



WEEE Legislation

A plain English guide to what
Company Directors ought to know
about end of lifecycle IT equipment
and the WEEE Directive.



Tier 1 Asset Management Ltd.
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"In simple terms, the 'man with van' approach to removing redundant IT equipment, where end of life assets – even those with non-data bearing qualities - are taken off the premises, never to be seen again and with no discernible, verifiable audit trail, are over."



On 2nd January 2007, the long awaited Waste Electrical and Electronic Equipment (WEEE) Regulations came into force. Although much of the law concerns manufacturers and sellers of equipment classed as EEE (electrical and electronic equipment), this paper attempts to clarify the implications of how this legislation will affect business users in a relevant and understandable manner.

In order to ensure that your organisation does not fall foul of the WEEE Regulations, responsibility should be assigned across the spectrum of Operations, IT, Finance and Facilities functions so that nothing escapes attention.

It is virtually inconceivable that a UK business in 2007 operates without using some sort of computer, IT or electrical equipment and consequently it must be stressed that the WEEE regulations not only impact on the country's largest organisations but also apply to the four million plus SMEs that exist in the UK. It must be stressed that the WEEE Directive focuses on the re-use of equipment, and whilst a company may need a waste certificate for the disposal of certain EEE, this paper looks at the impact of the Legislation on IT assets.

One might expect that a document concerning itself with Legislation covering end of life IT assets would be the sole domain of the company's IT Department, but this could not be further from the truth. In order to ensure that your organisation does not fall foul of the WEEE Regulations, responsibility should be assigned across the spectrum of Operations, IT, Finance and Facilities functions so that nothing escapes attention. Indeed, companies who opt for a proactive approach to embracing the Legislation will find that their Corporate Social Responsibility (CSR) departments and Marketing / PR teams will also become involved. Promoting the positive impact that complying and exceeding environmental requirements can give a more socially responsible company in the current ethically-aware climate a distinct competitive advantage. Ambitious individuals within a Corporate hierarchy will also benefit from their willingness to contribute in giving their organisation a head start as the race to accept and endorse 'green' policies gathers pace.

Some basics

The Waste Electrical and Electronic Equipment Legislation is with us because of the European WEEE Directive that considers the environmental impacts of WEEE and encourages its separate collection, subsequent treatment, re-use, recycling and environmentally sound disposal.

When a business produces waste, for the relevance of this document for example, a laptop or desktop PC is to be replaced by a newer model and comes to the end of its lifecycle within that particular organisation, the business has a range of responsibilities to ensure that this equipment is treated and recycled, all within the requirements of a Duty of Care. The Legislation seeks to encourage collection, reuse, recovery, recycling and environmentally sound disposal when no further use for the equipment or its parts can be found.

In simple terms, the 'man with van' approach to removing redundant IT equipment, where end of life assets – even those which are non data bearing - are taken off the premises, never to be seen again and with no discernible, verifiable audit trail, are over. Whilst simply disposing of old monitors, printers or telephones into a skip are no longer viable options, the cost implications of acting within the new Legislation should not be a deterrent to embracing the law. Those organisations that formulate a strategy to make provision for the WEEE Regulations could and should achieve a positive return on their investment, whether it comes in the form of increased value recovery of remarketed assets or positive PR from enhanced CSR.

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What will the WEEE Legislation cost my business?

It is quite right to assume that much of the Legislation is aimed at the Producers of EEE. It is after all these organisations who will need to redevelop their products to improve their re-usability and recyclability. In order to fully understand cost issues, it is important to be aware of some of the costs that the Producers of EEE will undoubtedly incur as a result of the WEEE Legislation.

In a business to business environment, Producers must:

In addition to being considered a “Distributor”, many resellers will also be classed as a “Producer”, because they may brand equipment manufactured by others, import other products, or actually assemble equipment themselves.

- join an approved producer compliance scheme (PCS) that has been approved by the Environment Agency. There will be a fee to do this
- report information to the Environment Agency on the amount of EEE they put on the UK market, by category and type of intended user;
- finance the collection, treatment, recovery and disposal of the EEE that they supply to business users from products put on the market after 13 August 2005
- If EEE put on the market before 13 August 2005 is being replaced by new equivalent products on a one-to-one basis, the EEE Producer is responsible for financing the collection, treatment, recovery and disposal when supplying the new products.

And the reason businesses need to know about the Producers' cost?

Simple.

Because those companies who are not aware may well find themselves contributing to paying these costs on behalf of their suppliers.

No matter either that your IT equipment may be purchased from a reseller. In addition to being considered a “Distributor”, many resellers will also be classed as a “Producer”, because they may brand equipment manufactured by others, import other products, or actually assemble equipment themselves. This also includes IT resellers that put together IT equipment from parts supplied or manufactured by other organisations. These businesses will have to join a Producer Compliance Scheme (PCS), and pay for or undertake the collection, recycling and recovery of both the new equipment they have supplied when it reaches the end of its life, as well as the old equipment, which may be from another manufacturer, that it is replacing now.



As far as the WEEE Legislation is likely to be concerned, there are very few obligations on resellers who only sell to business users. However, the relationship that many resellers have with the manufacturers whose products they resell may well see them pick up the producer obligation for these products. Many brand owners, who have no direct link with the end users of their products, are seeking to pass on the obligation to resellers to manage the end of life disposal of their products.

Within the wording of the Regulations, one phrase in particular allows the Corporate user the freedom to negotiate with their suppliers.

“Nothing....shall prevent a producer from concluding an agreement whereby the parties to the agreement make alternate arrangements between themselves to finance the costs of the collection, treatment, recovery and environmentally sound disposal of WEEE.”

In essence, this allows companies to ‘opt out’ of the arrangement that says manufacturers must pay for the collection and disposal of WEEE and offer to take over the responsibility themselves. This may well give the company a distinct advantage in negotiating future terms for equipment that will not include a cost for disposal in the final price.



So what should business do?

The ability for businesses to negotiate with suppliers about who foots the bill for WEEE compliant disposal gives rise to a number of possible solutions. Tier 1 is attempting to make businesses aware that the Regulations should not actually be a big problem for them if they take a positive attitude to the Regulations and they could in fact enhance the company's performance, status and profitability.

This means that your company will have to arrange and pay for kit that is not being replaced any number of surveys show that senior corporate personnel are either unaware or in need of further information about WEEE Regulations.

Producers only have to provide free disposal if the equipment they provided was bought after 13 August 2005 or where the old product is being replaced by a new, equivalent product. This means that your company will have to arrange and pay for kit that is not being replaced, and with advances in technology that means you could be consolidating servers, or even downsizing, the onus is on you and don't forget that businesses must keep documentary proof that their WEEE has gone down a compliant and approved route.

The key for business is to be aware of both their options and some of the pitfalls that can face companies. With any number of surveys showing that senior corporate personnel are either unaware or in need of further information about WEEE Regulations, the following points should be considered carefully.

Of course a second user Centrino laptop with a 2GHz processor may be worth over £200 to a Corporate, but consider the value of old desktop PCs, for example. Often, the costs of remarketing, collection and secure data erasure can exceed the market worth of such items.

Corporates can accept responsibility for WEEE, not suffer increases in costs and with a reputable IT asset management partner, ensure full compliance.

Tier 1's 'zero cost solution' means business can donate IT equipment without incurring the remarketing and secure data erasure costs.

Considerations for your business;

- On the theme of awareness, companies will be aware of the pressure to assure the confidentiality of corporate and client data. Not only of ethical concern, the Data Protection Act 1998 has also made it a legal issue as well. If an organisation allows a supplier to take away data bearing assets, who has the responsibility for ensuring secure hard drive data erasure? The WEEE Legislation does not give an answer to this question, but why take the risk of entrusting this most vital of operations to somebody else? A trusted and reputable IT asset management partner should, without doubt, offer you a guarantee that data from redundant IT equipment is unrecoverable. You should be able to rely on an organisation that uses Blancco software which is deployed by many military, police, defence, government and finance organisations throughout the world and meets the internationally accepted INFOSEC 5 standard
- Generating income from the value of redundant IT is a further benefit that companies are becoming more aware of, and with greater value recovery, asset liquidation is becoming increasingly popular. However, companies should be realistic about the value of its used assets. Of course a second user Centrino laptop with a 2GHz processor may be worth over £200 to a Corporate, but consider the value of old desktop PCs, for example. Often, the costs of remarketing, collection and secure data erasure can exceed the market worth of such items.
- In this type of situation, consider whether your end of life IT partner has links with Charity who can give a PC a second lease of life in the developing world. A 'zero cost solution' means business can donate IT equipment without incurring the remarketing and secure data erasure costs. A typical example would be a partnership with the UK's leading technology charity Digital Links International, who plan to distribute 30,000 PCs to Africa during 2007. Every computer that is donated and deployed in a school is used by an average of 25 students each week. At a time when legislation makes it impossible simply to donate IT equipment, unchecked and potentially full of company and customer information, choose a Partner who can provide this type of solution for you.
- A professional and established IT asset management company can help businesses comply with the Legislation. Rather than a Corporate company simply agreeing for their suppliers of new equipment to take away their old equipment, at a cost that will be incorporated into the price of the new kit, the Corporate can accept responsibility for WEEE, not suffer increases in costs and with a reputable IT asset management partner, ensure full compliance.

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- A large number of organisations utilise the positive PR that can be gained from both publicising their green credentials and their partnerships with Charity. They cash in on the good news message they can't wait to deliver to a world where ethical consumerism is on the up and up. 'Green' sells, and individuals in the higher echelons of the corporate world, as well as those who aspire to join them, have realised that they have a part to play in more socially responsible business. Rarely a day goes by without the business, trade and popular press referring to 'carbon footprints' or the 'corporate social responsibility' of business. Do not let this opportunity pass your organisation by.
- The potentially stifling paper trail that compliance with WEEE requires and the associated cost and legal risk that now comes with IT disposal is a further factor for business to consider. However, in the hands of a business whose core specialised service is to provide such a fully auditable paper trail that takes away the risks associated with end of lifecycle IT equipment, the Corporate takes this service as a 'given' and is a basic facility that any reputable service provider must be able to supply.



Taking the next step. What should a business look for in a potential end of lifecycle IT partner?

Most companies will need to work with an outsourced supplier to help them manage some or all of their WEEE Legislation compliance. With time and resources increasingly limited, can your business guarantee secure data erasure from your hard drives? Are you able to guarantee a compliant audit trail for redundant WEEE when the Environment Agency asks for one? Does your company have a competitive advantage over your rivals in terms of CSR? Are you maximising your bottom line revenue by generating the ultimate return for your end of life IT?

Regardless of who you use to dispose of your equipment, companies should always audit your supplier to ensure that they are a compliant and regulated organisation.

In some instances, your supplier of EEE may be in partnership or recommend an external IT asset management organisation. Regardless of who you use to dispose of your equipment, companies should always audit your supplier to ensure that they are a compliant and regulated organisation. Do not be afraid to visit their premises or to ask the searching questions about where your equipment ends up and to see documented evidence. A reputable organisation will have no hesitation in providing you with all you require and include a watertight service level agreement.

In all circumstances, you must reasonably expect the following from your chosen outsourced supplier of WEEE compliant end of lifecycle IT services;

- technical capability
- reliability and integrity
- accurate documentation
- staying power with demonstrable past success
- an ethical framework within which to work
- a proven model for final asset disposal

When you find all these qualities in a partner that you are comfortable with, you can rest assured that you, your WEEE compliance responsibilities and your customers are safe.



Conclusion

..... it may seem to them that the WEEE Regulations have turned up at the football match at half time, having missed much of the earlier action....

Businesses that have planned and put in place a considered and ethically-led structure for IT disposal will find themselves right at the very beginning of the process in a far stronger bargaining position.

The effect of the WEEE Legislation should indeed be, as the policy makers intended, to reduce the amount of IT waste in landfill and have a positive environmental impact. Regulatory drivers and ethical outlooks will ensure a more savvy approach to purchasing equipment that in itself will be manufactured to enable a smoother route down the reuse and recycling road. Slowly, attitudes are changing within the corporate world that there is no reason to be throwing or giving away assets that still retain value, and companies are becoming more informed so that refurbished IT equipment that can extend their existing kit lifecycle is becoming slightly more commonplace.

Whilst the bigger Producers and many Corporate IT users already have strategies in place and have grasped the environmental and socially aware message, it may seem to them that the WEEE Regulations have turned up at the football match at half time, having missed much of the earlier action when companies such as Tier 1 began to partner Corporations in the ethical disposal of their IT assets. Our organisation sincerely hope that the Legislation does work and induces an even bigger shift towards environmentally friendly business practices that will prove effective and prevent companies from back-peddling when the environment and green themes are no longer 'buzz' issues in the popular and business press.

Despite all this, it seems likely that manufacturers of IT equipment will start to increase the cost of goods in order to cover their obligations to take responsibility for redundant assets. Businesses that have planned and put in place a considered and ethically-led structure for IT disposal, often in conjunction with a specialist, outsourced partner, will find themselves right at the very beginning of the process in a far stronger bargaining position.

For more information

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