (509) 674-5350</td>
</tr>
<tr>
<td>E-mail: <a href="mailto:info@ewcgroup.net">info@ewcgroup.net</a></td>
<td>Cell: (360) 442-1100</td>
</tr>
<tr>
<td>or</td>
<td>E-mail: <a href="mailto:info@wmmfa.net">info@wmmfa.net</a></td>
</tr>
<tr>
<td><a href="mailto:james@ewcgroup.net">james@ewcgroup.net</a></td>
<td><a href="mailto:jfriedrick@wmmfa.net">jfriedrick@wmmfa.net</a></td>
</tr>
</tbody>
</table>

SECTION 10:  **NOTICE**

Except where otherwise expressly authorized, notice shall be by fax, by first class certified or registered mail, or by commercial delivery service issuing a receipt for delivery and addressed as set forth above, unless changed in writing by the party to whom the notice is being sent. Notice shall be effective upon delivery.

SECTION 11:  **INDEMNIFICATION**

To the fullest extent permitted by law, CONTRACTOR shall indemnify, defend, and hold harmless the AUTHORITY, the State, agencies of State and all officials, agents and employees of State from all liability of any nature or kind, including costs, expenses, and attorney's fees, for all actions or claims, losses, personal injuries or property damages sustained by any person or property, resulting from or arising out of, directly or indirectly, any error, omission, or negligent or wrongful acts of CONTRACTOR, or any SUBCONTRACTOR, employee, agent, or representative of CONTRACTOR or anyone directly or indirectly employed by them, in the performance of this Contract.

CONTRACTOR expressly agrees to indemnify, defend, and hold harmless the AUTHORITY and State for any claim, expense, fee or penalty arising out of or incident to CONTRACTOR's or any
This Contract shall be subject to the written approval of the AUTHORITY’s authorized representative and shall not be binding until so approved. The Contract may be altered, amended, or waived only by a written amendment executed by both parties.

THIS CONTRACT is executed by the persons signing below, who warrant they have the authority to execute the Contract.

CONTRACTOR

Signature
President
Title
12/13/2018
Date

Washington Materials Management and Financing Authority

Signature
EXECUTIVE DIRECTOR
Title
12/13/18
Date