



JADA

Solutions (HSE) Inc.

Health, Safety & Environmental Services

REPORT TO:

ALBERTA RECYCLING MANAGEMENT AUTHORITY

**COMPLIANCE ASSURANCE SUMMARY REPORT
13TH FLOOR SCOTIA PLACE TOWER 1,
10060 JASPER AVENUE
EDMONTON, AB
T5S 1V3**

PREPARED BY:

**JADA SOLUTIONS (HSE) INC.
#106, 150 CHIPPEWA RD.
SHERWOOD PARK, ALBERTA
T8A 6A2**

Voice: (780) 640-8837

Fax: (780) 640-8857

Web Site: www.jadasolutions.ca

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1.0 INTRODUCTION

The Alberta Recycling Management Authority (Alberta Recycling) has been mandated through regulation to administer electronics recycling programs in Alberta. On September 15, 2004, Alberta Recycling adopted the “Waste Electronics Incentive Program” (The Program). The administration of the Program is carried out by Alberta Recycling.

Municipalities collect waste electronics for recycling at municipal collection sites that are registered with Alberta Recycling. In addition, Registered Processors may collect waste electronics from commercial, educational and government clients. Collected materials are transported to a Registered Processor’s site for processing and/or recycling. To become a Registered Processor and to be eligible for incentives paid under the Program, processors must meet the Registered Processor Compliance Requirements, as well as terms and conditions specified under the Program, and be registered with Alberta Recycling.

At the time of the implementation of the Program in Alberta, there were three electronics processors who had applied to Alberta Recycling and had become Registered Processors under the Program. Additional processors have become registered since that time while some former Registered Processors have ceased operations or discontinued their participation under the Program. As of March 31, 2016 there were six Registered Processors under the Program.



2.0 ALBERTA'S ELECTRONICS RECYCLING COMPLIANCE ASSURANCE MODEL

In order to monitor conformance to Program requirements (which includes compliance with applicable environmental, and occupational health and safety regulations, as well as industry standards related to health and safety), Alberta Recycling has developed "Alberta's Electronics Recycling Compliance Assurance Model". This model structure describes the various audits, reviews and assessment processes that are undertaken to evaluate and help ensure processors conformance to the Program requirements. Intended to be flexible, compliance assurance activities are assessed and the model is adjusted as appropriate, based on findings and the advancement of the Program.

As part of the compliance assurance process, Alberta Recycling commissions audits of the Registered Processors and downstream processors, as well as the evaluation of new applicants.

Compliance assurance activities that have been conducted by JADA Solutions (HSE) Inc. (JADA Solutions) on behalf of Alberta Recycling include the following evaluations, audits and reviews:

- Applicant Evaluations (and Initial Assessment)
- Processor Program Audits (PPA) of Registered Processors
- Downstream Processor Reviews (preliminary assessments, desktop studies, site visits and or on-site audits)

3.0 APPLICANT EVALUATIONS AND INITIAL ASSESSMENTS

The processor registration procedure is carried out when a new processor application is submitted to Alberta Recycling. Following submission, the applicant is evaluated against the Registered Processor Compliance Requirements in order to make recommendations to Alberta Recycling regarding the credentials and ability of the processor applicant, and their suitability for registration under the Program. In order to complete this application, the information contained in the processor application submitted to Alberta Recycling is reviewed. The evaluation involves an assessment of the content and completeness of the required information, including the application forms submitted by the applicant, a company overview and details regarding the environmental management and health and safety systems, insurance and Workers Compensation Board coverage. Information found during an internet search on the subject of the applicant company is also considered.



In addition to this documentation review and research, an initial assessment is completed in order to determine the scope and extent of the applicant's operations, to clarify information provided in the application, and to identify those elements that may require further clarification or investigation. This initial assessment, which may include a site visit, also facilitates the completion of other audit and review activities required by Alberta Recycling with respect to the Program.

At the applicant evaluation stage, information regarding transportation companies (carriers) that will be used by the processor is reviewed. Downstream processors to which the Program materials will be directed (as indicated on the application form) are also reviewed.

Based on the findings of the applicant evaluation and initial assessment, one of the following recommendations is made to Alberta Recycling in respect of the application:

- To request that the applicant provide additional information or to clarify information provided in the application and to reassess the applicant.
- To award the applicant temporary processor status until the initial processor program audit in order to evaluate the processors compliance to the Program.

Subsequent to the initial processor program audit, the auditors further recommend to Alberta Recycling:

- To award the applicant full status as a Registered Processor under the program, based on the findings of the initial processor program audit and the corrective actions taken by the processor, within the approved timelines, to address any deficiencies identified during the audit.
- To suspend temporary processor status due to the processors failure to resolve, within the approved timelines, the deficiencies identified during the audit.
- To not register the applicant.

If necessary, the applicant evaluation and initial assessment process may also involve periodic on-site inspections (monitoring) during commissioning in order to assess site activities and performance, and to assist the processor in addressing any issues related to the conformance to the Program requirements.



4.0 PROCESSOR PROGRAM AUDITS (PPA)

On-site processor program audits of each Registered Processor are performed to evaluate conformance to the Program requirements. Appropriate protocols were developed based on the Waste Electronics Incentive Program Requirements and are used as a framework for collection of information during the processor program audit; these protocols are reviewed and updated annually to ensure that the audit criteria remain current. The audits include a review of health and safety, environmental management, regulatory requirements, operations and transportation. Program processor audits are carried out annually at each processor's facility.

Depending on the findings of the processor program audit, follow-up is conducted via telephone or email correspondence. Where appropriate follow-up visits to the Registered Processors facility may be conducted to ensure that any deficiencies identified during the audit are properly addressed in a timely manner.

5.0 DOWNSTREAM PROCESSOR REVIEWS

When a Registered Processor or a new applicant seeks to direct Program material to a new downstream processor, a preliminary assessment of the proposed downstream processor is conducted. The preliminary assessment is based on the information provided by the Processor or applicant and any additional information that may be publicly available regarding the downstream processor's facility. The preliminary assessment does not distinctively draw conclusions regarding conformance to the Program requirements pertaining to the downstream processor, though Program requirements are considered in the collection and review of information. A recommendation is made regarding the appropriateness of approving the proposed facility as a downstream processor under the Program.

Once the downstream processor receives electronic materials (eWaste) from the Registered Processor(s) under the Program, Alberta Recycling occasionally request additional review of the downstream processor's facility (desktop studies) which generally includes telephone interviews with personnel from the downstream processing facility, and a review of any documentation provided by the Registered Processor and/or the downstream processor pertaining to materials ultimately receiving funding under the Program. Internet research is conducted, including a review of company websites, and available environmental regulatory approval and compliance history.

The need to conduct a site visit to, and/or an on-site audit of the downstream processor's facility, based on the findings of the preliminary assessment and/or desktop studies (i.e. telephone interviews, document review and research) is determined on a case-by-case basis by Alberta Recycling.



These reviews are aimed at evaluating whether the facilities downstream (and transporters) conform to the Program requirements (that they possess all appropriate permits or certifications, that they process materials in an environmentally sound manner and that they safeguard the health and safety of employees). Information obtained from the downstream processor is also reconciled with that provided by the Registered Processor (quantities of materials shipped and received and verification of end of life).

6.0 SCHEDULE AND FLEXIBILITY

The schedule and nature of the audits and reviews conducted as part of the compliance assurance model are established with a view to ensuring conformance to the Program requirements, legislated Health, Safety and Environmental requirements as well as current industry standards, which continues to be the key objective of the model. As the program evolves, compliance assurance activities are reassessed and the model is adjusted as appropriate.

The compliance assurance process is intended to be flexible such that the scope and/or frequency of a given type of audit or review of a Registered Processor or a downstream processor may be adjusted, if it is considered necessary to do so, based on audit findings. For example, the frequency of an audit or review may need to be increased, or different types of compliance assurance activities may be implemented, if any issues are observed.



7.0 COMPLIANCE ASSURANCE ACTIVITIES APRIL 2015- MARCH 2016

A number of compliance assurance activities have taken place since those captured in the last summary report issued in June of 2015. These activities (from April 2015 to March 2016) are shown in the tables in Appendix A and are briefly described below.

Compliance assurance activities associated with Registered Processors from April 2015 to March 2016 included processor program audits of all of the six Registered Processors currently participating in the Program. Follow-up communications took place with each Registered Processor to ensure that identified deficiencies had been resolved.

Compliance assurance activities associated with downstream processors from April 2015 to March 2016 included three downstream processor audits. Follow up communications took place to ensure that the identified deficiencies has been resolved.

In addition to these specific audit and review activities, JADA Solutions has undertaken, at the request of Alberta Recycling, the following in relation to compliance assurance with respect to the Program:

- Preparation of summary and diversion reports as requested
- Mass balance inspections
- Site inspections
- Assistance in responding to issues raised

The summaries contained in the sections below are based on the findings of the processor program audits of Registered Processors conducted between April 2015 and March 2016, as well as the findings of any downstream processor review activities and any applicant evaluations conducted during the same timeframe.



7.1 eWaste Activities

Incoming eWaste comes in from various collection sites and other customers, in some cases Registered Processors may pick up electronic waste from customers.

Eligible materials are sorted from ineligible materials and quantities of eligible materials are weighed and tracked by the Registered Processor. Activities at the Registered Processors facilities consist of receiving, sorting, processing and packaging processed electronic materials for shipping to a downstream processor. Processing normally involves the dismantling of the eWaste materials into its component parts (i.e. circuit boards, metals, plastics, wire and glass). Both automated equipment and manual labour is used to carry out the sorting, dismantling and processing operations.

In general, improvements to operations through the purchase of new equipment or changes to procedures are made by Registered Processors. In some cases changes to the procedures are necessary based on changes to the design and construction of the electronic products that are being recycled. Registered Processors investigate new options for processing and/or hazardous waste management of new materials as new technologies surface.

Based on observations made during the processor program audits, Registered Processors continue to make efforts to improve their operations. Some have purchased new equipment, relocated their facility and even integrated and expanded health safety and environmental programs in order to improve processing efficiencies and to comply with Program requirements.

Weigh scales used at Registered Processor facilities are calibrated regularly and scale tickets are automatically generated, enhancing the integrity of information reported to Alberta Recycling regarding the quantities of eWaste materials received and processed.

7.2 Conformance to the Program Requirements

Under the Program, Registered Processors must identify and comply with all applicable legislative requirements, as well as industry standards related to health, safety and environment. Since the Certification of Recognition (COR) program is widely accepted as an industry standard, COR requirements have been adopted as the acceptable industry standard in this regard. All Registered Processors have a health and safety program in place, and some elements of an environmental management system. The wholeness of those programs, and the extent to which they have been implemented, vary among the Registered Processors.

In most cases, the health, safety and environmental programs and practices are in place and are generally being maintained.



Most facilities hold a Certificate of Recognition (COR) which reflects a high level of management support for health and safety.

The Registered Processors efforts to monitor and assess worker exposure to lead and noise continue to be evaluated through the compliance assurance process, and the effectiveness of hazard controls are crucially reviewed during every processor program audit to encourage management to have appropriate programs in place to address the hazards.

The findings continue to indicate that there is more emphasis on health and safety programs than environmental programs at most of the Registered Processors facilities. This is not unforeseen given that the environmental risks associated with their operations are relatively small if present at all. Most facilities take steps to minimize the quantities of waste directed to landfill.

Although Program materials continue to be stored outdoors at many facilities, Registered Processors continue to take steps to reduce the amount of outdoor storage, which decreases the potential for impacts to soil and groundwater. In addition, Registered Processors make an effort to process and ship materials out as soon as possible.

Certificates of Recycling or Destruction are issued either automatically or upon request.

A number of deficiencies have been found with respect to compliance with occupational health and safety regulatory requirements and industry standards. There have been no findings of non-compliance with environmental regulatory requirements.

All Registered Processor facilities have a business license or occupancy permit issued by the municipality in which they operate. All Registered Processors have a WCB account in good standing.

With respect to compliance with the Program requirements, data-containing devices are destroyed on site (data-destruction) and are safeguarded on site before they are destroyed to ensure the protection of personal information and data.



Deficiencies identified during the processor program audits are brought to the attention of Alberta Recycling and the respective Registered Processors. All identified deficiencies are discussed with the Registered Processors during an audit close out meeting and general timelines are agreed upon for resolving the deficiencies. A formal deficiency list in regards to the audit of a Registered Processor is provided to the Registered Processor following the processor program audit of their facility. Each Registered Processor is required to respond to the deficiency list within one week of receipt, and to address the deficiencies in a timely manner. Following the issuance of the audit report, the issues related to the deficiencies are followed up by the auditors through email and telephone communications, and if necessary by means of additional site visits, to ensure that the appropriate corrective actions are implemented. Registered Processors have typically been diligent in implementing corrective actions to address the deficiencies that are identified. Where the response in addressing an outstanding deficiency had been slow, Alberta Recycling has advised the Registered Processor that incentive payments will be withheld in the absence of prompt attention to the matter.

Registered Processors are required to provide advance notice to Alberta Recycling before sending materials to any new downstream processors. A preliminary assessment is conducted of any new downstream processors and, once eligible shipments of materials are made to these downstream processors, their operations may be additionally evaluated as part of the downstream processor review process. Alberta Recycling has denied the approval of certain downstream processors whose operations were not consistent with Program policies and objectives; incentive payments are not made to processors in respect of shipments of materials to such facilities.

Apart from identifying the downstream processors, Program requirements also specify that the Registered Processors must have a process in place to ensure that the downstream processors meet certain specified criteria. All Registered Processors were found to have a process in place to periodically evaluate/assess both downstream processors and transporters, though the process was sometimes informal in nature.

Other types of downstream processor reviews went beyond evaluating whether the Registered Processor has the required process in place and to assess the downstream processors themselves, to determine whether the Program criteria are being met. Three downstream processor audits were conducted in 2016 and there was no evidence to suggest that the downstream processors failed to meet the specified criteria.

The findings of downstream processor audits indicated that, overall, the downstream processors safeguard the health and safety of employees working at the facility, in conformance to the Program requirements. Some minor deficiencies were identified during the audit and all deficiencies found were resolved in a timely manner.



All of the downstream processors audited have a formal environmental management system in place and the audit findings indicated, overall, that materials are processed and recycled in an environmentally sound manner. Based on information provided by site representatives, any material that is not in a final recycled state leaving the facility is not being sent to non-OECD countries for disposal.

Based on the findings of the processor program audits and the downstream processor audits, and having considered the deficiencies identified and related corrective actions, all Registered Processors were in considerable conformance to the Program requirements that were in effect at the time of the 2015/2016 compliance assurance activities. In most cases, any deficiencies identified during the processor program audits were addressed in a timely manner.

8.0 NEXT STEPS

To ensure that the audit criteria continue to be consistent with current Program requirements the audit protocol has been formally updated to capture any changes to the Program requirements in the 2016/2017 year.

Alberta Recycling will continue to commission independent, third-party audits of the Registered Processors on an annual basis. It is anticipated that processor program audits of the six existing Registered Processors will be conducted in 2016.

It is further anticipated that Alberta Recycling will commission additional downstream processor reviews (desktop studies, site visits and/or on site audits) of some of the downstream processors, and that further preliminary assessments will be conducted of any proposed new downstream processors.

Applicant evaluations and initial assessments will be carried out as required when new processor applications are received by Alberta Recycling.

Having considered to the purposes of the Program, and the overall Program requirements, all current Registered Processors have been found to be significantly in conformance to the terms and conditions of the Program.

Alberta Recycling will continue to require that Registered Processors address any deficiencies in a timely manner in order to ensure conformance to the Program requirements and to further the overall Program objectives.

This report was prepared by Denise Castle and reviewed by Jason Dent.



We trust that this meets your requirements at present. If you have any questions, concerns or require additional information, please feel free to contact the undersigned.

Yours Truly,

JADA SOLUTIONS (HSE) INC.



E-Signature – Originals Signed

Denise Castle
Auditor
JADA Solutions (HSE) Inc.
Cell: (780)995-7292
Voice: (780) 640-8837
Fax: (780) 640-8857
E-mail: denise.castle@jadasolutions.ca



E-Signature – Originals Signed

Jason Dent, BSc., CHSC, CRSP, PAg
Principal Consultant
JADA Solutions (HSE) Inc.
Cell: (780) 235-3368
Voice: (780) 640-8837
Fax: (780) 640-8857
E-mail: jdent@jadasolutions.ca

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APPENDIX A

COMPLIANCE ASSURANCE ACTIVITIES



Follow up communications occurred consistently between Registered Processors, JADA Solutions and Alberta Recycling until all identified deficiencies were resolved. Follow up communications also occurred as required between downstream processors, JADA Solutions and Alberta Recycling until April 30th, 2016.

		GEEP Alberta	Hi-Tech	eCycle	Technotrash	Recycle Logic	Shanked
Activity	Notification Letters	March 10, 2015	March 10, 2015	March 10, 2015	March 10, 2015	March 10, 2015	March 10, 2015
	Pre-audit Follow-up	May 1, 2015	March 23, 2015	May 1, 2015	May 1, 2015	May 1, 2015	May 1, 2015
	Audit date	September 4, 8-9, 2015	May 22, 2015	April 7-8, 2015	August 12	October 6, 2015	October 13, 2015
	Notification of deficiencies	September 16, 2016	May 29, 2015	May 29, 2015	August 21, 2015	October 14, 2015	October 21, 2015
	Deficiencies resolved	November 3, 2015	June 5, 2015	July 9, 2015	October 9, 2015		November 13, 2015
	Draft report submitted	October 22, 2015	June 5, 2015	July 10, 2015	October 9, 2015	October 20, 2015	November 2, 2015
	Report finalized	November 5, 2015	June 8, 2015	July 15, 2015	October 14, 2015	December 22, 2015	November 17, 2015

		Downstream Material		
		Metals	eWaste Further Processing	eWaste Further Processing
Activity	Initial notice of audit	December 4, 2015	December 4, 2015	December 4, 2015
	Follow-up notice of audit	December 11, 2015	December 11, 2015	December 11, 2015
	Audit	January 20, 2016	February 17, 2016	February 23-24, 2016
	Draft report	February 19, 2016	March 14, 2016	March 14, 2016
	Final report	March 4, 2016	March 21, 2016	March 21, 2016