

# 2012 ANNUAL REPORT

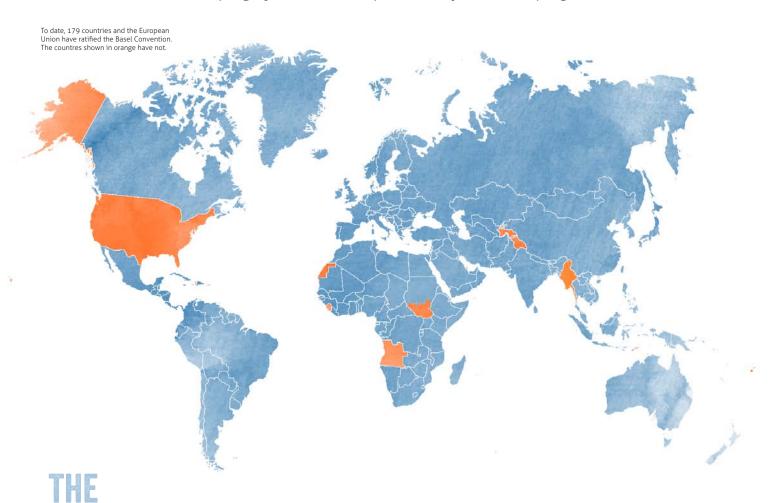


turn back the toxic tide

## BAN OVERVIEW

### **ABOUT**

The Basel Action Network (BAN) is the world's only organization dedicated to halting toxic trade. BAN is named after the Basel Convention, a United Nations treaty designed to prevent the dumping of toxic wastes, particularly on developing countries.



The Basel Action Network advances global environmental health and justice by:

toxic trade, the practice of externalizing risk and harm to developing countries

a toxics-free future by advancing green design and responsible consumption

**CAMPAIGNING** for global environmental justice, the right to a pollution-free environment for everyone.

## THE VISION

We seek a future where, by design, consumption is minimized, products are free of toxic inputs and processes, and materials flow efficiently and safely from cradle to cradle.

## THE WORK

Currently, we are the home for three international campaign efforts that employ market or legislative forces to stop the unjust dumping of toxic waste on the world's most vulnerable communities:



Our e-Stewardship Campaign defines and promotes responsible electronics reuse and recycling best practices worldwide.



Our Green Ship Recycling Campaign works both with our US partners and the global NGO Shipbreaking Platform coalition to ensure that the same type of stewardship takes place for obsolete, toxics-laden ships.



Our advocacy work with the United Nations' Basel Convention and its Ban Amendment seeks to defend the world's only treaty prohibiting toxic trade and promote its full implementation as international law.

Together, all of our efforts serve systemic, lasting reform by exposing the false economic paradigm of institutionalized externalities and the pollution and human exploitation resulting from it.







The false economics due to externalities lie behind almost every form of environmental and social degradation.

## FROM THE PRESIDENT

Steven Gilbert, PhD, DABT

Dear BAN supporters:

As a toxicologist who has spent the better part of my adult life working to prevent neurological disorders caused by heavy metal exposure, I am honored both to have been elected President of the BAN Board of Directors this past year and to be able to write this letter to BAN's many supporters.

BAN's focus on toxic trade raises the curtain on one of the most important lessons of our time – that economic distortion lies at the heart of so many of our current world problems, be they pollution, destruction of habitat, squandering of resources, or environmental and human health. The lesson that wants to be learned is far less ideological than the last big economic debate between socialism and capitalism. Neither capitalism nor socialism will work for anyone - and certainly not the environment - as long as we don't have to pay the true costs of our activities. Nobody in an efficient and sustainable system can be allowed to conduct their business while letting somebody else pay the bill for any collateral harm created at the same time.

But sadly today, instead of paying the costs up front needed to prevent harm, those costs and harm are taken off of the corporate ledgers and packed off to developing countries or into the global commons. Where pollutants and toxic chemicals are concerned, these costs are externalized into our atmosphere or oceans, into our soil and ground water, and worst of all (and on every continent) - straight into our bodies. I am proud to say that BAN has worked hard to publicize the truly harmful aspects of the toxic trade, as well as create a mechanism for the business community to safely and responsibly recycle this toxic waste.

As I write this letter, I just received the latest scientific study from Guiyu, the region of China that BAN first discovered

way back in 2001. It is the place where so much of our toxic electronic waste ends up – our old computers, cell phones, TVs, faxes, printers and all the thousands of other gadgets and gizmos that are brought to market every year with furious proliferation. Since BAN has gone there, many scientists have followed and have conducted numerous studies showing the impacts – the economic externalities of society's mass techno-consumption.

The latest study examined the mercury content in the hair of local residents and workers in Guiyu and found high levels of this very toxic metal compared to control groups just a few miles away. Mercury is used in quantities enough, sadly, to poison people that suddenly find themselves dealing with our techno-trash. These people are many thousands of miles away from the design laboratories, they are many thousands of miles from where we enjoyed the use of the electronic equipment, and they are many thousands of miles away from the fake electronics recyclers we delivered our computers to in hopes that they would be safely recycled.

Mercury is a well-known neurotoxicant that adversely affects the developing nervous system at very low levels of exposure. Mercury, while one of many hazardous materials found in electronic equipment, is uniquely hazardous because when the waste is heated the mercury evaporates to be inhaled by those near by or released into the environment. The children growing up in hazardous environment of electronic waste will never reach their full potential. BAN works to ensure that children have a healthy environment in which they can reach and maintain their full potential.

The scientists reported the problem as is their role, but they did not ask the fundamental questions: Who will pay the bill for mercury contamination of Guiyu? Who will pay the bill for the neurological disease that is bound to come from this

# Through their exposés, advocacy, and market instruments, BAN is reversing the toxic economy of externalization.

documented high exposure to mercury? Certainly the manufacturers did not when they chose to allow mercury into their supply chain, no doubt as a cheaper material choice over more expensive non-toxic substitute material. Certainly the consumers like you and I did not. Is it justice if nobody is required to pay for this global pollution crime?

This is the preventable tragedy of sanctioned cost externalities, a form of widespread economic cheating that goes on every day and with every dollar we spend. False economics via externalities lie behind almost every form of environmental and social degradation currently experienced on earth today. BAN's work to challenge this false economics so clearly demonstrated by toxic trade and its resulting cost-shifting is vital.

It was BAN that, in the face of a dysfunctional U.S. Congress unable to pass laws to ratify the Basel Convention and Ban Amendment to prohibit the toxic e-waste trade, created the market-based e-Stewards® Certification. This is a way to internalize costs and ensure that all consumers can find real recyclers that safely recycle electronic equipment here in the U.S. rather than exporting it to developing countries where it can contaminate the lives of the Chinese, Nigerian, Ghanian, or Indian workers and their children.

The e-Stewards Certification is a stunning success story with over 70 environmental groups joining hands with over 70 corporate and local governments to promote socially and environmentally responsible management of the growing e-waste problem. e-Stewards enjoys the support of Sierra Club, Natural Resources Defense Council, Greenpeace, Boeing, Bloomberg, Alcoa, Bank of America, Wells Fargo, the City of Seattle, and many more.

BAN also works to prevent the shipping

industry from dumping its old asbestos and toxic-laden ships on the beaches of South Asia, or keeping the U.S. Government from simply dumping them in the sea in the name of artificial reefs or target practice. These are other egregious examples of governments or industry simply externalizing the costs of properly managing harmful chemicals by letting the marine environment bear the toxic burden of our failed design decisions. Nobody pays that bill immediately, which means we all will have to pay for it later with our health and damaged planet.

Every year, BAN raises awareness of global design, consumption, economic and political negligence. At the same time they raise the bar on internalizing real costs and demanding corporate responsibility and accountability. Through their exposés, advocacy, and market instruments, BAN is reversing the toxic economy of externalization; increasing the costs of irresponsible behavior and increasing the market benefits of responsible behavior.

For BAN's unique and laser focus on this elephant in the economic room, I am proud to be President of this small group of advocates. As I provide oversight over their undersized budget, and marvel at their outsized impact they create from Seattle's Pioneer Square office, I am reminded of Margaret Mead's assertion to "never doubt that a small group of thoughtful, committed citizens can change the world; indeed, it's the only thing that ever has."

Sincerely yours,

America Gilbert

Steven Gilbert, PhD, DABT

### 2012 Milestones



BAN's e-Stewards initiative continues to gain traction in the marketplace. BAN launched a new e-Stewards logo in 2012, and the number of e-Stewards Certified Recyclers passed the 100 facility mark.



BAN testifies in court against Executive Recycling, the electronics recycling company investigated by BAN and CBS's 60 Minutes. Executive Recycling is convicted in Denver Federal Court for illegal export and fraud.



BAN declares victory as the US Maritime Administration adopts a policy of no more artificial reefing of PCB-containing ships following the release of BAN report "Dishonorable Disposal".



## FROM THE DIRECTOR

1im Puckett

cost externalization is global theft. It robs not only its immediate victims, often of their lives and health, but it robs all of us of a true-cost healthy economy we are going to need to sustain life on

this earth.

Dear friends:

On November 24, 2012, a fire broke out at the Tazreen Design Ltd. factory near Dhaka, Bangladesh, where clothing for outlets like Walmart and Sears were made. More than 100 workers were killed. It was a terrible tragedy but was not the first such event in Bangladesh, a country where more than 4,500 such factories employ close to 4 million people cutting and sewing clothes for the western world. The average worker in the garment industry in Bangladesh makes between 10 and 30 cents an hour. Many of the factories there are windowless, and have no fire extinguishers, fire escapes, or emergency exits. A few weeks after the fire, the media had gone away, and the incident was largely forgotten by all except the victims—who can never

Then just a few months later on April 24, 2013, the western world was slapped awake again with yet another horrific reminder of what I call "our toxic global economy".

This time, an entire eight-story building in Dhaka's Rana Plaza completely collapsed, killing 1,129 garment workers and injuring 2,515 others. The building had held that many factory workers, as well as a few

apartments, a bank and several shops. When new cracks were discovered the day before in the concrete structure, a warning to all occupants in the building was issued. The bank and shops on the ground floor immediately closed. But despite the warnings, the garment factory owners ordered their employees to return to work the next day. The building collapsed in the morning. The bank and shop workers were spared. The garment workers were crushed.

The Bangladesh Minister of Information had to avoid spin and called it as he saw it. "I wouldn't call it an accident," he said. "I would say it's a murder."

How is what's happening today really different from the worst days of human slavery? Or medieval serfdom? Or the scourges of our more recent colonialism? Globalization as it plays out today relies on the same savage economic trickery as before.

It's all about what economists call cost externalization—basically allowing people to do business without requiring them to pay the true costs of the negative impacts of that business. Rather, you let somebody else pay for your costs—somebody who will never be able to present you with the bill for the damage—usually their damaged health or degraded environment. Cost externalization equals exploitation, both of people and the environment—same as it ever was.

Sadly, this is all so unnecessary. Once all true costs are internalized and restored to the balance sheet, most often healthy profits and healthy people are the net result. Internalizing costs is not a threat to our capitalist system. Rather the opposite might be true. Take the Bangladesh garment industry example.

After the first 2012 fire, the Worker Rights Consortium based in Washington, D.C. calculated the cost of bringing all Bangladesh factories up to the proper building code, providing adequate fire alarms, escape routes and training akin to western standards—internalizing the costs. The conservative estimate was 3 billion dollars, which most practically could be invested over the course of 5 years. Now, we all know that 3 billion dollars is a lot of money, and at first blush, it sounds

like an insurmountable fee. Indeed, in 2011 Walmart convened a meeting of major retailers to discuss improving safety at Bangladeshi garment factories. Walmart decided at that time it would not pay Bangladeshi factories any more to allow them to upgrade conditions because doing so would cost too much.

But after totaling up the staggering cost of making Bangladeshi factories safe, the Worker Rights Consortium turned the envelope over and scratched out another calculation. Yes, 3 billion is a big number but so is 7 billion—the number of garments Bangladesh makes each year. Bangladesh is the world's second largest exporter of garments after China. To take advantage of the low labor costs and high opportunities for cost externalization, the transnational garment industry has flocked to Bangladesh. They pour about 19 billion dollars into Bangladesh each year and end up making far more than that, due to the astronomical mark-ups possible when selling the clothing in rich developed countries.

It turns out there is actually a very large pot of money generated by the garment industry. Hmmm. Turns out, for this industry, 3 billion dollars is small change. Indeed, according to the Worker Rights Consortium, it would only take an additional 10 extra cents per garment over the course of 5 years to make the 3 billion investment to make working conditions safe. 10 cents per garment!

But remarkably, so far the retail giants have been reluctant to ask their consumers to pay more. But if they actually did ask us, the response would be overwhelming. Are you kidding? Of course we would pay ten cents per garment to save tens of thousands of lives! I would even seek out an opportunity to pay this amount. It is a no brainer, and yet manufacturers, hellbent on pleasing their shareholders with greater profits and dividends, have until now seemed morally rudderless.

In fact, they are economic cheats. No doubt the Walmarts, Targets, Sears, etc. of the world feature themselves as great business leaders creating wealth for the world. But in fact, they are creating an even more massive debt—red ink that pours out all over the developing world—which never

Together we can turn back the tide of a global toxic economy and chart a new course towards an environmentally and economically sustainable world.

gets paid, but is simply a write-off made possible by the arms-length convenience of globalization.

Everywhere one looks today, one sees this toxic global economy eating and spitting its way across the globe. We see workers making smart phones jumping off of buildings in despair or being poisoned on the assembly line from use of toxic chemicals. We see wholesale destruction of mangrove forests to lower the price of shrimp we enjoy on our plates. We see the destruction of the rainforest in Amazonia in order to raise beef for foreign markets.

I just returned from a meeting of global environmental crime enforcement agencies, including INTERPOL. They have a good name for what is going on. They call it "global theft."

Similarly, the international trade in hazardous waste, such as the massive flows of electronic waste now being loaded in U.S. and Canadian ports onto container ships and exported abroad, all move to find the opportunity to externalize costs and avoid properly recycling the difficult toxic components here at home. BAN continues to document and campaign to nullify this sad and false economic equation that not only poisons the poor and the earth, but

costs us good recycling jobs at the same time.

Cost externalization is global theft. It robs not only its immediate victims, often of their lives and health, but it robs all of us of a true-cost healthy economy we are going to need to sustain life on this earth. In short, it robs us of our future.

As each of these tragedies is splashed as headlines on the front pages and then fades with the next wave of the news cycle, let us not forget that this tragedy is not an event—it is happening all around us every day. Let's make it our collective mission to blow the whistle on this global crime each in our own small way. Together we can turn back the tide of a global toxic economy and chart a new course towards an environmentally and economically sustainable world.

Sincerely yours,



Executive Director, BAN





# PREVENTING THE EXPORT OF HARM

Developing countries are being asked to become the global dumping ground for much of the world's toxic wastes.

There is an ugly underbelly of economic globalization that few wish to talk about. Under the guise of simply utilizing the "competitive advantage" of cheap labor markets in poorer areas of the world, a disproportionate burden of toxic waste, dangerous products and polluting technologies are currently being exported from rich industrialized countries to poorer developing countries.

In effect, rather than being helped to leap-frog over dirty development cycles directly toward clean production methods, developing countries are instead being asked to perpetuate some of the world's most toxic industries and products and are even asked to become the global dumping ground for much of the world's toxic wastes.

The mass migration of the "effluent of the affluent" in the name of development, globalization and free trade is in fact a violation of environmental justice and can be considered a crime against the environment and human rights.

It is vital to halt this unsustainable and unacceptable trade, not only as it disproportionately destroys the environment and health of those in developing countries, but because such environmental cost externalizations serve as a disincentive to sustainable global solutions that involve greening our manufacturing processes and products upstream through green design and through toxics use reductions.



### **E-WASTE IS TOXIC**

e-Waste contains dangerous amounts of toxic substances, such as—

# **Lead and cadmium** in circuit boards and cathode ray tubes (CRTs);

## Brominated flame retardants

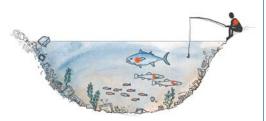
on circuit boards, plastic casings, and cables, that releases highly toxic dioxins and furans when burned to retrieve copper from the wires;

**Mercury** in switches, circuit boards, and flat screen monitors:



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in living organisms and concentrates through the food chain, especially in fish. This affects not only the people who dismantle our electronics, but also the billions of people around the world who consume fish.



Mercury is known to cause serious damage to the human body. The developing fetus is highly susceptible through maternal exposure to mercury.

An estimated 2200 of the yearly world consumption of mercury is used in electrical and electronic equipment.



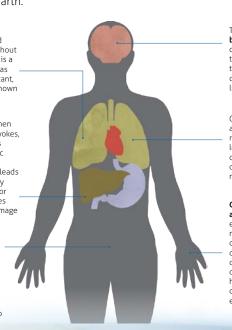
### HEALTH EFFECTS OF E-WASTE EXPOSURE

The health costs of the e-waste trade are significant. From the open-burning of plastics, the cooking of circuitry and from the acid baths and subsequent dumping of residues, unsafe recycling practices expose men, women and children to a cocktail of industrial poisons. Many of these poisons will also find their way via long range air pollution transport to harm people all over the earth.

When disassembling toner cartridges, toner is recovered using paintbrushes, often without any protection. Carbon black is a probable human carcinogen, as well as a respiratory tract irritant, and colored toners have unknown toxicity.

Cathode ray tubes (CRTs), when shattered to remove copper yokes, expose workers to phosphors containing cadmium and toxic rare earth metals. Inhaling cadmium-laden dust quickly leads to respiratory tract and kidney problems which can be fatal or cause cancer. Cadmium causes immediate poisoning and damage to the liver and the kidneys.

Chemical stripping of **chips** and other gold plated components using nitric and hydrochloric acid, which often comes in contact with eyes and skin, resulting in permanent injury. Toxic residues are also washed into nearby rivers, contaminating washwater, and fish



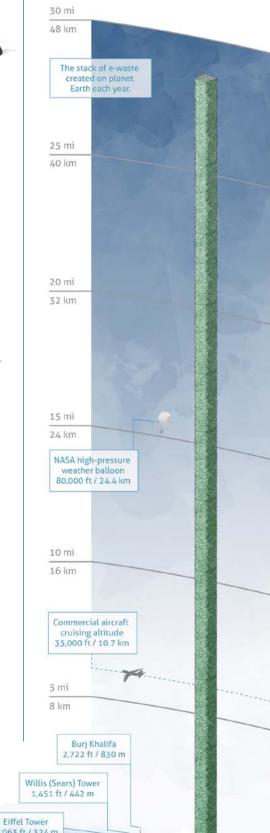
The process of cooking **circuit boards** to remove chips and components exposes workers and their nearby children to lead and tin vapors. Toxic effects include damage to the brain, kidney, and lungs.

Once dismantled, **circuit boards** are openly burned to remove any remaining metals. Resulting tin, lead, brominated dioxin, beryllium, cadmium, and mercury inhalation causes respiratory irritation and many long-term health problems.

Computer wire insulation and plastics are often burned exposing workers and others nearby to brominated and chlorinated dioxins, which can cause reproductive system disruption and birth defects, or can create polycyclic aromatic hydrocarbons which are extremely carcinogenic, particularly exposing workers to lung cancer.

### **50 MILLION METRIC TONS**

of e-waste is generated per year. If this amount was stacked up in a one-acre square, it would extend upwards for 28.3 miles, or 45.5 kilometers.

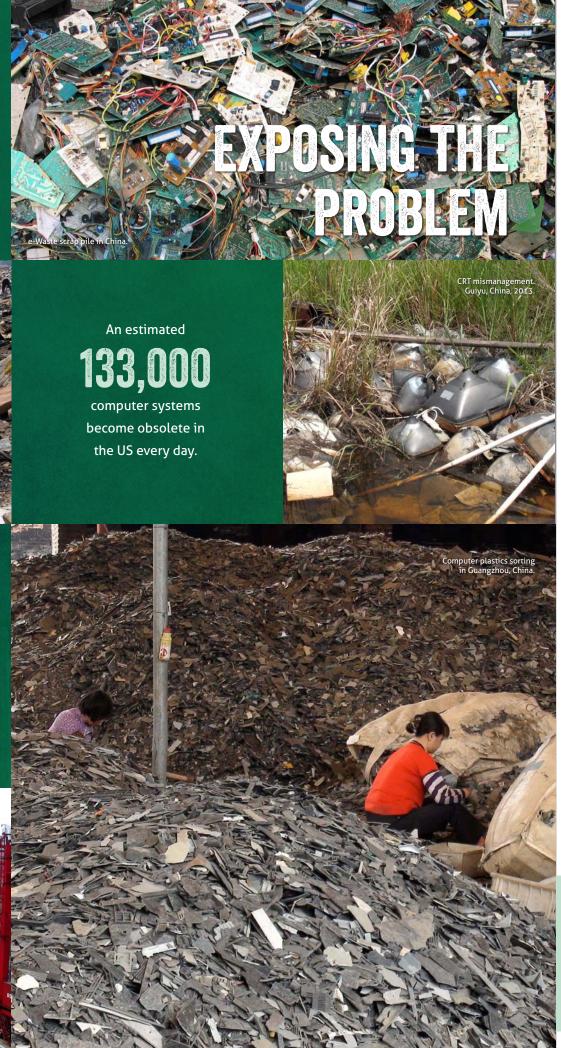


Since 2005, the average lifespan of a computer has shrunk from **5 YEARS** to **2 YEARS**.



Every day, 50 to 100 ocean containers of e-Waste arrive in Hong Kong.





# CREATING SOLUTIONS

BAN's e-Stewardship Campaign seeks to end the massive flows of toxic electronic waste moving from rich developed countries to developing countries that are exported to avoid the true costs of properly and safely recycling them.

We also seek reforms in the life cycle of electronics to assure safe and responsible recycling everywhere and to ensure that electronics hardware is designed to be long-lived and toxic free.

The e-Stewards Certification Program is the world's only 3rd Party Audited Voluntary Standard that:

- is supported by over 70 environmental organizations worldwide
- is supported by over 70 major corporations and cities
- prohibits prison, child and forced labor
- is fully compliant with international trade law
- requires all facilities of a company to be compliant with the Standard





e-Stewards® recyclers agree to voluntarily uphold the world's highest environmentally and socially responsible standard for electronics recycling.





"I am honored to be both a member of the e-Stewards Leadership Council and a part of the very important work being done to help preserve the environment for future generations."

 Sandy Freeman, Senior Product Manager, Iron Mountain



"By creating a network of responsible collection and processing entities, e-Stewards brings confidence in electronics recycling for consumers and businesses alike. LG is proud to support this global initiative."

— Ju U Han, Senior VP, LG Electronics Inc.

# GREEN SHIP RECYCLING CAMPAIGN



My father died on the yard after a big piece of iron crashed on his chest. One year later, my older brother Mitu had no other choice than to leave for the shipbreaking yards too."

The shipbreaking beaches of India, Pakistan and Bangladesh are the center of human rights and environmental atrocities. They're ground zero for an exploited work force manually dismantling ships that once carried our goods.

Unofficial figures confirm over 100 deaths over the past two years alone on these shipbreaking beaches. 20% of the exposed workforce in Bangladesh is child labor under the age of fifteen.

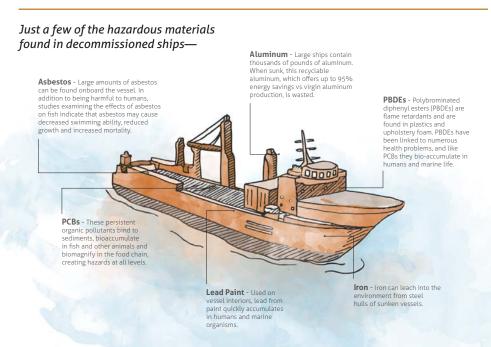
"My father died on the yard after a big piece of iron crashed on his chest. One year later, my older brother Mitu had no other choice than to leave for the shipbreaking yards", Nasima, a child laborer explained to reporters in October 2005 at her Bangladesh village.

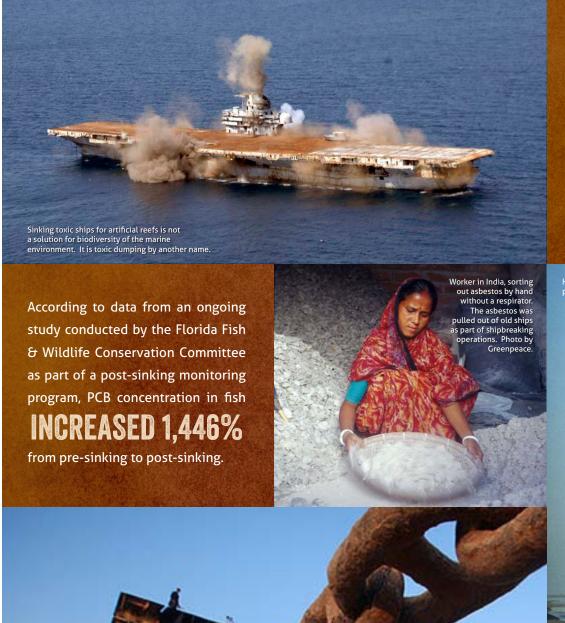
These ships are composed of tons of hazardous materials, and when dismantled in the intertidal zone, the materials are released to the coastal environment.

In Bangladesh, local authorities report ten species of fish having been decimated to the point of extinction from environmental pollution caused by shipbreaking. One such fish, the aspisoa katamach, is important to the livelihood of many locals. Due to the severe decline in fish catches in the region, those who fish for a living are migrating to other regions as "environmental refugees."

The shipping industry can internalize these devastating costs by using responsible ship recycling facilities in countries part of the Organization for Economic Co-operation and Development. All it takes is the will of industry and governments to put people and the environment ahead of profits.

Let your voice be heard by signing BAN's shipbreaking petition and help children like Nasima lead a better life.







An estimated **1 IN 5** shipbreaking laborers in Bangladesh are children under the age of fifteen.

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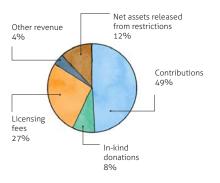


### **BAN 2012 VICTORY**

US Maritime Administration adopts a policy of no more artificial reefing of PCB-containing ships following the release of BAN report "Dishonorable Disposal."

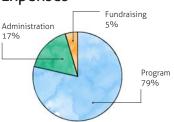
## 2012 FINANCIAL REPORT

### Support & Revenue



	Unrestricted	Temporarily Restricted	Total 2012	Total 2011
Contributions	\$534,350		\$534,350	\$288,691
In-kind donations	\$86,550		\$86,550	\$7,000
Licensing fees	\$292,517		\$292,517	\$375,197
Other revenue	\$42,739		\$42,739	\$38,474
Net assets released from restrictions	\$131,775	(\$131,775)		
Total Support and Revenue	\$1,087,931	(\$131,775)	\$956,156	\$709,362

### Expenses



Total Expenses	\$1,060,332	\$1,060,332	\$964,124
Fundraising	\$48,442	\$48,442	\$52,141
Administration	\$178,694	\$178,694	\$140,904
Program	\$833,196	\$833,196	\$771,079

### **Change in Net Assets**

Net assets, end of year	\$44,855	,	\$44,855	\$149,031
Net assets, beginning of year	\$17,256	\$131,775	\$149,031	\$403,793
Change in net assets	\$27,599	(\$131,775)	(\$104,176)	(\$254,762)

BAN chooses battles that spotlight the challenges of our time—design, consumption, fair trade, globalization, equity, materials use, green chemistry and more.





You are invited to become a partner in promoting a toxic free economy, environment and future for all of us. Please contact theresa@ban.org for more information about making a gift, or donate at www.ban.org.

## THANK YOU

BAN extends its most sincere thanks to the individuals, organizations, agencies, and companies below that have so generously supported BAN's work by making a charitable contribution.

### **Sponsors**

All Green Electronics Recycling Com2 Recycling Solutions

Creative Recycling

David Ritter

eLoop, LLC

Total Reclaim

ViaTek Solutions

Vintage Tech

### **Individual Donations**

Jonathan E. Beeton

Elliot Diamond and CK Kim

William L. Donnelly

**Brent Emerson** 

Steven Gilbert

Carolyn Hathway

Richard Klingele

Marcia Mason

Luke Soules

### **Corporate Donors**

Bad Dog Investments, LLC

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Boeing

Esco Marine, Inc.

GEMAC

MRM

Phillips Law Group, PLLC

UNEP

#### **Foundations**

**Bullitt Foundation** 

John & Wendy Neu Family Foundation

Leaves of Grass Fund

Lisa & Douglas Goldman Fund

Marisla Foundation

Scorpio Rising Fund

BAN gratefully recognizes the generous philanthropy of all of its funders.

Since our founding in 1997, gifts to BAN have allowed us to continue our advocacy efforts, create exposés, develop the robust e-Stewards program, and promote the Green Ship Recycling program.

With this support, we will continue our tradition of excellence in all of these endeavors.



### Cover: A High-Tech Toxic Tragedy

A circuit board that formerly controlled the functions of an American household television set is being cooked by a Chinese farmer to heat the solder in order to remove the tiny parts (capacitors, resistors, etc.) for further reuse or for later extraction of copper, or gold in highly polluting acid stripping operations nearby.

The fumes from this process have been revealed to contain highly toxic and carcinogenic substances including chlorinated and brominated dioxins, polycyclic aromatic hydrocarbons, cadmium and lead.

Thousands of such circuit board cookers, usually women, often in their homes, cook these boards and breathe these fumes more than 10 hours per day each day in China. Children in e-waste processing villages such as Guiyu show high levels of lead in their blood as well as indications of genetic damage.



The Basel Action Network (BAN) is a non-governmental organization (NGO) whose mission is to prevent the globalization of the toxic chemical crisis. BAN is a tax-exempt charitable (IRS 501(c)3) organization based in Seattle, Washington, USA.

#### **BAN** can be contacted at:

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