



FACT SHEET: Processor Incentive

General Background

Since OES began program operations in April 2009, along with its partner network, it has worked to aggressively increase the tonnage of WEEE diverted from landfill in Ontario in a cost-efficient manner.

After the initial year of operations, we realized that considerable volumes of WEEE were being recycled by processors outside the OES-approved collection network.

Ensuring Ontario's end-of-life electronics flow through the OES system is a key imperative; to ensure that WEEE is managed to high safety and environmental standards, and to reduce the amount of WEEE and toxic and hazardous substances exported to developing countries.

Following an extended consultation period with the processing sector and Waste Diversion Ontario (WDO) in 2010, OES established a financial incentive for processors, otherwise known as Processor Incentive ("PI"), to address this issue.

The objectives of PI are to:

- Expand collection activities, which increase accessibility and collection of WEEE.
- Encourage processors to report the volumes of eligible WEEE they manage on behalf of existing commercial customers.
- Provide support for OES-approved processors in their efforts to increase recycling efficiency.
- Provide OES collection sites established during the first 18 months of the program with the greater choice and flexibility in who they partner with, in an effort to reduce barriers to having WEEE flow through the OES system. The collection sites can continue to be serviced by OES or one of the approved processors.

With over a year of experience with PI, OES is fine-tuning the overall program to ensure increased recovery and processing of WEEE while improving operating cost efficiencies.

OES is carrying out a consultation process to gather input and feedback on recommending PI changes. This fact sheet provides an essential background on PI that will prepare you to take part in the consultation and have the information you need to provide informed feedback via a survey.



PI Overview:

- PI was started on October 4, 2010 following consultations with OES-approved primary processors (processors) and other stakeholders, and approved by WDO.
- PI is a portion of the OES operating budget and, therefore, contributes to a portion of the fees paid by stewards.
- The OES program has expanded awareness and opportunities for Ontario residents and businesses to safely manage unwanted WEEE; OES Service Provider and OES Affiliate brand identifiers help play an important part in furthering development goals.
- The program provides financial incentives to processors to deliver collection, transportation and processing services for residential, as well as IC&I WEEE, directly from approved collectors or through their affiliate/generator sites*.
- The financial incentives have been established on a two-tier system based on the recycling efficiency achieved by the processor. A higher incentive is provided for processors that achieve a higher recycling performance.
- Four distinct material categories and their respective payment levels make up the PI program: display devices; desktop and portable computers; floor standing copiers and printers; and other Program WEEE. The PI detail overview may be reviewed at: <http://www.ontarioelectronicstewardship.ca/your-role/service-provider/recycler-processor/pi-program>
- Ontario is the only WEEE program in Canada utilizing a PI initiative.
- The program grants OES the right to review and adjust the rates paid to processors on an annual basis through the contract process.

**Affiliate/generator sites include: private businesses, municipalities, other collection sites that are operated directly by approved-processors, stewards and events, and transportation and processing services for residential as well as IC&I WEEE.*



The case for lowering PI levels:

- OES is committed to continuous improvement and regularly reviews its operations to achieve efficiencies and deliver an accessible and valuable service to Ontarians while benefiting all stakeholders.
- In our efforts to manage costs, there has been a reduction in processing costs of 20 per cent over the past 11 months. As a result, we are assessing fair market rates.
- The WEEE that is recycled is comprised of many different materials including ferrous, aluminum, copper and precious metals found in printed circuit boards and various components found in electronics. These materials are sold into worldwide secondary material commodity markets that have continued to rise over the past year. As these commodity prices rise, the needs for incentives beyond pure market forces diminish.
- Program data and cost benefit analysis indicates that PI costs are disproportionate compared with OES tonnage collected as a result of the program.
- As the Industry Funding Organization for WEEE, OES is focused on its mandate to divert ewaste from Ontario's landfills. It is also committed to maintaining a competitive marketplace, while operating the program in a way that supports the interests of all stakeholders, and while serving the needs of the province as a whole.