Dear Friends:

A few months ago, I attended a conference on electronic waste recycling. It featured, at the outset, a speaker from a prominent U.S. law firm that helps large corporations better understand the Basel Convention and its constraints against free trade in toxic waste. His topic was the Circular Economy. His very first slide showed a picture of a large container ship. He said, "when we are talking about the Circular Economy we are talking about this." "And," he said, clicking to the second slide, "when we are talking about the biggest obstacles to the Circular Economy, we are talking about the Basel Convention." I almost fell out of my chair.

A few days later I attended a ship recycling congress. There, representatives of the infamous shipbreaking beaches of South Asia showed their promotional films touting how their operations are a vital part of the Circular Economy. Yet, these are the sites on earth where the most exploitive, primitive "recycling" still takes place. Ships are run up on the beaches and impoverished laborers take them apart with little more than a cutting torch. The results? Once pristine beaches and mangrove forests destroyed, while human lungs are exposed to toxic paints, asbestos, lead and PCBs.

These are but two unfortunate examples of how various actors have misunderstood or co-opted the worthy concept of a Circular Economy. It is a dangerous misconception that the Circular Economy is some kind of geographic circle around the globe, where the most toxic activities of a product’s lifecycle—mineral extraction and waste recycling or disposal—tend to play out in developing countries. In the accompanying article, I hope to critically probe the ugly mythology that the Circular Economy is recycling on steroids, accomplished at any cost and at the expense of any population or ecosystem anywhere.

A true Circular Economy, working for all on a level economic playing field, is essential if we as humans are to survive and thrive on our finite and fragile planet. For its many years, BAN has been fighting for this just and responsible Circular Economy and doing so decades before the term was coined. In this, our latest biennial report, we are proud to reveal efforts to bring us closer to a true and ethical Circular Economy.

For the earth, for our children,

Sincerely,

Jim Puckett
### 2017-2018 HIGHLIGHTS

<table>
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<th>Month</th>
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| Jan 2017 | - BAN assists Chilean NGOs in challenging their proposed law as violating the Basel Convention  
- BAN produces the "Green Hat" (Make the Environment Great Again) |
| Mar 2017 | - BAN calls for reforms in Washington state after catching several official state-sponsored electronic waste processors/collectors illegally exporting toxic e-waste  
- HP joins Samsung and LG in being fully transparent in North America about their recycling destinations |
| Jun 2017 | - The President of Executive Recycling, found guilty of knowingly illegally exporting electronic waste to Hong Kong due to BAN’s investigation, is sentenced to 22 months in a federal penitentiary |
| Sep 2017 | - e-Stewards® launches its Digital Equity program to provide low-cost, ethically refurbished computers to digitally disadvantaged students and families  
- BAN releases Scam Recycling Update #1, as our GPS trackers discovered more electronics recyclers sending e-waste to Asia |
| Nov 2017 | - BAN is invited to 6th annual Workshop of the Regional Enforcement Network of Chemicals and Waste in Shenzhen sponsored by Chinese customs  
- BAN releases Scam Recycling Update #2, after our GPS trackers found e-waste recyclers in Texas, Georgia, and Florida sending e-waste to Asia |
| Jan 2018 | - BAN releases Scam Recycling Update #2, after our GPS trackers found e-waste recyclers in Texas, Georgia, and Florida sending e-waste to Asia  
- BAN participates in Basel Convention Global Workshops on e-Waste in Beijing |
| Feb 2018 | - Hong Kong Legislative Council passes new law on e-waste in response to BAN’s 2015-2016 GPS tracker exposed, making the unregulated e-waste importer and scrap operations illegal |
| Jun 2018 | - BAN launches EarthEye™, a commercial GPS tracking service  
- BAN teams up with Dell to use GPS trackers to verify where used Dell electronic scrap goes once it is collected from its U.S. consumer takeback programs |
| Jul 2018 | - ERI becomes first electronics recycler to adopt BAN’s EarthEye e-waste tracking system  
- BAN releases report on a known violator of Hong Kong’s Waste Disposal Ordinance’s import rules (e-Tech Management) |
| Aug 2018 | - Thailand announces its plan to ban e-waste & plastic imports  
- e-Stewards calls on all bicycle and scooter rideshare companies, and the city governments that license them, to establish responsible end-of-life policies  
- BAN releases Australian GPS tracker report revealing Australian e-waste exported to Thailand |
| Sep 2018 | - BAN participates in Basel Convention’s Open-Ended Working Group (OEWG), promotes the Norwegian proposal on controlling plastic waste, and hosts 2 side events |
| Oct 2018 | - Samsung partners with BAN to enhance its due diligence via e-waste tracking through EarthEye GPS tracking service  
- BAN releases its Canadian report, GPS trackers reveal more Canadian e-waste exported to developing countries  
- BAN enters into a MOU with the National Association for Information Destruction® (NAID®) to require all e-Stewards Certified Recyclers to also become NAID AAA Certified for Electronic Media |
| Nov 2018 | - BAN’s GPS trackers lead to federal conspiracy charges against Washington state recycler Total Reclaim  
- BAN is sued for defamation over Canadian exports report accusing ERA of exporting electronics to developing nations  
- BAN helps lead the Basel Convention’s Regional Workshop on e-Waste for Latin America and the Caribbean |
We have all heard about the concept of a Circular Economy and the need to wean ourselves from the linear model of take, make, and dispose. This new trajectory sounds good, but is it revolutionary? When BAN first heard the term Circular Economy, having been so long in the arena of waste management and having witnessed many ideas and turns of phrase come and go, we wondered—what is different here?

We have heard of: industrial ecology, cradle to cradle, close the loop, clean production, waste minimization and prevention, reduce, reuse, recycle, profit from pollution prevention, waste is food, zero waste, green chemistry, systems thinking, the waste management hierarchy, the natural step, bio-mimicry, regenerative design, life-cycle thinking… and now Circular Economy.

After studying the literature to date, we have concluded that the Circular Economy is certainly all of the above. It borrows liberally from much of the last two decades' best thinking as encompassed by these earlier terms and phrases. But at the same time, it has uniquely borrowed from the field of ecological economics, and that discipline’s concept of accounting for and hopefully eliminating “negative externalities,” while accounting for and hopefully preserving “natural capital” and “ecosystem services” — nature’s benefits to humans put in economic terms. However, all too often the Circular Economy literature and message fails to emphasize these socio-economic valuations and over-emphasizes the technocratic circles and arrows of materials flow.

Just look at the famous infographic of the Circular Economy prepared by Braungart and McDonough for the MacArthur Foundation. While it aims to highlight three key principles, it does so graphically in a way which tends to focus us on all but one, while allowing us to skim over what I would argue are the most important of the three pillars. The first and third rows depicted (highlighted in yellow shading) are largely overlooked by the proponents, practitioners, and the chart itself. These ecological economic principles are the prerequisites to preventing linear systems, and given our current situation where such externalities and system leakage is the rule and where the resultant pollution regularly harms trillions of dollars’ worth of natural capital and human health costs per annum, they are fundamental. What is a mangrove forest worth? What is an aquifer worth? What is breathable air worth? What is a non-toxic workplace worth?

The well-known middle section of the diagram with the arcs and arrows is well-understood but impossible to achieve if we don’t comprehend that those arcs and arrows lose all meaning as they wind their way across an uneven global playing field pocked with accepted negative externalities, and tilted on a steep gradient flushing wastes and toxic jobs to the Global South. In such a landscape of inequity, the circular arrows suddenly become very straight, on a brute course of least resistance, exploiting laborers, communities, and environments of low-wage countries all along the way.

The current means by which materials are extracted from the earth, produced into products, and managed as waste has historically been a saga of negative externalities. This is a narrative far better told by cost benefit analyses, photographs of damage, interviews with victims, and chemical analyses of air, water, and soil than by theoretical circles and arrows on a poster.
It is a story of a circle of poison rather than a true Circular Economy. Chapter One: we witness the devastating extraction of resources from the Global South. Chapter Two: the product is exported to the Global North where it is enjoyed with few externalities. And, in the final chapter, its exported back to the Global South for highly polluting recycling. In this way the South is disproportionately burdened by the built-in negative externalities of our product's lifecycles.

Like the many terms we used before Circular Economy, the lexicon does well within the world of technological, physical, and biological theory. Where they fall down is owning up to the decisive drivers of brute economics which encourages exploitation via institutionalized negative externalities made more available by the injustices of globalization in the context of stark inequity.

It is with all of the above concerns in mind that I would propose a new name for what we all aspire to. We need an Ethical Circular Economy, complete with a new graphic. The new poster will place principle number three (elimination of negative externalities) as principle number one—the first step, and certainly not an end-of-pipe afterthought—from which all else must flow. Second, as natural capital, upon which we all rely for our very survival, is the first to be sacrificed when negative externalities are allowed to persist, this value should be placed next in the hierarchy of concern. Finally, and only after we have paid utmost attention to the two prerequisite concerns, can we highlight engineering of cycling and recycling (waste as food).

A true Ethical Circular Economy can only exist if and when we remove the systemic cost externalization based on global inequity. It remains BAN's mission to ensure that such inequities are targeted for elimination and not exploitation—a goal to turn back the toxic tide and end the "export of harm" so that a truly circular and ethical economy can flourish.
BASEL CONVENTION ADVOCACY

The 1989 United Nations’ Basel Convention on the Control of Transboundary Movements of Hazardous Wastes and Their Disposal is the landmark agreement for environmental justice from which Basel Action Network takes its name. This international treaty, now joined by 187 countries, promotes national self-sufficiency in waste management and restricts the export of hazardous wastes from developed countries to developing countries. In 1995, delegates from developing countries working with activists, including BAN’s founder and director, boldly created the Basel Ban Amendment. When in force, this Amendment would completely prohibit the export of hazardous waste from developed to developing countries for any reason for those countries that have ratified it. At the time of the release of this report, only two more countries are needed for entry into the force of international law.

In 2017 and 2018, BAN traveled the globe to build consensus on trade policies which would forbid the externalization of real costs and harm to communities in developing countries, and to support universal ratification of the amendment. Additionally, BAN has worked within the Basel Convention to prevent weakening of existing agreements, including new loopholes which would allow exports of “repairable” electronic devices to fall outside of the Convention with only promises that they will be repaired. BAN has also worked on supporting the Norwegian Proposal to apply the Basel Convention’s rules on the control of transboundary movements of plastic wastes.

GREEN SHIP RECYCLING

BAN campaigns internationally and nationally for the safe and legal recycling of end-of-life ships. Ships impact all of our lives in ways we hardly realize. Ninety percent of the goods manufactured by virtually every major corporation and consumed by us are transported via cargo ship. It is shocking to realize that these ubiquitous vessels are not carefully recycled at end of life but are instead run up onto South Asian beaches and dismantled by hand by some of the poorest laborers on earth. In this process, known as shipbreaking, desperate laborers are subjected to asbestosis and cancer from toxic chemicals, not to mention death and maiming, which are all too common due to accidents of falling steel, explosions, and fires.

In 2017–2018, BAN, along with the coalition known as the NGO Platform on Shipbreaking, worked together to ensure that the European Union rejected the use of beaches to scrap ships in this primitive manner and, at the same time, created a new market-based campaign to ensure that the corporate world joins to reject this horrific method of ship management. This new program will be called ShipStewards and is based on BAN’s very successful e-Stewards initiative on electronic waste.
E-STEWARDS CERTIFICATION

BAN’s e-Stewards® certification program is a market-based solution to help individuals and organizations identify and promote electronics recyclers who ensure that used electronics are managed with the highest standards of environmental and social responsibility. e-Stewards Certified Recyclers and Refurbishers provide a viable and safe alternative to exploitive and harmful e-waste exports. In 2017-2018, BAN worked to further improve the e-Stewards program by drafting and publishing a new version of the e-Stewards Standard, version 3.0, to which all e-Stewards have been certified since September 15, 2018. BAN constantly works on ensuring that the e-Stewards Standard remains the most responsible standard and the premier standard for data security. To further accomplish this, BAN signed a memorandum of understanding with the National Association for Information Destruction® (NAID®) to require all current and future e-Stewards® Certified Recyclers and Refurbishers to also become NAID AAA Certified for Electronic Media in all of their facilities. On January 1, 2018 BAN also launched the e-Stewards Digital Equity program, which is designed to combine the forces of cities, enterprise companies, and e-Stewards Certified Recyclers and Refurbishers to help solve the problem of digital disadvantage.

E-TRASH TRANSPARENCY PROJECT

During 2017 and 2018, Basel Action Network followed up on its U.S. tracking project described in their report “Scam Recycling” by deploying 470 GPS-enabled pieces of electronic waste in 13 more countries around the world. The countries included Canada, Australia, Singapore, Ireland, United Kingdom, Italy, Spain, Hungary, Austria, Poland, Germany, Belgium, and Denmark. After over a year of monitoring the e-waste trends and data from these trackers, BAN released three new reports and several updates as part of BAN’s e-Trash Transparency Project. To see these reports, as well as what media outlets are saying about our work, visit www.ban.org/trash-transparency
The EarthEye™ commercial tracking program was launched in June 2018. After ten years of product development and advocacy tracking work by BAN, it was evident that GPS tracking is an excellent market solution in providing enterprise companies, institutions, non-profits, and governments peace of mind that when they dispose of e-waste it goes to the right places according to contract and law.

An EarthEye subscription includes private access to GPS trackers and a comprehensive logistics monitoring system. Using EarthEye as part of recycling policies ensures recycling contracts are fulfilled properly and shipments are safely, legally, and professionally managed.

Subscribers choose the number of trackers to be deployed over a year, as well as the installation and deployment option best suited to their business needs. Every 24 hours EarthEye tracking units send precise GPS location data directly to a secure, third-party server. A customized user interface allows subscribers to access their data at any time on computers or mobiles. EarthEye's safe, non-Lithium-ion batteries provide up to 3 years of active tracking in the field in any country around the world. Additionally, subscribers receive an annual report showing all tracked activity, expertly assessed for compliance.

Current subscribers include Samsung, Dell, Kuusakoski, and ERI, as well as many other academic and journalistic outfits.
WHAT OUR PARTNERS ARE SAYING

“A business retiring IT equipment needs to work with someone they can trust to protect their brand. This certification confirms that Sage is performing at the highest level of global best practices for protecting our customers' interest.”

— Bob Houghton, CEO, Sage Sustainable Electronics, USA
e-Stewards Recycler

“BAN’s e-Stewards program is widely recognized as the most conscientious way to manage end-of-life electronic products – an issue all of us face sooner or later. We are proud to be a recognized e-Stewards Enterprise organization.”

— Ron Gonen, Co-Founder and CEO, Closed Loop Partners, USA
e-Stewards Enterprise

“Our work with BAN to create a sustainable business model for African e-waste entrepreneurs, even in its first year, has proved to be delightfully educational and surprisingly rewarding. They are true experts from both a technical and a policy standpoint.”

— Alison Lawton, Founder and Director, Mindset Foundation, Canada
e-Stewards Grantor

“BAN is the global leader on waste trade and has been with us in Africa on this subject for decades. It is our pleasure to collaborate always, especially to ensure Africa’s voice is heard loud and clear in international legal fora such as the Basel and Bamako Conventions.”

— Gilbert Kuepouo, Executive Director, Research & Education Centre for Development, Cameroon

“Samsung not only aims to be a leader in product innovation but also in using innovative technologies to keep our supply and disposition chains accountable. For this reason, Samsung has added EarthEye as part of our arsenal to maintain the most rigorous due diligence and standards for responsible recycling.”

— Mark Newton, Director of Regulatory & Environmental Affairs, Samsung, USA
EarthEye Subscriber
2017-2018 FINANCIAL REPORT

2017 EXPENSES: $985,767
- Administration $273,057 (28%)
- Program $711,874 (72%)
- Fundraising $836 (0%)

2018 EXPENSES: $819,803
- Administration $304,202 (37%)
- Program $485,601 (59%)
- Fundraising $20,000 (2%)

2017 INCOME: $958,670
- Earned Revenue $547,146 (57%)
- Corporations $237,866 (25%)
- Individual $13,122 (1%)

2018 INCOME: $747,935
- Earned Revenue $645,185 (86%)
- Corporations $39,804 (5%)
- Individual $4,427 (1%)

STAFF
Jim Puckett, Executive Director
Hayley Palmer, Chief Operating Officer
Chris Brandt, Research and Logistics Manager
Bob Akers, e-Stewards Enterprise Director
Salomé Stähli, e-Stewards Program Manager
Angelo Godbey, Information Technology Manager
Doria Nelson, Administrative Assistant
Aren Murcar, Office Manager
Daniel Puckett, Communications and Marketing Coordinator
Sarah Westervelt, Policy Director
Mandy Johnson, e-Stewards Business Director
Katriana Dubytz, Administrative Assistant

INTERNS / VOLUNTEERS
Renee Tian
Salomé Stähli
Karen MacDonald

BOARD
Steven Gilbert
Wendy Neu
Shawn Drew
Jim Puckett
Richard Gutierrez
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To learn more, visit us online at ban.org

Contact us at:

Basel Action Network
80 Yesler Way
Suite 300
Seattle, WA, 98104 USA
Phone: 1-206-652-5555
Fax: 1-206-652-5750
Email: inform@ban.org