

Assembly Committee on Environmental Safety & Toxic Materials

Assembly Committee on Natural Resources

Oversight Hearing
Electronic Waste Management in California

Sony Electronic Inc. Statement on E-Waste Management

February 28, 2011

Douglas Smith, Director Corporate Environment, Safety and Health, Sony
Electronics Inc.

Sony has been an active stakeholder in bringing sustainable solutions to electronic waste management for more than 20 years. In 1990 CRT glass was routinely recycled from our San Diego factory and in 2007 Sony launched a comprehensive nationwide take-back program - at no cost to the consumer - anything with Sony brand name - be it a TV, PC, or PlayStation. Since launching nationwide take-back we have recycled over 20,000 tons of e-waste in a responsible and environmentally friendly manner with vendors being held to the highest possible standards. To further this commitment, Sony has adopted the policy of requiring our vendors to obtain the EPA's R2 certification or adopt the e-steward. The sustainable model we are pursuing is where high quality supply chains are set up to direct materials derived from e-waste back to its point of origin, in the spirit of producer responsibility, while lowering costs to our customers.

Proper oversight of the take-back and recycling involves auditing of these third party service providers. The purpose of auditing is to reduce risk associated with our decisions and actions when dealing with waste vendors, and this responsibility extends to electronic waste processors. The next phase of improvement to this risk management process is through certification programs using sufficiently independent and accredited third party auditors.

Electronic waste is valuable and the capture of metals is the primary driving force. The average metal value contained in a pound of circuit board scrap has been reported to exceed \$6 per pound. It common for electronic products to have several pounds each of circuit boards. The math is easy and the appeal to obtain this in large quantities is powerful. Sony's belief is that this inherent value is and remains the sustainable driving force and will make electronic waste recycling profitable,

even within the US. However, there are proper, safe, and efficient ways to recover and there are improper, unsafe and inefficient ways to recover.

Along with the metals, components of e-waste have value, which support the world wide repair industry. The components used to repair and enable reuse of products, are helping to close the "digital divide" in developing nations. These developing countries also are the manufacturing centers and require dependable, high quality raw materials to make new products for worldwide distribution. It is not sustainable to force these countries to rely exclusively on raw material extraction from the earth, when electronic waste is the richest ore of all possible choices for new raw materials.

The costs to a recycler can be significant to obtain third party certification; however, my experience with R2 certified vendors is that they remain competitive at delivering a highly reliable service while complying with local, state, national and international laws. Transparency and disclosure requirements are something new to recyclers; however experiences with disclosure, as a manufacturer, are something that can improve one's operating system. There are some criteria that are of business confidential nature which should be respected as some of these are the grounds on which they compete in their market. Certifications that are overly focused on red-tape will create a "de facto" prohibition on recovery of components and reuse by enabling shredding to be the least cost option.

I would also like to point out that the CA ARF system is the single most effective method of controlling exports from the US and CA. The act of canceling each device in CA, has created collection jobs and recycling jobs. No other EPR program in the other states has such an advanced program.

Sony remains an engaged stakeholder in the pursuit of bringing sustainable solutions, where economic and environmental interests are balanced to bring a high quality service to our customers.