EPEAT, Inc.

One World Trade Center
121 SW Salmon St., Suite 210
Portland OR 97204

www.epeat.net
Voice: (503) 279-9382
Fax: (503) 279-9381

OUTCOMES REPORT
EPEAT VERIFICATION ROUND 2010-03

1. Summary and Details of Verification Round 2010-03

This report provides the detailed results of EPEAT Verification Round 2010-03. This Verification Round focused specifically on the following:

- Required criterion 4.6.1.1– Provision of product take-back service

Round 2010-3 investigated the end-of-life take-back services that subscribers are required to provide under criterion 4.6.1.1. Since this is a required corporate criterion, a single investigation for each of the subscribers on the Registry at the beginning of the Verification Round was conducted.

This Round was conducted under the revised IEEE 1680.1 standard including the new international registry representing 41 countries. The service provision was investigated in a randomly selected country for each subscriber, from among the countries which that subscriber had products declared. All aspects of the requirements of 4.6.1.1 were investigated using level one investigations.

2. Outcomes of Round 2010-03

Criterion 4.6.1.1 is a required criterion and must be met within each country in which products are declared on the EPEAT Registry. Going into the Round, there was a suspicion that some Subscribers may not meet all 5 of the Verification Requirements for this criterion. This turned out to be true.

Following are the specific highlights of Round 2010-03.

- 49 investigations were launched and completed addressing required criterion 4.6.1.1– Provision of product take-back service.
- There were 19 decisions of non-conformance for this required criterion. See the list of non-conformances identified in Table 1 and the details and identification of subscribers and products in Table 2.
  - Thirteen decisions of non-conformance resulted in subscribers making changes in order to recover the accuracy of the declaration.
    - In nine cases, the subscriber corrected program deficiency which brought them into conformance.
    - In four cases, the subscribers delisted the country.
  - Six decisions of non-conformance were not corrected by the subscribers by the close of the Verification Round. Affected countries were archived.
- The overall impact on the Registry was:
  - Six Subscribers had all products in investigated countries archived by EPEAT.[1]
    - Sixteen products were archived.

[1] Non-conformance decisions may have more than one impact on the Registry; for example, losing an optional point may result in a drop from Gold to Silver rating.

- No products changed EPEAT level.

3. Key Lessons of Round 2010-03

There are five verification requirements for criterion 4.6.1.1 – Provision of product take back service:

a) Declaration from manufacturer
b) Documentation of take-back service
c) Documentation of notification of user of take-back service
d) Documentation of service certification to the U.S. EPA's Plug-In to eCycling: Guidelines for Materials Management
e) Documentation that demonstrates the service is offered at a competitive price

In order to be conformant to this criterion, **all** of the verification requirements must be met in each country where products are EPEAT Registered. Responses to the investigations varied greatly. In several cases, no response was received at all. Several Subscribers provided some but not all of the information. The most difficult verification requirement to prove was "Documentation of service certification to the U.S. EPA's Plug-In to eCycling Guidelines for Materials Management." This was especially true in the European Union where Subscribers did not always have a direct relationship with recyclers.

Due to the difficulty of meeting this criterion, it is recommended that Subscribers review criterion 4.6.1.1 for each country in which they are EPEAT Registered.

4. Corrective Action Process for Verification Round 2010-03 only

Ordinarily at the end of a Verification Round Subscribers have 7 days to bring any non-conforming products/criteria into conformance through corrective action. Due to the fact that there were a high number of non-conformances found, the fact that 4.6.1.1 is a Required Annual Corporate Declaration Criterion, and that coming into conformance may involve reopening contractual relationships or changing service providers entirely, EPEAT made some changes to this process *for this Verification Round only*.

This amended process arises from our fundamental conviction that EPEAT Verification is, first and foremost, intended to assure that all declarations for all products on the registry are conformant, rather than intended to punish Subscribers. When a product declaration is found to be non-conformant, our mission is to ensure the registered products are brought back into conformance. As always, if this cannot be done in a prescribed amount of time, the product and / or Subscriber will be removed from the EPEAT Registry [this may be applied regionally]. Due to the challenges of moving into conformance for this particular criterion, the period of time was extended – from 7 days to a total of 37 days.

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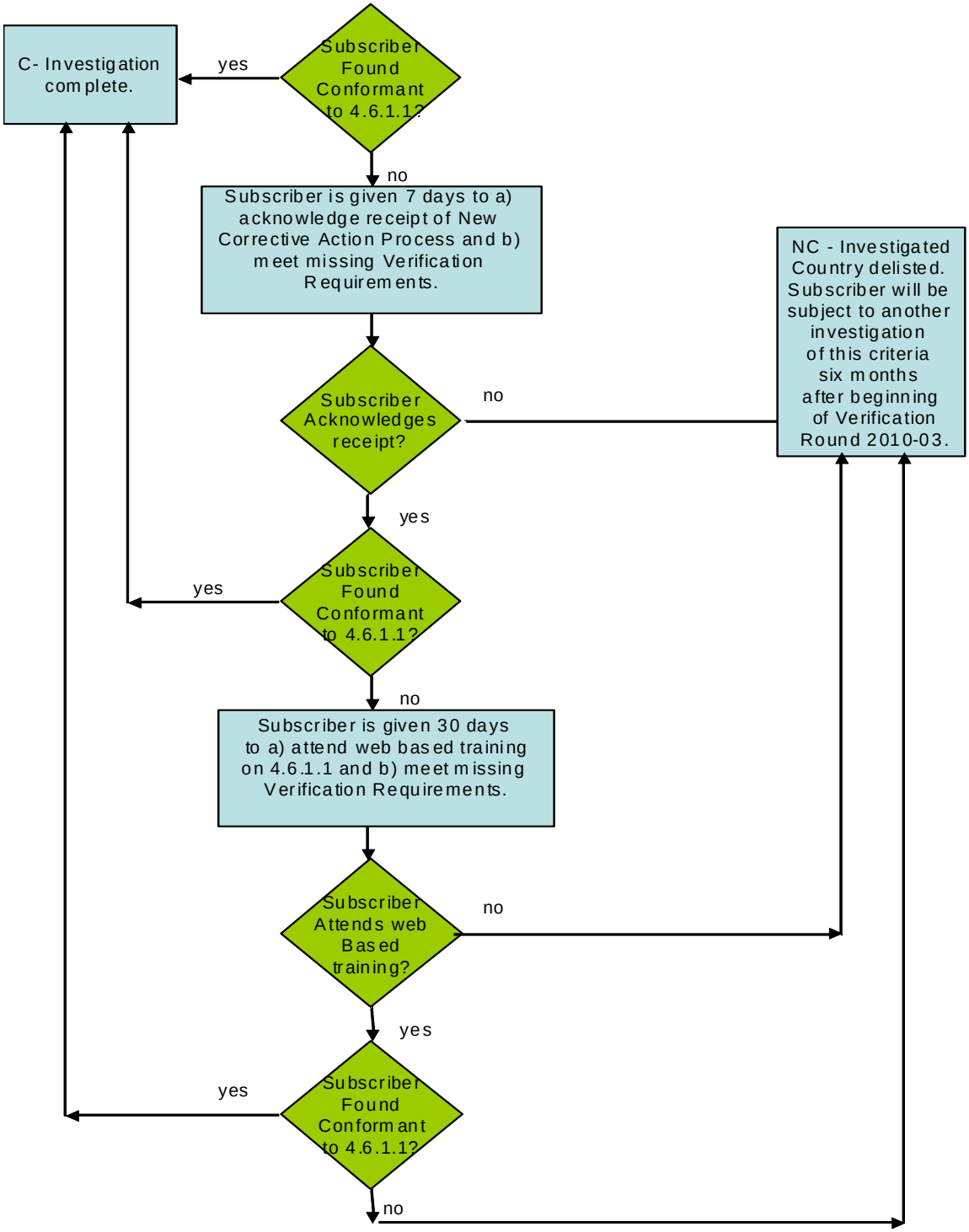
Flow of corrective action process for *Verification Round 2010-03 only:*



Step One: Subscribers had 7 days from the receipt of communication message to a) acknowledge receipt of message via email and b) meet missing Verification Requirements for Criterion 4.6.1.1 in the specified country. If a Subscriber was able to adequately prove conformance within the 7 days, they were finished. In the Outcomes Report for this verification round, these Subscribers are shown to have received an initial non-conformance finding but moved into conformance. Failure to respond to the communication message resulted in automatic delisting of investigated country.

Step Two: After Step One, having acknowledged receipt of the New Corrective Action Process via email, all nonconforming Subscribers had 30 days to adequately prove conformance to Criterion 4.6.1.1. There were no exceptions or extensions to this 30 day period. In addition to the requirement to demonstrate conformance with Criterion 4.6.1.1, all Non-Conforming Subscribers were required to attend a webinar training session specific to Criterion 4.6.1.1. This training was held on two occasions, at two different times convenient to different regions. Attendance of at least one webinar session was mandatory to come into conformance for this criterion. Further, all Subscribers who were found in non-conformance with 4.6.1.1 were not allowed to add products to the EPEAT registry (they were able to alter their existing registrations) until the required criterion was brought into conformance. When and if individual Subscribers came back into conformance prior to the 30 day limit, their product registrations went back onto Desk Review[2]. They will remain on Desk Review until they have demonstrated in-depth understanding of the EPEAT criteria to the satisfaction of EPEAT Registry management staff.

Step Three: Subscribers who did not adequately prove conformance to Criterion 4.6.1.1 during Step One will be subject to an additional Verification Round that will begin six months after the start date of Verification Round 2010-03 and will address a subset of all countries in which the Subscriber has products registered.

Step Four:

1. **Subscribers who were able to demonstrate conformance within the 30 day period, and attended the required web training, remain on the EPEAT Registry**. They will still be subject to an additional Verification Round in other countries in which they are registering products six months after the start date of Verification Round 2010-03. In the Outcomes Report for this verification round, such Subscribers will be shown to have gotten a non-conformance but have moved into conformance. Subscribers will also need to re-declare (and support) conformance in all countries where they are registered.
2. **For Subscribers who were found to be non-conformant at the end of the 7+30 day Corrective Action Phase, EPEAT delisted all of the Subscriber's products on the EPEAT Registry in the investigated country.** They will be subject to an

[2] See the "EPEAT License and Subscriber Agreement" section 5(f) for more information on Desk Review.

additional Verification Round in other countries six months after the start date of Verification Round 2010-03. They have been asked to attend in-person training before they can get back onto the Registry, and even then such a return is at the discretion of EPEAT Registry management staff. New registrations are subject to Desk Review until the Subscriber has demonstrated in depth understanding of the EPEAT criteria to the satisfaction of EPEAT Registry management staff.

As mentioned earlier, this special extended corrective action phase was used only during this Verification Round 2010-03. Future Verification Rounds will revert to the normal corrective action phase of 7 days.

5. Looking Forward

1. ***Plans for Future Verification Activities:*** Verification Round 2010-04 started on October 6, 2010 and Verification Round 2010-05 started on November 3, 2010. EPEAT's goal is a total of 6 Verification Rounds in 2010.
2. ***International Training:*** An international training event will be held in London on November 3-4, 2010. For more information on this training, go to www.epeat.net.
3. ***Conformity Assessment Protocols:*** This and all future rounds will be conducted according to the Conformity Assessment Protocols posted on www.epeat.net.

6. Investigation Tables

TABLE 1: Criteria Involving Non-Conformance Findings

Criterion	Description	Total # of Investigations	# of NCs
4.6.1.1	Provision of product take-back service	49	19
	Total	49	19

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TABLE 2: Non-Conformance Findings Showing Corrective Actions Taken and Outcomes

Subscriber	Country	Verification Criterion	Criterion Description	Description of NC Finding	Corrective Actions Taken	Outcomes
TPV Technology Limited	Australia	4.6.1.1	Provision of product take-back service	No information initially provided.	Subscriber archived Australia.	C
MMD Taiwan Ltd.	New Zealand	4.6.1.1	Provision of product take-back service	Incomplete information provided.	Subscriber corrected program deficiency.	C
Daten Tecnologia Ltda	Brazil	4.6.1.1	Provision of product take-back service	Incomplete information provided.	EPEAT archived country.	NC
Login Informatica	Brazil	4.6.1.1	Provision of product take-back service	Incomplete information provided.	EPEAT archived country.	NC
Procomp	Brazil	4.6.1.1	Provision of product take-back service	Incomplete information provided.	Subscriber corrected program deficiency.	C
Ecomnets, Inc.	Canada	4.6.1.1	Provision of product take-back service	No information initially provided.	EPEAT archived country.	NC
Tangent, Inc.	Canada	4.6.1.1	Provision of product take-back service	Incomplete information provided.	Subscriber archived Canada.	C
ViewSonic Corporation	Canada	4.6.1.1	Provision of product take-back service	Incomplete information provided.	Subscriber corrected program deficiency.	C
Getac	United States	4.6.1.1	Provision of product take-back service	Incomplete information provided.	Subscriber corrected program deficiency.	C
NEC Display Solutions, Inc.	Italy	4.6.1.1	Provision of product take-back service	Incomplete information provided.	Subscriber archived Italy.	C
Acer Inc.	Spain	4.6.1.1	Provision of product take-back service	Incomplete information provided.	Subscriber corrected program deficiency .	C
Action S.A.	Latvia	4.6.1.1	Provision of product take-back service	Incomplete information provided.	EPEAT archived country.	NC
SIA Sonex Technologies Latvia	Latvia	4.6.1.1	Provision of product take-back service	No information initially provided.	Subscriber corrected program deficiency .	C

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Subscriber	Country	Verification Criterion	Criterion Description	Description of NC Finding	Corrective Actions Taken	Outcomes
PC Factory S.A.	Poland	4.6.1.1	Provision of product take-back service	No information initially provided.	EPEAT archived country.	NC
M&A Technology, Inc.	United States	4.6.1.1	Provision of product take-back service	Incomplete information provided.	EPEAT archived country.	NC
MDG Computers Canada Inc.	United States	4.6.1.1	Provision of product take-back service	Incomplete information provided.	Subscriber archived United States.	C
NCS Technologies, Inc.	United States	4.6.1.1	Provision of product take-back service	Incomplete information provided.	Subscriber corrected program deficiency .	C
Transource	United States	4.6.1.1	Provision of product take-back service	Incomplete information provided.	Subscriber corrected program deficiency.	C
Wyse Technology, Inc.	United States	4.6.1.1	Provision of product take-back service	Incomplete information provided.	Subscriber corrected program deficiency.	C

Explanation of Table 2 – The findings are based on the product declaration on the Registry when the round is begun. Nothing prevents subscribers from changing their declaration or even removing the product during the round, but verification decisions reference the declaration as it stood when the round began. When a declaration is found to be in non-conformance the subscriber is required to take corrective action to return their declaration to conformance. They may undeclare the non-conforming criterion or may change the product to bring it into conformance with the declaration.

Product archiving – If the non-conformance is not corrected by a given date, the product / country is archived by EPEAT staff. If the declaration or product is later changed to resolve the non-conformance, the product / country can be reactivated on the EPEAT Registry. If a country is archived, all products registered by that Subscriber in that country are archived.

EPEAT policy is that the subscriber, not EPEAT staff, performs edits on product declarations by changing a criterion declaration, even when non-conformances must be corrected. If such edits are not performed by the deadline, EPEAT staff archives the product.

7. Background

To assure the credibility of the EPEAT Registry, verification of the claims by participating manufacturers (called "Subscribers") must be rigorous, independent and transparent. Verification is conducted strictly according to policies and procedures described in the IEEE 1680 Standard and in documents provided on www.epeat.net. Subscribers have no forewarning that their products will be verified and verification proceeds against the declarations as they are in the database at the time the round begins.

In level one verification investigations, subscribers are required to provide detailed and accurate information in a timely manner that demonstrates conformance, such as supply chain management records. In level two and three investigations EPEAT buys products without the manufacturer's knowledge and disassembles them, and possibly conducts detailed analytical testing if needed. Investigations are performed by expert technical contractors who are free of conflicts of interest, and their recommended decisions are reviewed and finalized by a 3-person panel of independent technical experts (called the Product Verification Committee or PVC) who are also contractors free of conflicts of interest and are blind to the identity of the products and companies they are judging. This panel makes a conformance/non-conformance decision on each investigation, based on evidence collected and analyzed by Qualified Verifiers. A serious consequence of receiving a non-conformance is that it is published publicly in this report, for purchasers, competitors, and others to see.

Subscribers must correct findings of non-conformance, either by bringing the product into conformance or by un-declaring the criterion until conformance is recovered, and they must do so for all products that are similarly incorrectly declared, not only the product(s) that were investigated. If they correct the non-conformance by un-declaring the criterion and the criterion is an optional criterion, they lose a point, and possibly the product drops a tier. If it is a required criterion, they must archive the product. If it is a required corporate criterion, all their products must be archived.