

## **Frequently Asked Questions**

### **Q1. Who is Ontario Electronic Stewardship?**

A1. Ontario Electronic Stewardship (OES) is a not-for-profit industry organization established by Waste Diversion Ontario, as set out in the Waste Diversion Act at the request of the Minister of the Environment to develop, implement and operate the Waste Electrical and Electronic Equipment Program (WEEE).

OES is managed by a Board of Directors set out in O. Regulation 393/04 as amended by O. Regulation 245/08 comprised of brand owners and first importers (i.e. manufacturers and distributors) of electronic equipment appointed by the Retail Council of Canada and Electronics Product Stewardship Canada.

### **Q2. What is the Waste Electrical and Electronic Equipment Program?**

A2. The WEEE Program was developed at the request of the Minister of the Environment under the Waste Diversion Act to manage waste designated by O. Regulation 393/04.

The WEEE Program Plan was launched on April 1, 2009 to collect and divert computers, monitors, computer peripherals, printers, fax machines and televisions. The Program was expanded on April 1, 2010 to include copiers, scanners, telephones and other personal communication devices, cameras and other audio/visual equipment.

### **Q3. Why did the Minister direct OES to implement a WEEE Program?**

A3. The reason is two-fold: to safely manage hazardous components contained in electronic waste, which if sent to landfill could impair our land, water and air; and to recover what can be used again, including plastic, metal and glass.

### **Q4. Who pays for the WEEE Program?**

A4. OES is authorized by the Waste Diversion Act to levy fees on stewards. The Minister of the Environment has defined stewards for the WEEE Program as brand owners, first importers and assemblers. All stewards who supply computers, monitors, computer peripherals, printers, fax machines, televisions, copiers, scanners, telephones and other personal communication devices, cameras and other audio/visual equipment in Ontario are obligated to register with OES and pay fees to cover the costs of safe diversion under the WEEE Program.

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### **Q5. Does OES collect fees from consumers?**

A5. OES collects fees from stewards, not from consumers. Individual stewards decide how to manage this new cost of business within their companies and may choose to recover the fees paid to OES by passing them on to their customers.

### **Q6. Does OES make sure that retailers are charging customers correct fees?**

A6. OES collects fees from brand owners, first importers and assemblers (i.e. manufacturers and distributors of electronics). These companies decide how to manage this new cost of business and may choose to recover the cost of the fees paid to OES by charging fees to their customers. OES regularly reviews its fees to ensure that fees levied on brand owners, first importers and assemblers are fair and reflective of the real-world cost of recycling. Any consumer who feels that they have been charged an incorrect fee should call the government's consumer protection hotline at 1-800-889-9768, or TTY: 416-229-6086 or 1-877-666-6545.

### **Q7. Why are retailers continuing to charge fees on electronic products when the Minister indicated that fees added to the price of products would stop?**

A7. The Minister's announcement that fees would stop related to fees applied to Phase 2 and 3 materials under the Municipal Hazardous or Special Waste (MHSW) Program, not to materials managed under the WEEE Program.

### **Q8. Did the WEEE Program meet its Year 1 performance targets?**

A8. OES surpassed its first year target for collection accessibility, which is critical to building consumer awareness of the WEEE program and collecting products at the local level. The accessibility target was for 422 sites and events. In fact, we had 569 sites and events, meaning we exceeded our target by some 35%. Our mapping of collection sites and events show that 96% of Ontario's population is within a 25km radius of an OES collection site or event, and 85% of Ontario's population is within 10 km of an OES collection site or event.

OES did not meet the Year 1 performance targets for tonnes collected and tonnes reused/refurbished. The rationale as to why these targets were not achieved in Year 1 is detailed in the OES Phase 1 Performance Report. It's important to bear in mind that OES has only just completed its first year of operation. In a time when the province was struggling with the effects of a global recession, we also had to build a collection network from the ground up and overcome nascent awareness of the program. These and other factors combined to create a daunting challenge. In our second year, however, we are making great strides. There has been a 109% improvement to-date in

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performance year-over-year, awareness programs are beginning to take hold and our partnership with retailers and other collectors is gaining momentum. We've implemented a new incentive program aimed at increasing program participation. Finally, to ensure continuous improvement and to guide us in our future efforts, WDO will be undertaking a comprehensive performance audit that will begin in early 2011. Unquestionably, there have been challenges as we work to implement this new e-waste recycling program in Ontario. But overall, the steady progress and a dogged commitment to improvement leaves us well positioned to ensure that we continue to do better.

### **Q9. What happened to the WEEE that was collected by OES?**

A9. OES has established a system to track electronic waste from the point of collection through to the point of final disposition. Collectors, transporters and processors are required to comply with vendor standards that include maintaining data security and compiling information on the destination of electronic waste directed to reuse and recycling.

OES has established a Reuse and Refurbishment (R&R) Standard against which R&R organizations are audited by an independent company before being registered with OES. The Ontario WEEE Program is the first program in North America to establish an operating standard for the reuse and refurbishment of electronic waste to ensure data security and employee safety.

OES has also established an Electronic Recycling Standard (ERS) against which electronic waste recyclers are audited by an independent company before being registered with OES. The ERS includes some of the highest environment and health and safety requirements in the world to ensure that electronic waste collected by OES is managed in a manner that is consistent with Ontario environmental and employee standards. The ERS specifies that substances of concern, such as batteries, fluorescent bulbs, mercury-containing switches, leaded glass and ink/toner cartridges, must be manually removed prior to mechanical processing to protect workers and the environment.

OES vendor standards require compliance with the federal Export and Import of Hazardous Waste and Hazardous Recyclable Material Regulation, 2005. The EIHWRMR reflects Canada's obligation under the Basel Convention which is designed to prevent developed nations from dumping hazardous wastes in developing nations.

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### **Q10. What happens with e-waste that is not collected by OES?**

A10. We can't say for certain. Some companies that are not associated with OES continue to collect, reuse and recycle e-waste through their normal business operations. OES does not have access to information on their operations, the quantity of e-waste managed or the final destination of materials shipped by these non-registered companies.

### **Q11. What is OES doing to improve program performance?**

A11. We have taken explicit and aggressive steps in our second year to ensure continuous improvement and value for money. Those efforts are making a measurable impact. There has been a 109% improvement to-date in performance year-over-year, awareness programs are beginning to take hold and our partnership with retailers and other collectors is gaining momentum. We've implemented a new incentive program aimed at increasing program participation. Finally, to ensure continuous improvement and to guide us in our future efforts, WDO will be undertaking a comprehensive performance audit that will begin shortly. We look forward to the outcomes of that audit so we can improve the performance and value of the program. Improving our performance is a core value of the program itself and we are committed to making each year better than the last.

### **Q12. Is the performance of the WEEE Program improving?**

A12. Yes. Electronic waste collection by OES grew 109% in the first six months of year two compared to the same period in year one. Moreover, to ensure continuous improvement and to guide us in our future efforts, WDO will be undertaking a comprehensive performance audit that will begin shortly.

### **Q13. Why did OES collect more fees from stewards than it spent operating the WEEE Program in 2009, and what did OES do with these surplus funds**

A13. Our fees are designed to cover the actual cost of safely and sustainably managing electronic waste – nothing more, nothing less. It's a program designed to break-even, leaving no surplus or deficit. As fees are based on estimated future sales and costs are based on estimated future collection, the results can be affected by a variety of factors. In this case, in only our first year of operation, OES had to contend with a global recession, nascent awareness of the program and the need to build a collection network from the ground up.

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OES directed a portion of the year-end surplus to a reserve fund to allow us to continue to implement the WEEE program during those periods when sales of electronic items are lower and therefore steward fee revenue will be lower. As well, OES dedicated the remaining portion of the surplus Year 1 funds to an expanded promotion and education campaign for residents and businesses to mobilize Ontarians and increase collection of e-waste.

### **Q 14. What are OES' administrative/overhead costs?**

A. 14. In looking at the most recent audited financial statements, OES (a not-for-profit organization) administrative costs are 7.6%, well in the range of 6% to 13.7% of other provincial electronic waste recycling programs, and under the median administrative expense among charities (also not-for-profits) of approximately 10%.

### **Q15. How does OES respond to the recent suggestion that the WEEE program is among the most costly in the world?**

A15. Publicly posted data obtained from most recent annual reports for various provincial programs shows the cost per tonne varies from roughly \$1180 to \$1840 per tonne. OES fits comfortably within that range at \$1604 per tonne, notwithstanding the fact that the program has only just completed 18 months of operation.

### **Q16. Why doesn't OES give the surplus back to stewards and consumers through lower fees?**

A16. In our first year of operation and with collection performance increasing, any surplus funds were committed to re-doubling efforts to safely manage electronic waste at every stage of the process. We remain confident that the changes we've implemented will lead to continued improvement in collections and our actual performance will fall in line with budget estimates OES has also committed to review the generation of surplus funds after two years' experience, and to adjust fees downward in the future if surplus funds continue.

### **Q17. What is being done to reduce the amount and the toxicity of electronic equipment?**

A17. The electronics industry continues to take steps toward reducing its environmental footprint. The following trends contribute to improved environmental outcomes:

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- Reducing the use of lead by moving away from the use of Cathode Ray Tubes (CRTs),
- Replacing mercury-bulb backlit liquid crystal displays (LCD) with light-emitting diode (LED) technologies that are mercury-free
- Dematerialization (using less material overall) through smaller products
- More stream-lined design of electronics products including replacing screws with snap-fit parts and using fewer different types of materials
- Manufacturers are providing more transparent information on how products can be disassembled either for recycling or for upgrading and life extension by end-users
- Standards to increase inter-operability of electronic devices and to support electronic products that communicate and function efficiently with one another

### **Q18. Why wasn't the OES 2009 Annual Report posted earlier?**

A18. There were a variety of reasons. On a technical basis, our financial year and our program year are different. The financial year-end is December 31st, while the program year ends on March 31st. Our annual report which contains the mandatory audited financial statements for the fiscal year ending December 31 was submitted to WDO by the April 1<sup>st</sup> deadline. It took some time for us to compile our performance report for the program year which was submitted to WDO on July 28<sup>th</sup>. Both OES documents are now publicly available on WDO's and OES's website.

### **Q19: Are you going to be adding a consumer representative to the OES Board in compliance with the stated wishes of the government?**

A19: We are strongly committed to maintaining consumer confidence in our program and in the overall effort to safely and sustainably divert electronic waste. We recognize how vital consumer participation is to the e-waste program's success. The OES Board of Directors recognizes the importance of consumer participation and is currently exploring all available options to ensure that consumers' perspectives are taken into consideration in the design and implementation of the WEEE program. The OES Board of Directors will be discussing the Minister's direction at their November meeting.