Sims Recycling Solutions Canada Limited

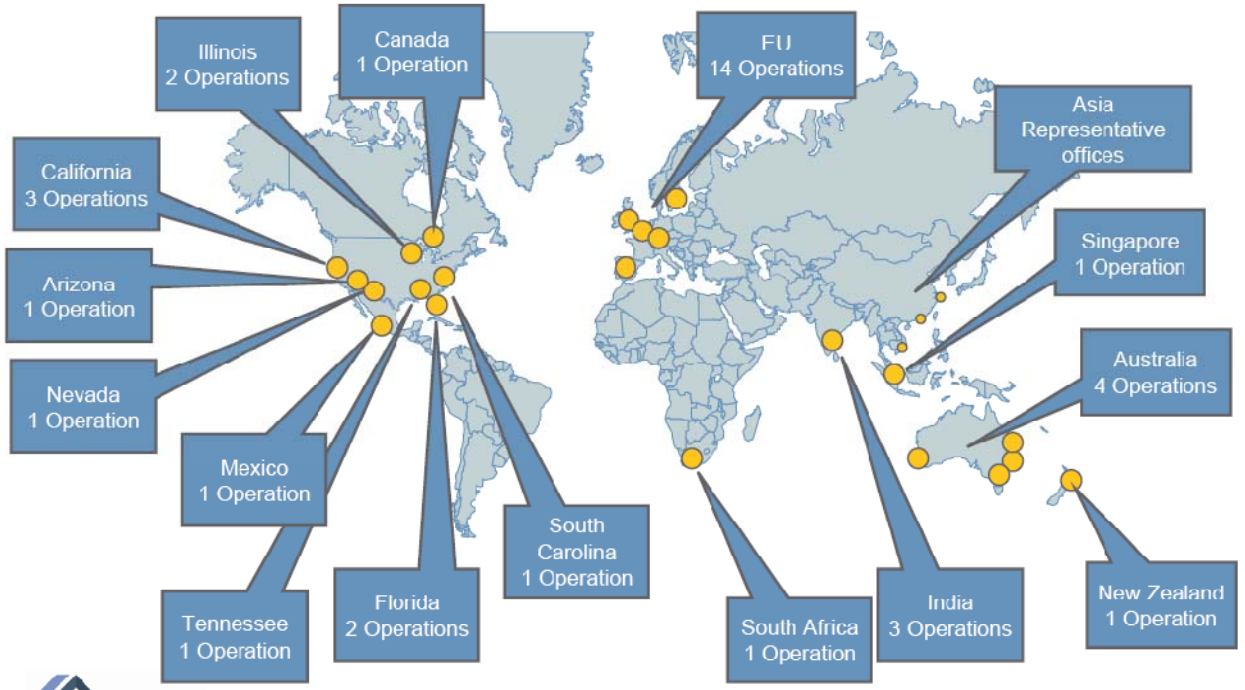
EPR - Environmental and Economic Benefits Lessons Learned to Date from Ontario WEEE

EPR Workshop 2010 Vancouver

November 3, 2010

Who is Sims Recycling Solutions?

- **Sims Recycling Solutions is part of Sims Metal Management, the world's largest metal & electronics recycling company**
- **Headquartered in Australia**
- **7500 employees globally**
- **Publically traded on the Australian and New York Stock Exchange (SGM) (SMS)**



SIMS RECYCLING SOLUTIONS

39 Electronics Recycling Facilities Worldwide

Sims has been effectively recycling WEEE for decades

• Sims has been interacting directly with IC&I WEEE generators, electronic manufacturers, retailers, municipalities, special events etc. to cost effectively:

- Collect WEEE
- Transport WEEE
- Process WEEE (both reuse and recycling) to the highest environmental standards in the industry
- Account for and verify final disposition of all materials processed
- Verify and certify data destruction

•Sims easily discharges one or many manufacturers' end-of-life (EOL) responsibilities directly by providing a turn-key solution for everything from WEEE collection to regulatory reporting

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Life cycle management

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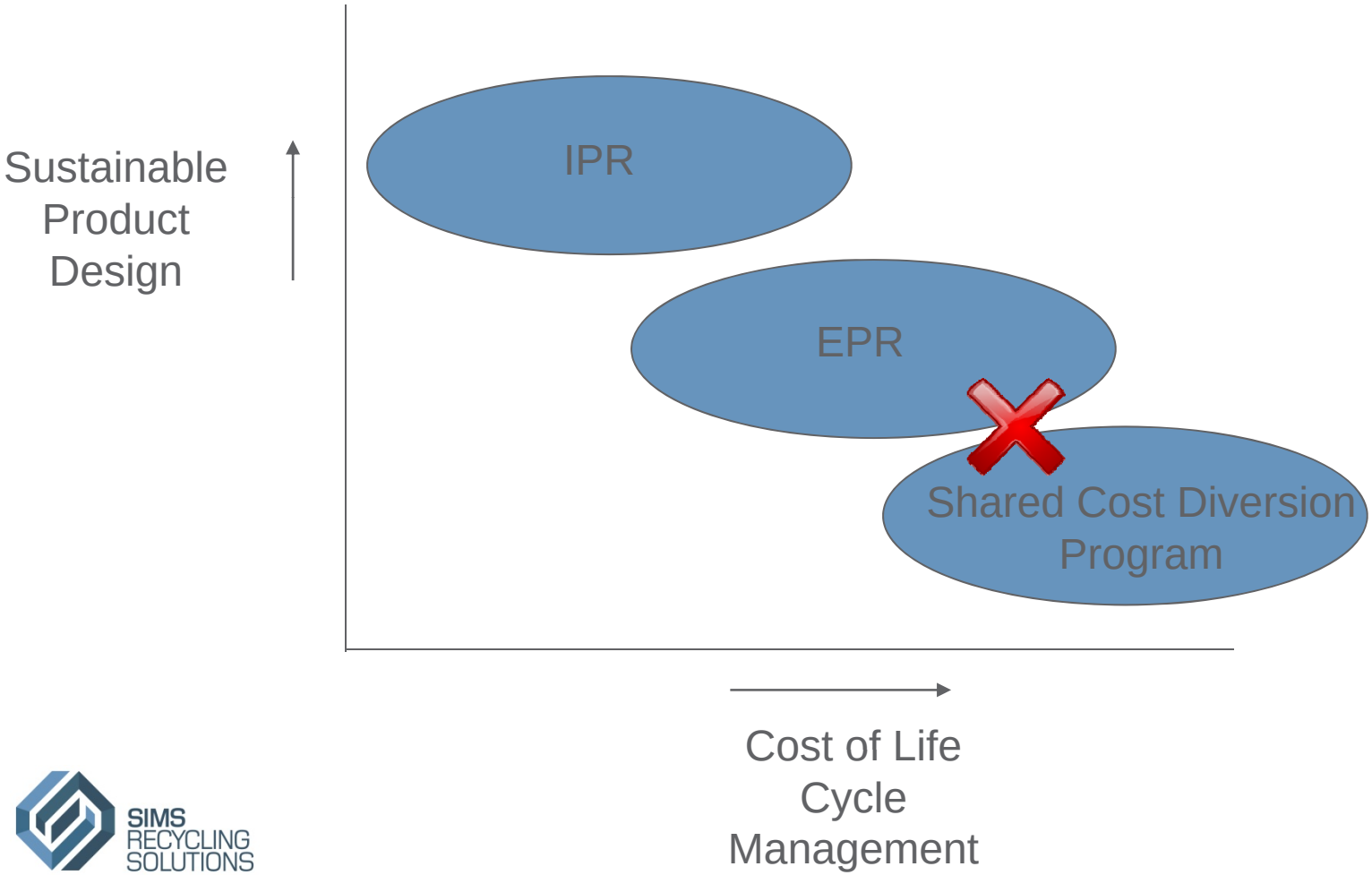
Cost vs EPR vs IPR



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IPR vs EPR vs Cost of end of life management

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Goals of Waste Diversion = Greener Economy

- Shift from landfill up waste hierarchy
- Better environmental outcomes than landfill (no transfer of burden)
- Financing diversion with costs directly attributed to brand/product
- Encourage investment into recycling capacity and effectiveness
- Enforce goals
- Feedback for continuous improvement

Basel Convention

- The prevention and minimization of the generation of hazardous wastes.
- The reduction of transboundary movements of hazardous and other wastes subject to the Basel Convention.
- The provision of adequate capacity to manage wastes within the country of origin.
- The active promotion of the transfer and use of cleaner technologies.

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Successful if:

- Diversion targets are met
- Recycling to standard occurs
- Investment in new technology/jobs to meet the need is encouraged
- Costs borne by users
- Manufacturers compete on full life cycle management effectiveness

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Failure if eco-fees collected from citizens and:

- Waste is not diverted
- No encouragement of investment into better recycling processes
- Incentives do not encourage competition for recycling or design
- Environmental outcome no better than landfill
- <50% WEEE target diverted in Ontario
- Quota and allocation model stifles investment and improvement
- Eco-fee the same for all products, no cost internalization
- Standards not enforced
- Leakage includes significant shipments to developing countries

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EPR failings – Ontario WEEE Program

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Suggestions for path forward

- Entrench IPR model versus EPR model
- Backdrop regulation that sets diversion targets and recycling standards

Until then we can improve EPR model implementation:

- Ban Lanfill
- Set high recycling standard and enforce
- Eliminate quota and allocation systems for recyclers
- Eliminate command and control programs
- Instead establish open market relationships between collectors, transporters and approved processors;
- Set a schedule of collection incentives, transportation incentives and processing incentives;
- Processing incentives tiered by diversion effectiveness
- Transportation incentives tiered by geography;
- Incentives paid when it is assured of material origin (tracking document) and that it was processed by an approved processor to a the standard for a given processing tier;
- Incentives set by estimation of approximate market prices and adjusted based on observed activity

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Wake Up to Ineffective EPR Programs Move to IPR

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