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

Washington State Preferred Performance Measures for Direct Processors

WAC 173-900-650

Facility Audited: Universal Recycling Technologies, Clackamas, Oregon
Auditor: Emily Farrant, and Kelley Keogh
Date: May 29th, 2019
**Scope of Audit**
This audit was designed to meet the specific requirements of the State of Washington’s “Environmentally Sound Management Performance Measures for Direct Processors – Preferred Status” qualification requirements. The WA State Standards, WAC 173-900-650. These were interpreted, and a facility checklist was prepared to meet the standards requirements that related directly to the operations. The audit consisted of confirming the nexus between the two documents and the operations.

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

**The facility audited:**

Universal Recycling Technologies (URT) facility located at -10151 SE Jennifer St. Clackamas, OR, 97015 audit was performed May 2nd, 2019.

The facility is well run and operating efficiently. Employees demonstrated proficiency in their job duties and the management system in general. The URT staff demonstrated strong commitment to the management systems and the overall QEHS performance of the company.

**Audit Summary**

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

1. **Responsible Management Priorities – Facility Maintains Compliance with Standards**
   Inherent in the ISO 14001, ISO 9001, and e-Stewards V3 Standards, which is what this company utilizes as an EHSMS, is the continuous improvement of operations through management and operation’s evaluations.

2. **Legal Requirements – Facility Maintains Compliance with Standards**
   URT, OR utilizes a subscription service that identifies local, state, federal and international regulations. An external audit of compliance is completed every two years by a third party. Internal audits are completed annually and the certification bodies do an annual surveillance audit as well.

At the OR facility material continues to be managed under Fed UW regulations (OR). The company agrees to be completely transparent with the WM DOE in regard to non-compliant events. This is added this to the Legal and Other Requirements register at the OR facility and corporate office.

3. **Environmental, Health, and Safety Management System EHSMS - Facility Maintains Compliance with Standards**
   In Oregon, Universal Recycling Technologies is certified to ISO 14001:2015, 9001 and E-Stewards. These are internationally recognized standards of excellence in Environmental, Health
and Safety Management Systems. The company wide EHSMS is audited and updated, as new procedures are implemented, or as new materials is accepted. The EHSMS contains a diligent “Plan, Do, Check” component, which manages change and issues through constant management review. The system is 3rd party reviewed annually during surveillance audits required by these certifications.

4. **Recordkeeping – Facility Maintains Compliance with Standards**
Records are managed well as noted during the audits and all material downstream dispositions to final destinations were confirmed through the e-Steward audit certification processes, which also meet the WA DOE requirements. They are currently sending circuit boards to MD, Belgium and smelters in Japan. CRT glass is processed onsite and separated. The funnel glass is sent to Trail BC. The facility’s tracking database enables auditors to track all tonnage and materials to a final destination.

5. **On-site requirements - Facility Maintains Compliance with Standards**
The internal site auditor observed material handled per regulations and using acceptable industry standards. Housekeeping and material management was on par to industry standards. Material is inventoried and moved quickly throughout and managed in a database to ensure that none is kept over 3 months. Facility scale in Oregon has been calibrated and certified. Materials of Concern are not stored outside and the security is adequate with visitor sign in, perimeter fencing, and CCTV. Worker safety is protected through training, OSHA required safety programs and housekeeping practices. Risk assessments have been done for each job station and auditor can verify that the appropriate PPE is worn. The health and safety training is consistent with requirements for the operation and the facility.

All employees are trained in proper PPE use, mercury spill kits, and emergency procedures. Mercury Hygiene Policy/Procedures and Employee Exposure Programs including class topics such as, Decontamination of Hands, Decontamination of Clothing/PPE, Food and Drink Restrictions, Decontamination of Surfaces, Air Monitoring, Necessary PPE for Locations, and Employee Biological Monitoring (as necessary). Equipment is inspected and tested monthly. Evacuation routes and hazard signs are posted. Auditor reviewed Competence, Training, and Awareness Procedure, and Employee Training and Competence Records.

The facility does not discharge air emissions. Air-testing results for particulate matter, opacity, and green loading were well below required limits in 2015, which satisfied the air permit, and does not require additional testing. The facility’s renewed discharge air emissions permit doesn’t require air emissions testing moving forward.

6. **Materials of Concern - Facility Maintains Compliance with Standards**
The auditor observed Materials of Concern (MOC) being handled in accordance with standards. A MOC flow chart is attached. The auditor verified that all downstream vendors for MOC’s handle material per the WA State DOE Standards. URT agrees to notify the WA State DOE of vendor changes for all MOC’s and will build this into their EHSMS.

7. **Recycling - Facility Maintains Compliance with Standards**
Materials managed to ANSI and OSHA standards - observed during the site visit. The auditor observed dismantling and separation to the highest marketable levels.
8. **Reuse - Facility Maintains Compliance with Standards**
The facility does not conduct reuse at this time. All data bearing material for reuse is sent to their sister facility in Janesville.

9. **Disposal of Residuals - Facility Maintains Compliance with Standards**
Facility waste management follows state and federal guidelines. No materials of concern go to non-HW landfills or incineration. Site waste is managed and separated to minimize material going to landfill and nothing from the recycling process goes to the landfill. Glass fines and the filters from the glass cutting and cleaning process is sent to Trail, B.C. where it is processed then sent to Trail B.C., for final processing and lead recovery.

10. **Refurbishment - Facility Maintains Compliance with Standards**
The facility does not refurbish equipment, it is sent to their Janesville, WI site.

11. **Transport – Facility Maintains Compliance with Standards**
URT accepts deliveries directly from customers, or they use their own box truck for pick-ups. They have one box truck and one tractor-trailer for local deliveries inbound. The facility uses third party transporters for outbound deliveries. Other trucking companies used by the facilities go through a transportation audit that includes 3 years of compliance certification, insurance requirements, ownership and company identification and annual vendor form updates. The auditor has reviewed the completed audits.

12. **Prison Labor – Facility Maintains Compliance with Standards**
URT does not use prison labor.

13. **Facility Access – Facility Maintains Compliance with Standards**
URT allows WA State DOE full record and site access – auditor discussed with management team.

14. **Notification of Penalties and Violations – Facility Maintains Compliance with Standards**
URT agrees to notify the WA DOE within 30 days if they receive a Notice of Violation at the facility. The facility has listed this requirement into the Legal and Other requirements to manage.

15. **Due Diligence Downstream - Facility Maintains Compliance with Standards**
As part of the audit process the auditor reviewed URT’s comprehensive audit criteria for downstream vendor audits and sampled some of their annually updated audit packages which include permits, Bills of Ladings, Export Permissions, confirmation that the material processing meets the eSteward and WMMFA requirements and worker health and safety protections. Processing technologies and material dispositions are listed in the MOC chart attached to this report. While onsite the auditor also reviewed 12 months of Bills of Lading for all Material of Concern against audit folders and the list of approved downstream vendors for accuracy. All current vendors have been audited and the CB auditor will review these documents with the next onsite eStewards surveillance audit.
16. Exporting – *Facility Maintains Compliance with Standards*
As confirmed during the e-Steward certification audits, URT is following WA DOE and FED EPA standards as the final destination for the CRT glass is British Columbia, an OECD country that allows clean, separated CRT glass into the country as a commodity for recycling. Circuit Boards are sent to smelters in Japan and Belgium. The facility has audits of these facilities on file, which are reviewed by the CB auditors during the certification audits.

17. Insurance - *Facility Maintains Compliance with Standards*
URT maintains more than adequate insurance to cover their employees, operations and pollution liability.

18. Closure EHSMS and Financial Responsibility - *Facility Maintains Compliance with Standards*
As noted during the certification audits:

- Reviewed closure plans. Plans were updated 9-7-18 and are reviewed yearly and includes closure cost estimate, a full decontamination process (performed by a contractor), and removal of waste resulting from the decontamination process, a confirmation plan, and remediation. The closure plan in place uses a surety bond to cover the estimated costs of calculated closure. URT is principal and it will be executed by Westchester Fire Insurance Company of the Surety Bond that has a value of $237,463, As Surety, in favor of Oregon Department of Environmental Quality as Obligee.

19. Facility Security - *Facility Maintains Compliance with Standards*
Facility stores all materials indoors and employees must complete a background check and drug testing before hire. There is a 24/7 intrusion detection system monitors the doors, motion and electrical failure. There are 14 cameras with recordings stored for up to 30 days. The facility security checklist is completed monthly including checking motion detectors, camera functions, door contacts, key pads, battery back-ups, monitoring services, visitor in/out logs, visitor badges, lighting and locks.

**Findings**
There were no findings at this time.

**Auditor Qualifications**
The auditor is certified by the State of WA DOE to perform this audit. Kelley Keogh is the Co-Founder/Managing Director of Greeneye Partners, LLC., for whom Emily Farrant works. Their main body of work is in the electronics processing and recycling fields. The State of Washington’s DOE maintains the auditor qualifications on file.
# Universal Recycling Technologies MOC Chart

<table>
<thead>
<tr>
<th>Material Of Concern</th>
<th>Recycling Process</th>
<th>Fate of Recycling Process</th>
<th>End of life processing-Destination Country</th>
</tr>
</thead>
<tbody>
<tr>
<td>CRT Glass</td>
<td>Separated</td>
<td>Smelter</td>
<td>Canada</td>
</tr>
<tr>
<td>Circuit Boards</td>
<td>Removed from CEP by automated separation and shred process</td>
<td>Smelted/refined for precious metal recovery</td>
<td>Japan, Belgium, U.S.</td>
</tr>
<tr>
<td>Batteries</td>
<td>Hand removed from CEP or received in as batteries separately. Hand sorted by type.</td>
<td>Metal recovery</td>
<td>U.S.</td>
</tr>
<tr>
<td>Inks and Toners</td>
<td>Removed from CEP by hand or received separately.</td>
<td>Ink and toner recovery</td>
<td>U.S.</td>
</tr>
<tr>
<td>Mercury devices</td>
<td>Received in as mercury devices separately. Hand sorted by type and shipped.</td>
<td>Mercury recovery/retort</td>
<td>U.S.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Non-Materials of Concern</th>
<th>Recycling Process</th>
<th>Fate of Recycling Process</th>
<th>Destination</th>
</tr>
</thead>
<tbody>
<tr>
<td>Plastics</td>
<td>Manual Sorting, Washing/Drying, Shredding/Granulation, Blending, Compounding of plastic materials</td>
<td>Plastics recovery</td>
<td>U.S., Malaysia</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: Universal Recycling Technologies, LLC
Address: 10151 SE Jennifer Street
City, State & Zip Code: Clackamas, OR 97015
Phone: 503-722 2236
E-mail Address: www.URTsolutions.com
Washington State UBI No. 602-910-652
Fidderal ID No.: 26-0291504

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>Doug Reese, Regional Account Manager</td>
<td>John Friedrick, Executive Director</td>
</tr>
<tr>
<td>Universal Recycling Technologies, LLC</td>
<td>Washington Materials Management and Financing Authority</td>
</tr>
<tr>
<td>10151 Southeast Jennifer Street</td>
<td>116 N. Oakes Ave. Ste B</td>
</tr>
<tr>
<td>Clackamas, OR 97015</td>
<td>Cle Elum, WA 98922</td>
</tr>
<tr>
<td>Phone (503)-722-2236</td>
<td>Phone (509) 674-5871</td>
</tr>
<tr>
<td>Cell: (971)-272-7141</td>
<td>Fax: (509)-674-5350</td>
</tr>
<tr>
<td>E-mail: <a href="mailto:Dreese@urtsolutions.com">Dreese@urtsolutions.com</a></td>
<td>Cell: (360) 442-1106</td>
</tr>
<tr>
<td></td>
<td>E-mail: <a href="mailto:info@wmmsa.net">info@wmmsa.net</a> <a href="mailto:orjfriedrick@wmmsa.net">orjfriedrick@wmmsa.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]
Title: Regional Account Manager
Date: 12-14-18

Washington Materials Management and Financing Authority

[Signature]
Title: Executive Director
Date: 12/14/18