

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

Washington State Preferred Performance
Measures for Direct Processors

WAC 173-900-650

Facility Audited: Kent Facility of EWC Group Inc.,
22633 83rd Avenue South
Kent, Washington 98032

Auditors: Bob Delich
Date: August 16th, 2024

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, WA State Standards, WAC 173-900-650. These were interpreted, and this audit has been performed to confirm that operations meet the expectations of the requirements.

The EWC Group facility is located at 22633 83rd Ave South, Kent, WA 98032. The warehouse facility is approximately 12,000 sq ft and consists of a large open area with two loading docks, a third rollup door at street level and a smaller (approx. 1300 sq ft) attached office space. It currently has 14 employees in addition to the president. The current senior member of staff is Bryce Froberg, President.

EWC Group's EHSMS system manages non-conformances by the corrective action preventive action (CAPA) process. All the issues that have been identified will be managed appropriately to resolution and to prevent recurrence.

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*

Per EWC Group's Direct Processor Performance Standard document, EWC evaluates its management strategies as needed to assure that they are up to date on newer technologies that could be more advantageous than current practices and processes, reflecting a commitment to continuous improvement.

2. Legal Requirements – *Facility Maintains Compliance with Standards*

Per EWC Group's Direct Processor Performance Standard document. EWC will comply with all federal, state, and local requirements.

During the audit and staff interviews, there were some minor findings of federal, state, and or local regulations. All such findings are identified at the end of this audit report

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 System EHSMS - *Facility Maintains Compliance with Standards*

EWC has developed a written EHSMS within the EWC Group's Direct Processor Performance Standard document. EWC has fully implemented the EHSMS.

The EHSMS includes plans and procedures covering the required topics. Interviews conducted during the audit did not indicate any deviation from these policies.

General environmental goals, objectives, targets, and plans to achieve them are identified as are environmentally sound and safe methods for processing/dismantling LED/LCD panel displays which were observed at the time of the audit.

EWC has an Emergency Preparedness and Response Plan and has committed to providing management support throughout the operations. Employee training records from initial training (Hazard Communication and Injury and Illness Prevention Program) and regular safety meetings were examined and all employees had signed off on receiving the trainings. Monthly safety meetings have been held throughout 2024.

EWC reviews 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 [REDACTED] in Oregon, and [REDACTED] in Japan. EWC has documentation to verify downstream vendors' certifications and licenses, and vendors' compliance with environmental, health, and safety standards.

EWC's Direct Processor Performance Standard contains their EHSMS with much of the elements required for conformance with ISO 14001 although the system is not third party certified.

4. Recordkeeping – Facility Maintains Compliance with Standards

Per EWC Group's Direct Processor Performance Standard document, EWC has a policy to retain all transaction records for at least 3 years. During the audit, EWC showed the auditor the electronic filing used to keep such records. During interviews, EWC staff indicated that they understood the three-year requirement for maintaining records.

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

During the audit all steps to ensure recycling were being taken. All staff interviewed indicated that no MOCs go to the landfill; all are recycled.

During the audit all handling and storage areas were observed to be tidy and regular sweeping was taking place. Responsibility for hazard identification and assessment is the responsibility of management and employees. EWC Group's workspace is well lit and well-ventilated.

Staff indicated that they were aware of the requirement not to accumulate MOCs for longer than 180 days. All storage containers examined were marked with the accumulation start date. No MOCs were observed in the warehouse with an accumulation start date earlier than December of 2023.

The latest servicing and calibration of the scale was performed on 06/12/2024, by Meridian Scale and is due again 12/31/2024. The calibration certificate was provided for inspection by the auditor. The calibration certificate indicated no problems with the scale.

EWC's storage area is entirely indoors and is raised above ground level, with stairs at the front of the building and a slope at the rear side door. During the audit, several stacks of gaylords were at four high without using any setback for the top level and appeared to be secure.

While there is no shredding, or grinding, EWC disassembles CRT containing devices to the bare tube and this creates dust. No industrial hygiene testing has been conducted to confirm particulate exposure to employees.

Reviewed monthly safety meetings from January 2024 to July of 2024. Three of the seven meetings listed covered a safety-related topic.

Many of the employees are long-term with the most recent employee having been with the company about eight weeks. Employees gave the impression that they are treated by EWC with the standard of care established in its EHSMS.

Employees are encouraged to talk with the general 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.

EWC employees are required to wear personal protective equipment, including, among other items, boots, safety glasses, and masks as needed. EWC Group's Direct Processor Performance Standard describes the requirement for training regarding protective equipment as part of each employee's training record.

6. Materials of Concern - Facility Maintains Compliance with Standards

EWC has identified all sources of Materials of Concern (MOC's - CRT Glass, Circuit Boards, Batteries, and Mercury Devices). Disposition of each material is managed to downstream vendors who EWC has vetted.

[REDACTED]
[REDACTED] (see Att 01 for [REDACTED] Audit 05-13-2024) which includes MOC Flow Chart to EOL.

- Sampled BOLs that showed the following Items shipped: CD/DVD Drives, Motherboard, Circuit Board-CRT, LCD/Plasma Board, Printer / Copier, TV Power Supply, Yoke, Aluminum, Mix Wire, PC/ABS & Other – Baled Plastic, UPS (No battery)

[REDACTED]
[REDACTED] Audit 05-16-2024 and Att 02a for [REDACTED] MOC Flow Chart).

- Sampled BOLs that showed the following Items shipped: LCD Monitor, Aluminum, Laptop, CD/DVD Drives, Speakers, TV Power Supply, Hard Drives, Tablets & E Reader Mix, Mix Wire.

Other materials generated from the operation are metal scrap and plastics.

[REDACTED]
[REDACTED] Audit 06-18-2024).

- Sampled BOLs that showed the following Items shipped: HIPS/Black Pure, PC/ABS & Other.

Metal scrap is shipped to [REDACTED]

NC-01 MOC chart showed approval of [REDACTED] for batteries and [REDACTED] for mercury bulbs. However, the downstream vendor due diligence for these facilities was not available for review. They also did not have shipping records for batteries and fluorescent bulbs available for review.

7. Recycling - Facility Maintains Compliance with Standards

EWC Group has specific procedures for responsibly managing, 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 viewed separate storage for circuit boards and batteries.

During the internal audit site visit, the auditor observed dismantling and separation to the highest marketable levels. Management indicated that no e-waste currently goes to a landfill from the EWC facility.

NC-02 Batteries were not labelled as universal waste with a start accumulation date.

NC-03 Batteries were not taped or bagged to prevent leads from touching.

8. Reuse - Facility Maintains Compliance with Standards

EWC Group is not testing CEP's for refurbishment and or reuse.

9. Disposal of Residuals - Facility Maintains Compliance with Standards

EWC Group company goal is to send little to no waste to incinerators or landfills. EWC Group pledges to properly designate and manage residuals under applicable solid and hazardous waste regulations. They further commit to not send residuals containing materials of concern to incinerators or solid waste landfills.

10. Refurbishment - Facility Maintains Compliance with Standards

See reuse section.

11. Transport – Facility Maintains Compliance with Standards

EWC Group assures that its MOCs, 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 were packed securely in preparation for transport in compliance with transport laws.

EWC shared with the auditor written documentation dated October 20, 2023, regarding the regulatory authorizations and absence of significant legal violations during the past three years for its transporter, [REDACTED]

12. Prison Labor – Facility Maintains Compliance with Standards

EWC does not participate in the hiring of federal or state prison inmates.

13. Facility Access – Facility Maintains Compliance with Standards

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. Staff indicated that they were familiar with this requirement.

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

EWC will notify Ecology within 30 days if EWC receives any penalties, violations, or regulatory orders related to processing activities.

15. Due Diligence Downstream - Facility Maintains Compliance with Standards

EWC has pledged to partner only with downstream vendors meeting EWC's labor, health, and environmental standards. EWC reviews all downstream vendors annually and is prepared to provide documentation upon request. The facilities flow diagram/matrix is attached and all vendors and the material they receive are easily reviewed using the sites Google Drive.

EWC shared vendor audit questionnaires attesting to their compliance with environmental, health, and safety regulations. All were dated between May 2024.

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

16. Exporting – Facility Maintains Compliance with Standards

EWC pledges to ensure that MOCs, 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. [REDACTED] is R2V3, and RIOS certified by Orion Registrar, Inc. through March 2025. [REDACTED] is located in Japan an OECD country.

If EWC decides to collaborate 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.

17. Insurance - Facility Maintains Compliance with Standards

EWC maintains insurance to cover bodily injury, property damage, pollutant damage, accidents, and other emergencies. EWC holds the following insurances, which are valid through 01/19/2025

- Commercial Liability – each occurrence: \$2,000,000
- Damage to rented premises (each occurrence) \$50,000
- Med exp (any one person) \$5,000
- Personal & adv injury: \$2,000,000
- General aggregate: \$2,000,000
- Products - comp/op agg \$2,000,000

- WA StopGap: \$2,000,000
- Pollution Liability: \$1,000,000

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

EWC has estimated costs for a third-party closure at \$35,720.43 and has established a bank trust account in the amount of \$292,000.68, which is far in excess of the cost to close.

NC-04 Bank trust account used for financial instrument was not available for review.

19. Facility Security - *Facility Maintains Compliance with Standards*

EWC Groups site does not have a third-party alarm company monitoring the facility. The site has three doors that can be accessed all using the same key. The facility has three cameras with approx. four to six weeks of recording time, one in the office area, one in the warehouse, and one showing the parking lot.

Findings

NC-01 MOC chart showed approval of [REDACTED] for batteries and [REDACTED] for mercury bulbs. However, the downstream vendor due diligence for these facilities was not available for review. They also did not have shipping records for batteries and fluorescent bulbs available for review.

NC-02 Batteries were not labelled as universal waste with a start accumulation date.

NC-03 Batteries were not taped or bagged to prevent leads from touching.

NC-04 Bank trust account used for financial instrument was not available for review.

Auditor Qualifications

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

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	U.S.	<p>For Processing:</p> <p>[REDACTED]</p> <p>For Use and Purpose:</p> <p>[REDACTED]</p>
Circuit Boards	Manually removed from CEP	Primary smelter for precious metal recovery	U.S./Japan	<p>For Processing:</p> <p>[REDACTED]</p> <p>For Use and Purpose:</p> <p>[REDACTED]</p> <hr/> <p>[REDACTED]</p> <p>For Use and Purpose:</p>

				<p>[REDACTED]</p> <p>[REDACTED]</p> <p>[REDACTED]</p>
Batteries	Manually removed from CEP and sorted by type	Metal Recovery	U.S.	<p>[REDACTED]</p> <p>[REDACTED]</p> <p>[REDACTED]</p> <hr/> <p>[REDACTED]</p> <p>[REDACTED]</p> <p>[REDACTED]</p> <p>For Use and Purpose:</p> <p>[REDACTED]</p> <p>[REDACTED]</p>
Mercury Devices	Manually removed from CEP, managed as Universal Waste	Mercury recovery	U.S.	<p>[REDACTED]</p> <p>[REDACTED]</p> <p>[REDACTED]</p> <p>[REDACTED]</p> <hr/> <p>[REDACTED]</p> <p>[REDACTED]</p> <p>[REDACTED]</p> <p>For Use and Purpose:</p> <p>[REDACTED]</p> <p>[REDACTED]</p>

Materials of Non-Concern				
Steel	Manually removed from CEP	Metal recovery	U.S./Hong Kong	[REDACTED]
Plastics	Manually removed from CEP	Plastic Recovery	Malaysia	[REDACTED] For Use and Purpose: [REDACTED]
				[REDACTED] For Use and Purpose: [REDACTED]
Insulated Wire	Manually removed from CEP	Primary smelter for precious metal recovery	U.S./Japan	For Processing: [REDACTED]

				<p>For Use and Purpose:</p> <p>[REDACTED]</p> <hr/> <p>[REDACTED]</p> <p>For Use and Purpose:</p> <p>[REDACTED]</p>
Aluminum	Manually removed from CEP	Metal Recovery	U.S.	<p>[REDACTED]</p> <p>[REDACTED]</p> <p>[REDACTED]</p> <p>[REDACTED]</p> <p>[REDACTED]</p>