

WASHINGTON STATE DIRECT PROCESSOR PERFORMANCE STANDARDS AUDIT REPORT

EWC Group, Inc.
Kent, Washington

Dec 29, 2021

Prepared for:



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A handwritten signature in black ink, appearing to read "P. J. Bridgen", is written over a horizontal line.

Dr. P. J. Bridgen Lead Auditor.

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Prepared for:

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REVIEW AND APPROVAL

Program QA Manager:



PAMELA BRIDGEN
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December 29, 2021
Date

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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., Dr. P.J. Bridgen, certified EMS lead auditor, performed a remote audit between December 18 and December 28, 2021 for 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 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. It currently has 8 employees in addition to the President. No new employees have been hired in the past two years. The operation was sold in November 2020 to Bryce Froberg, Richard Wear, Ryan Wear and Nick Streeter. The current senior member of staff is Bryce Froberg, President. EWC has purchased a facility nearby and is planning to relocate in early 2022.

Methodology

One Auditor Dr. Pamela Bridgen, Senior Scientist and Registrar Accreditation Board Certified Lead Auditor, performed the third-party audit between December 18 and December 28, 2021 and prepared this report. Dr. Bridgen led the EWC Group's third-party audits annually from 2009 to 2020 and is familiar with EWC Group facility and operations. The auditor inspected current photographs of the site's facilities, interviewed EWC Group personnel, and reviewed facility records. After an email correspondence and the receipt of current photographs of the plant and the processes being performed, the auditor reviewed the EWC Direct Processor Performance Standard dated 12/16/2021 to get an overview of the current operation. 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.

An informal closing meeting was held by internet on December 16. The most senior representative at the opening and closing briefings was Bryce Froberg, 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 Kent Facility of EWC Group, Inc. with Washington State Direct Processor Performance Standards (Minimum and Preferred).

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

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 December 2021), p. 6, 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 throughout 2021 and an evaluation form dated February 9, 2021 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 December 2021), p. 9, EWC will comply with all federal, state, and local requirements.

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

During the audit 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.

3. Environmental, Health, and Safety Management Systems (EHSMS)

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 December 2021) 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 audit did not indicate any deviation from these policies.

pp. 10 through 17

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 XXXXXXXX. An emergency preparedness and response plan is included on pages 14-17, and the commitment of management support is on page 18.

pp. 18 through 26

Employee training records from initial training and meetings were examined and all employees had signed off on receiving the initial training. Four meetings have been held in 2021. All employees had signed off as participating in the meetings. All employees interviewed 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. 16

Responsibility for monitoring performance and correcting problems is assigned.

p. 6 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. 13 - 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 51 of the EWC Group's Direct Processor Performance Standard document (dated December 2021), EWC pledges to review all downstream vendors for labor, health, and environmental standards at least every 3 years.

Currently, EWC utilizes three vendors to receive materials of concern. These vendors are XXXXXXXX in Mexico. EWC has documentation to verify downstream vendors' certifications and licences, and vendors' compliance with environmental, health, and safety standards.

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.

Per EWC Group's Direct Processor Performance Standard document (dated December 2021), p. 31, 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.

Preferred Performance Standards

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

The 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 audit, 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 audit, all handling and storage areas were observed to be tidy and regular sweeping appeared to be 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 September 2021. Shipping has been difficult recently because of the shortage of containers as a result of COVID 19. However, EWC has been aggressively scheduling shipments to minimize the amount of material stored in the warehouse. The next outgoing shipments have been scheduled with the receiving company for January of 2022 and will be shipped as soon as the transporter is available.

The latest servicing and calibration of the scale was performed on December 21, 2021 by Meridian Scale. 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.*

(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.

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 observed were clearly labeled at the time of the audit.

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.

Preferred Performance Standards

(d) Workforce and Environmental Protection

(i) Hazards 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.

Responsibility for hazard identification and assessment is documented on page 13 of EWC Group's Direct Processor Performance Standard document (dated December 2021). Documentation of hazards is included on pages 10, 15, and 40-44.

(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, and
- 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.

EWC employees have safety meetings on a regular basis and an employee confirmed this.

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 December 2021), indicates the requirement for training regarding personal protective equipment as part of each employee's training record (pages 19-22).

(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 quarterly safety meetings. The President indicated that the meetings cover the topics listed on page 22 of EWC Group's Direct Processor Performance Standard document (dated December 2021) and training records document the specific topics covered. Records from 4 meetings in 2021 were reviewed.

During the audit, the employees interviewed confirmed that they are treated by EWC with the standard of care established in its EHSMS.

Responsibility for hazard communication is on page 18-19 of EWC Group's Direct Processor Performance Standard document (dated December 2021). 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 December 2021), pp. 40-42, 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 41 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 December 2021), pp. 42-44, lays out specific procedures for properly handling, classifying, and storing materials of concern and all other materials. 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 reviewed photos of 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 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.

EWC Group does not currently test CEPs for reuse possibilities. If EWC Group were to test CEPs for reuse, they would follow the guidelines in the Direct Processor Performance Standard document (dated December 2021), p. 45. CEPs that are put to reuse would not be included in the weight totals submitted to the 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.

EWC Group does not currently test CEPs for reuse possibilities. If EWC Group were to resume testing CEPs for reuse, they would follow the guidelines in the Direct Processor Performance Standard document (dated December 2021), p. 45.

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 December 2021), 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 December 2021), p. 46, 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 December 2021), p. 47, 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 audit photos indicated that 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.

Per EWC Group's Direct Processor Performance Standard document (dated December 2021), p. 47, 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 audit, all CEPs, components, and residuals appeared to be packed securely in preparation for transport in compliance with transport laws.

(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.

EWC shared with the auditor written documentation dated September 27, 2021 regarding the regulatory authorizations and absence of significant legal violations during the past three years for its transporter, Best Bay Logistics Inc. EWC is no longer using Coyote Transportation.

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 December 2021), p. 48, 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 December 2021), p. 49, 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 December 2021), p. 50, EWC will notify Ecology within 30 days if EWC receives any penalties, violations, or regulatory orders related to processing activities.

15. Due Diligence Downstream

Minimum Performance Standards

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

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 December 2021), p. 51, 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 XXXXXX in Mexico from May 5, June 9, August 25, November 3, and December 13, 2021. All materials were accounted for.

16. Exporting

Minimum Performance Standards

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

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 Authority² 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 December 2021), p. 52, 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 XXXXXXXX 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 XXXXXXXX. For XXXXXXXX, EWC has certificates of recycling for each shipment showing that the downstream vendor is handling the materials appropriately.

17. Insurance

Minimum Performance Standards

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

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.*

Per EWC Group's Direct Processor Performance Standard document (dated December 2021), p. 54, EWC maintains insurance for \$2 million (general aggregate) to cover bodily injury, property damage, pollutant damage, accidents, and other emergencies. EWC provided documentation of the insurance that is current until January 19, 2022.

18. Closure Plan and Financial Responsibility

Minimum Performance Standards

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

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 December 2021), p. 69-71, 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 audit, EWC provided evidence of an assigned savings account assigned to Ecology with the funds to cover the closure cost estimate.

19. Facility Security

Minimum Performance Standards

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

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 71 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. Screenshots were reviewed to confirm this.

CONCLUSIONS

The EWC Group, Inc. Kent facility continues to show every sign of being an exemplary electronic waste direct processing operation in terms of its commitment to employee safety and environmental performance. The transfer to new ownership has been accomplished and the new president maintains close contact with the general manager when he is not on site. The continuity of the day-to-day management of the facility has been assured as the facility's general manager has been with EWC for an extended period of time. In the opinion of the auditor., EWC Group's Kent facility meets all minimum and preferred standards dictated by WAC 173-900-650 and laid out in the document, "Environmentally Sound Management and Performance Standards for Direct Processors," Washington State Department of Ecology publication # 07-07-046, from the Washington State Electronic Products Recycling Program, prepared by the Solid Waste and Financial Assistance Program, dated November 2007.

Materials	Recycling Process	Fate of Recycling Process	End-of-life Processing Destination Country	End-of-Life Processing Company
Materials of Concern				
CRT Glass	Manually removed from CEP; separate panels, metals, and all other residuals	Glass to glass; all materials reused in new glass products	Mexico/South Korea	
Circuit Boards	Manually removed from CEP	Primary smelter for precious metal recovery	U.S./Japan	
Batteries	Manually removed from CEP and sorted by type	Metal Recovery	U.S.	
Mercury Devices	Manually removed from CEP, managed as Universal Waste	Mercury recovery	U.S.	
Materials of Non-Concern				
Steel	Manually removed from CEP	Metal recovery	U.S./Hong Kong	
Plastics	Manually removed from CEP	Plastic Recovery	China/Malaysia/Thailand	
Insulated Wire	Manually removed from CEP	Primary smelter for precious metal recovery	U.S./Japan	

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Aluminum	Manually removed from CEP	Metal Recovery	U.S.	
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