



December 31, 2018

*To Certification Bodies and R2 Certified Recyclers:*

SERI has received feedback about the pending implementation of Advisory 11 for Shared Space at a Physical Address. Upon further review and consideration of a variety of factors, SERI has decided to defer Advisory 11 pending the outcome of the R2 Standard revision process currently underway.

### **Background on the R2 Standard's Requirement for Facility Based Certification**

The R2:2013 Standard states "R2:2013 certification is specific to a facility, and not to a company. The R2:2013 Standard shall apply to all electronics recycling related activities at a physical address." The R2 Standard does not currently require an organization to audit and certify all facilities the organization operates. When facilities are distinctly different physical addresses (clearly different buildings), this has not been an issue. However, some companies share space in a building with other companies, or in some cases, occupy multiple units within the building. Since all electronics recycling related activities at a physical address must be certified, the question becomes "what are the boundaries to a physical address?"

Since the inception of R2 certification in 2010, certification has been continuously structured as a "facility" certification, meaning that an organization could not certify a process or sub-division of their operations at the facility. While process based certification is allowed in other standards, it is integral to R2 Certification to be a facility-based certification. Facility-based certification provides confidence to customers sending their used electronics to an R2 Certified facility, that the entire facility is conforming to the R2 Standard for everything that is processed at the facility. It is designed this way because organizations could otherwise certify only a part of their facility to meet the R2 Standard requirements, while continuing to divert electronics through other parts of the facility not held to the same standard of care.

### **The R2 Standard Revision Process Underway May Negate The Need for Advisory 11**

The R2 Consensus Body, including the R2 Technical Advisory Committee (TAC), recently reaffirmed consensus for facility based R2 Certification in deliberations while drafting the next revision of the R2 Standard. The express point already raised during deliberations on this issue was not whether such a facility-based designation exists, but whether it should continue to remain in place. Based on the concerns stated above regarding the integrity of the R2 Standard, the R2 Consensus Body has already decided that the facility-based designation will indeed remain one important aspect of the next revision to the standard. The R2 Consensus Body is expected to finish its work on the next revision of the R2 Standard in 2019. As part of this continuing work, and in light of recent inquiries and feedback regarding the intent and context behind the term "facility," the R2 Consensus Body now also has the immediate opportunity



to more specifically define the intended meaning and provide examples of boundaries of the term “facility” that would be acceptable for R2 Certification. SERI will therefore defer Advisory 11 since its subject is being specifically addressed in the Standard revision process already underway, and will continue to monitor all requirements as determined by the R2 Consensus Body in accordance with the ANSI Essential Requirements.

#### **Awareness of “Control” as a Related Auditable Requirement**

Meanwhile, it is important to note that a focus on the meaning of the term “facility” should not cause an organization to overlook another important aspect regarding control of covered activities, even if they arguably occur outside of an R2 certified “facility.” Regardless of the outcome of deliberations regarding what should be considered a “facility,” the R2 Consensus Body has previously clarified that circumstances may be present where an audit for R2 Certification may extend beyond even the physical address of the R2 Certified facility in Formal Interpretation #1.0 (02/01/2017). This interpretation clarified the meaning and effect of the term “control” as it is used in R2:2013 Provision 5. Thus, any collection, handling, processing, or other activities under the control of the R2 Certified organization occurring outside the address listed on the R2 Certificate but related to those activities for which the organization is certified must be considered in the scope for audit and certification. Auditors and Certification Bodies must continue evaluating this issue of “control,” whether in single free-standing buildings, or in situations of sub-divided buildings where other R2 certifiable activities are occurring in other suites, rooms, or units within the same building under the common control of the R2 Certified organization to ensure that the scope of audit and certification accurately captures all certifiable activities.

#### **SERI’s Continued Commitment to the Integrity of the R2 Standard**

As always, SERI may continue to use its quality control methods, including but not limited to package reviews, witness audits, and unannounced spot audits to verify that R2 Certified organizations are conforming to the R2 Standard and that Certification Bodies are accurately auditing such facilities and enforcing the R2 Standard accordingly. In addition, in cases where R2 Certified organizations are not clear and transparent about the proximate colocation of R2 Certified and non-R2 Certified operations in a manner that is likely to lead to confusion and a loss of integrity for the R2 Standard, SERI may add an R2 Certified organization’s non-certified operations to SERI’s publicly available [Non-Certified Recyclers](#) list in order to make necessary factual clarifications about the presence of non-certified areas/subdivision(s) within what may otherwise be mistaken by the public as a completely R2 certified facility.

SERI encourages all interested parties to participate in the process of revising the R2 Standard as provided within the Manual of Policies and Procedures for R2 Standard Development which has been, and will continue to be publicly available on SERI’s website at <https://sustainableelectronics.org/r2-standard/standards-development>. SERI will provide an update regarding final disposition of Advisory 11 upon completion of that revision process.



# SERI COP Advisory 11

**Advisory No. 11: Shared Space at a Physical Address**

**Reference Document:** R2 standard and R2 Code of Practices

**Date of Release:** March 29, 2018

**Effective Date:** To Be Determined

Version 1.2

**Purpose:** Clarify how the R2 Standard applies to shared space at a physical address.

The Introduction to the R2 Standard states “The R2:2013 Standard shall apply to all electronics recycling related activities at a physical address.” The starting premise is that all certifiable electronics recycling activities in rooms, units, suites, buildings or otherwise with a common address must be R2 Certified, regardless of any subdivision by rooms, fences, walls, suites, etc. The scenarios below seek to provide clarification on how this is applied to different scenarios where a physical address is sub-divided or shared. The Certification Body shall be responsible for fully vetting and verifying the scope of certification and documenting justifications where sub-divisions of a physical address are excluded from the required auditing and R2 certification.

## **Rooms within an R2 Certified area**

Rooms or otherwise separated areas within an R2 Certified area performing R2 certifiable activities are always required to be audited and certified.

## **Multiple suites, rooms, buildings, etc. used by the same organization.**

The scope of the R2 Certification must include all certifiable activities of the business in any of the suites, rooms, buildings, etc. at the same physical address and each must be audited.



**Multiple suites, rooms, buildings etc. used by different organizations that are affiliated with common ownership.**

Each organization performing R2 certifiable activities must be R2 Certified for the affiliated organization to be R2 Certified at the same physical address.

**Physically separate standalone units/suites/buildings at the same address with unaffiliated ownership.**

When a building has separate units/suites that can be leased and operated independent of one another according to local law and is occupied by different and unaffiliated organizations, then a case could be demonstrated that a suite could be certified for one business without certifying another suite that performs certifiable activities. For example 100 Main Street has five suites with independent access, security, etc. Suite 102 could be R2 Certified, without certifying Suite 105. The Certification Body should verify this independence of the organizations through public records registering each business without common ownership and verify all business permits for their legal operation are in-effect and align with the purported structure. Any movement of equipment or Focus Materials to these unaffiliated organizations would require due diligence and qualification as a downstream vendor as applicable by the R2 Standard.

**RISKS that should be considerations in evaluating shared buildings:**

1. Organizations use multiple suites in the same building to hide activities so they are not audited.
2. Organizations transfer equipment between multiple companies with joint ownership in different suites of the same building to hide activities so they are not audited.
3. Organizations use affiliated companies to receive problematic materials (like CRTs) outside of the audited activities of the R2 organization.