

The R2 Standard Consensus Body has approved this Formal Interpretation in line with Article 10 – Interpretations Policy in the SERI Manual of Policies and Procedures for R2 Standard Development and the ANSI Standards Development process. This Formal Interpretation is hereby published by SERI and effective on this first day in the month of February, 2017.

Question:

Does the phrase in Provision 5.a “FMs that pass through its facility or control” include collection sites of an R2 Certified Recycler?

Formal Interpretation:

“Control” in Provision 5.a applies or begins at the point where and when the R2 Certified recycler takes title or physical possession of the Focus Materials or equipment containing Focus Materials. Therefore, the R2 Standard requirements under Provision 5 would apply when:

- Equipment is aggregated at a site owned, operated by, or managed in conjunction with the R2 Certified facility.
- Equipment is aggregated at a site contracted by the R2 Certified Facility (3rd party entity or entity owned by the same parent company)
- A contracted 3rd party transporter picks up equipment on behalf of the R2 Certified facility, regardless of whether it is delivered to the R2 Certified Facility

Background:

Request By: The R2 Technical Advisory Committee.

Discussion:

One of the key principles of the R2 Standard is that end-of-life equipment containing Focus Materials, which require greater care based on their toxicity, are managed protective of the environment, worker health and safety, and public health (R2:2013 Provision 5 General Principle). When used electronics pass through the control or facility of an R2 Certified Recycler, these electronics are expected to be consistently managed in accordance with the R2 Standard to which the company is audited and certified. In R2:2013 Provision 5.a, the standard uses the language “FMs that pass through its facility or control.” The word “control” was evaluated by the R2 Technical Advisory Committee (TAC) in the discussion of revisions to the R2 Standard. It was agreed that this reference to “control” was intended to apply the requirements of Provision 5 to electronics from the point at which the recycler takes physical possession or title to the equipment. Therefore, the R2 Standard could apply to the electronics before physically arriving at the address on the R2 Certificate and through other locations, such as storage warehouses, before or after processing.

Collection sites are typically established to aggregate electronics. Additional warehouses may be leased to accommodate spikes in business. These practices are normal and customary when servicing customers in geographic locations that are not near the R2 Certified facility. However, these practices introduce customer concerns about whether the electronics delivered to a regional collection site provided by the R2 Certified recycler are truly being managed in conformance with the R2 Standard and in conformance with the R2 Certification of the processing facility used to qualify the company for the business. More importantly is the expectation that electronics collected at such sites must be directed to the R2 Certified Facility itself or to qualified and approved downstream vendors consistent with the R2 Standard.

This Formal Interpretation is binding and auditable as part of a company’s R2 Certificate. It shall remain in force until a subsequent revision of the R2 Standard is published, at which time it will be incorporated or expire.

The word “control” is essential to the applicability of the Provision 5 requirements. Control begins when a recycler takes physical possession or title of the electronics which contain Focus Materials. This could happen at the R2 Certified Facility when equipment is delivered by the customer. However, it also typically occurs in these situations:

1. Collection event at customer location
2. De-installation at a customer site by the R2 Certified Facility’s workers or contractors
3. Pickup by the recycler
4. Pickup by a 3rd party contracted by the recycler
5. Collection at remote facilities or parts of those facilities owned, operated, or managed by the R2 Certified facility.
6. Collection at regional locations used to aggregate customer equipment by workers or contractors of the R2 Certified Facility that is approved by the customer to process their equipment. For example, if a representative of the company, sister company, or parent company accepts the product for that customer as part of the contract with the R2 Certified Facility.
7. When the company owning the R2 Certified Facility and in control of the material brokers equipment from the customer’s location to another customer or a downstream vendor.
8. Any transaction that is based on a customer’s requirement or expressed expectation for R2 Certification of the company accepting the material.

Control would not apply when the R2 Certified Facility is not yet responsible for the equipment. Some examples are:

1. A customer or affiliated company of the R2 Certified recycler collects equipment prior to acceptance by the R2 Certified Facility or designee. For example, recycling centers run by governments or other independent organizations.
2. The customer contracts the transportation of the equipment to be delivered to the R2 Certified Facility.

Application:

The R2 Certified recycler is responsible for accounting for the focus materials it controls in its FM Management Plan from the point the recycler takes title or physical possession. This may occur before material reaches the R2 Certified Facility, and even if the materials is not directed to the R2 Certified Facility and is instead shipped directly to a downstream vendor. The requirements of Provision 5 apply to all Focus Materials, including those within used electronics, from the point they are accepted (where the R2 Certified recycler takes title or physical possession).

Auditing:

This interpretation does not mean that the auditor has to visit every additional site. However, where the audit trails lead to these sites outside of the R2 Certified facility, and potential non-conformances are identified, the Certification Body does have the authority to require a site visit and additional audit time for conformance evaluation. Section V.C.4 of the R2 Code of Practices allows this by Certification Bodies to evaluate outsourced organizations.