



2021 Circularity & ESG Report

Circular Transformation[®] for IT Asset Disposition

Discover the Future of Circularity

We're excited to share our vision for the future of Circularity and Sustainability Reporting in this latest report.

In 2021, Apto launched its first ever Circularity Report, which documented the downstream journey of our repurposed and recycled IT Assets. This year we are evolving from our pilot program concept – traceability and tracking to create an open or closed-loop circular system for electronic waste – and including our vision on Environmental, Social & Governance (ESG) reporting.

In June of last year, the United States Congress introduced legislation that **requires all publicly traded companies to set ESG goals to track their progress addressing the climate crisis and how they are mitigating the economic risks of climate change.** For many of these businesses, the 'E' in ESG signifies tracking Carbon Emissions, setting goals to reduce them, and reporting on that progress.

Through detailed tracking of our downstream materials, our team was able to demonstrate tangible emission reductions stemming from the proper reuse and recycling of our customers' retired IT Assets. This next evolution of sustainability reporting illustrates how we've been able to not only provide this data in an annual report but also how we've implemented this information into our client platform, Apto Pulse. Acting as a window into our clients' IT Asset Disposition (ITAD) process, Apto Pulse delivers real-time visibility on the sustainability data that they can use in their own ESG reporting.

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A Message from the CEO, Jeffrey A. Jones

Last year we introduced you to our concept of Circular Transformation® and how we reimagined our downstream supply chain by cutting out the middlemen and establishing direct relationships with end processors and smelters. These direct connections now provide us with verifiable data on their production processes along with the destination and purpose of new raw materials. In turn, we can provide our own customers with the tangible result of a year of painstaking efforts to prove circularity in our supply chain. I am happy to say that last year's results were well received and we are well on our way toward another year of phenomenal growth.

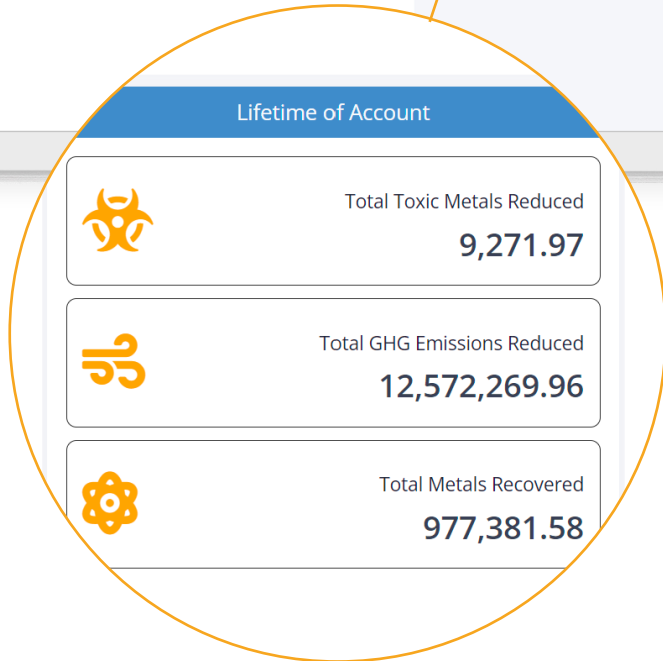
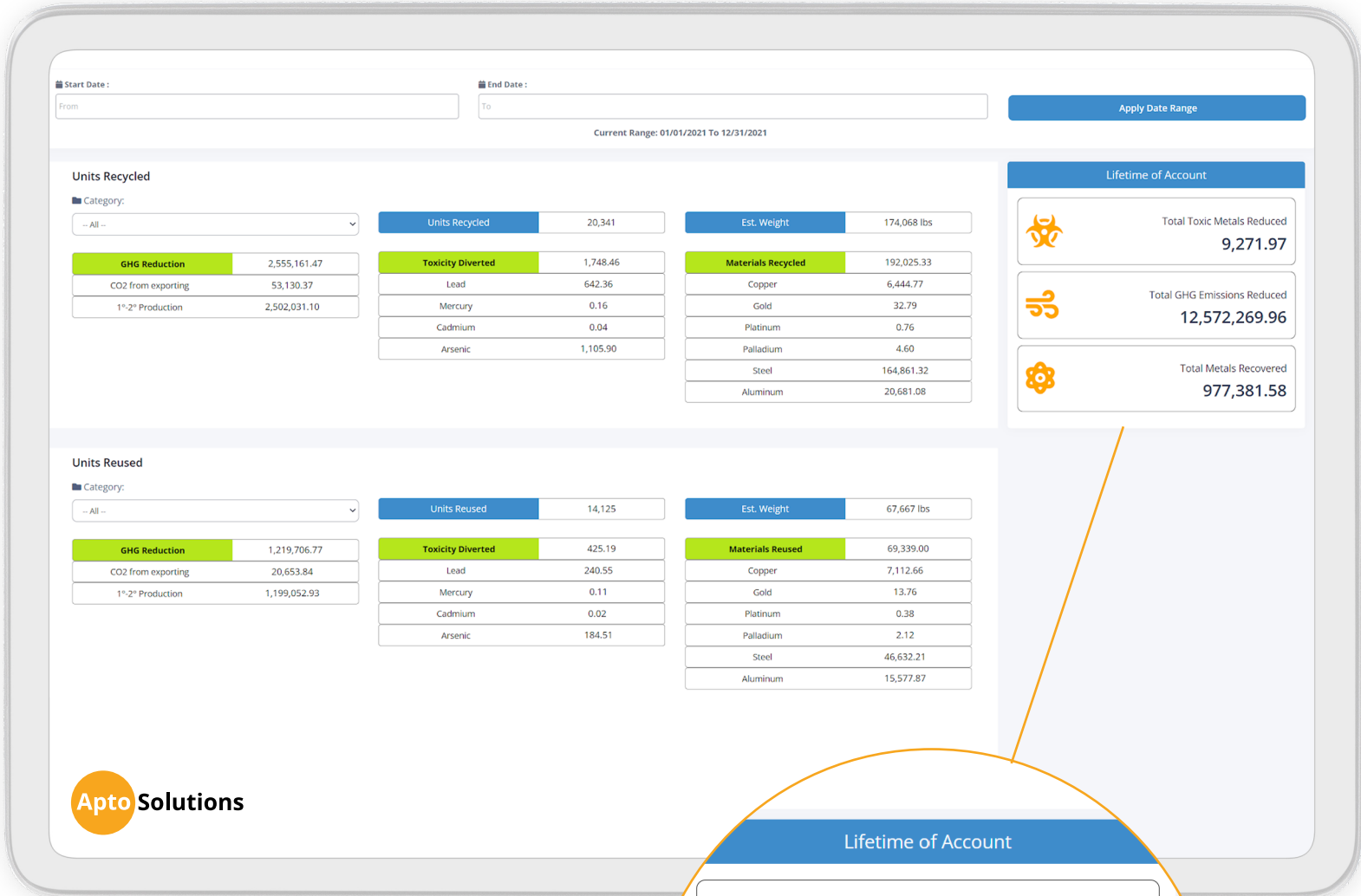
This year we are integrating quantifiable sustainability reporting into this report and into **Apto Pulse**. With ESG reports becoming a requirement for all publicly traded companies in the United States, we think the related goals and emission savings from efficient ITAD programs will become a cornerstone of all future sustainability reports. In fact, we've already embarked on some closed-loop plastics pilots with plans to expand into several more. While it is not yet widely known that emissions savings can come from ITAD activities, we have taken the initiative to build the framework and educate as many people as possible.

I am fortunate to have a great team of ITAD and Sustainability professionals at Apto who can help me make these ideas a reality for our customers. As a company, we want to be on the cutting edge of innovation in our industry, and I hope that you will find this report and our many ideas compelling enough to continue or join in our journey.

Our goals for 2022 are simple:

- 1. Provide best-in-class leading ITAD Services to our customers.**
- 2. Continue to innovate on Circularity for electronic waste and develop closed-loop applications for our downstream materials.**
- 3. Provide cutting edge sustainability reporting for our customers that they can use seamlessly in their ESG Reports.**

Apto Pulse ESG Reporting



Our customer-facing portal, **Apto Pulse**, provides ESG Reporting for our clients with a view into their materials reuse and recycling information. This includes the amount of toxic metals and GHG emissions reduction, as well as total metals recovered.



From our Chief Compliance and Sustainability Officer, **Caroline Allman**

What a difference a year can make! In 2021 we made significant strides in our Circular Transformation® program, but we still have work to do. Throughout the last year we were able to fine tune our internal processes, improve the reporting we got from our vendors, and the reporting we share with clients and customers. There were some speed bumps due to the industry not being quite ready for what we were proposing, but we are optimistic that things will catch up and we can make even more progress in 2022.

Our partnerships with our downstream vendors were able to foster more productive conversations with OEMs than we had in the past, and this should continue as we focus on e-waste plastics and their closed-loop potential. **Plastics continue to be an issue that we are dealing with in all aspects of our lives, so this opportunity to transform the closed-loop management of e-waste plastics into carbon credits, would be a win for everyone, not just ITAD and IT OEMs.**

Sustainability is still a buzz word that is in more talking than walking right now. But that will be changing soon and we plan to be on the frontlines, ready to propel our clients' plans forward at the word "Go".

Promoting Reuse While Helping Recoup Your Technology Investment

ITAD is more than recycling e-waste. A good sustainability plan should include the resell of tested working IT assets and parts.

The first approach we take when it comes to IT Asset Disposition is to determine what can be reused, and then from that, what can be resold or donated.

Through our stringent testing process, we focus on reselling working units whenever possible to give them a second life. When we aren't able to sell whole units, we harvest, test and sell the working parts. We also donate working units through our partnerships with various charitable organizations as part of Apto's Responsible Donation Program. Everything else is recycled responsibly.

The Apto Marketplace

In 2020, we launched the Apto Marketplace which features weekly timed webcast auctions that allow the worldwide market to competitively bid on the assets and ensure maximum recovery value.



Reuse at a Glance

387,941

Total pieces of equipment sent for reuse in 2021

70%

More than 70% of the items that come through our facility are reused or have parts reused

2021 Reuse Summary

Reuse is always the preferred option of disposition, and includes resell, redeployment, and donations. In the full year of 2021, Apto helped its clients reuse **387,941** working units and parts.



166,578

Working Units



221,363

Parts & Accessories



7,258,944 lbs

GHG Emissions Saved*

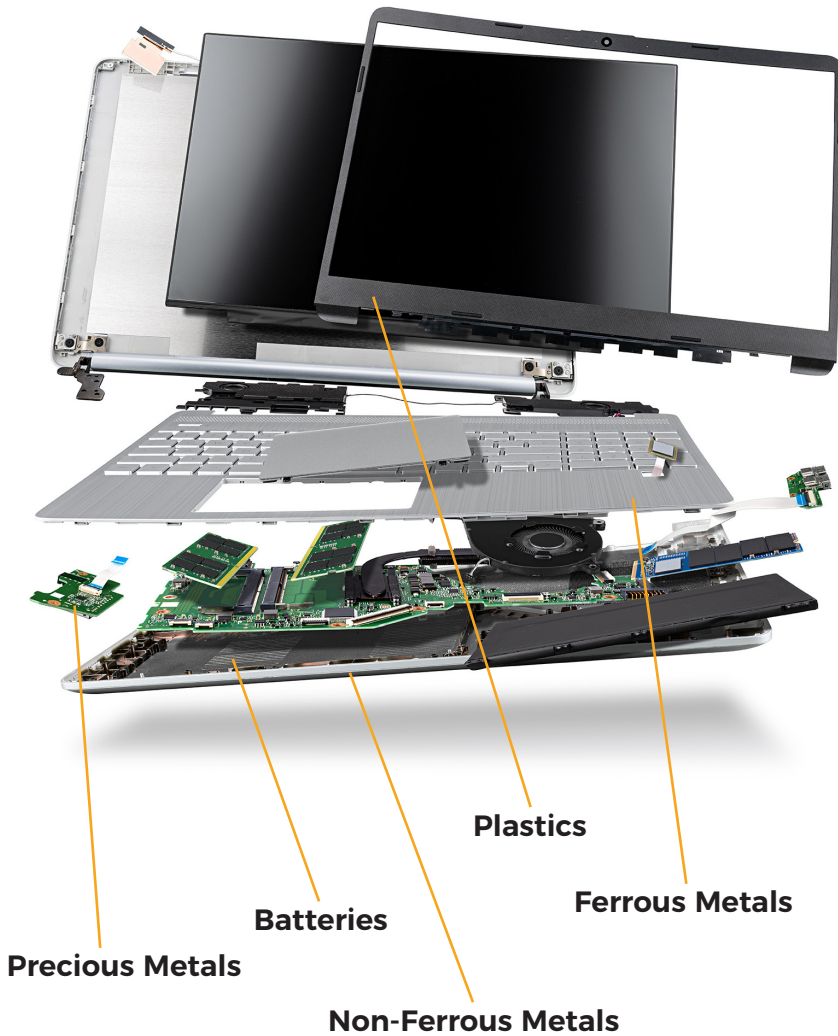


12,555 lbs

Toxic Metals Diverted from Landfill*

*Calculations from e-Stewards Global Impact Calculator

After Reuse, We Recycle All Remaining Items



A proper sustainability plan should include reuse as the first option of IT Asset Disposition. Keeping products in use for longer increases the lifespan of resources. However, when products and their parts reach the end of their useful life, you need to be assured their materials are being used to manufacture new products.

After we've evaluated and secured all reuse opportunities, all additional material at that point goes through our recycling program for the best possible outcome. We call this Circular Transformation®.

We can work with original equipment manufacturers to create a closed-loop process – giving them even more of a reduction in e-waste and securing more materials for them to put back into the supply chain for manufacturing of new products.

Recycling at a Glance

322,002

Total pieces of equipment recycled in 2021

1,107,803.53 lbs

Total weight recycled in 2021

2021 Recycling Summary

When products and parts reach the end of their useful life they are properly recycled. In the full year of 2021, Apto recycled **322,002** whole units and parts. All recycled materials have been tracked through our downstream network. We are working towards an improved circular process which is explained in the following pages.



129,176

Whole Units



192,826

Parts & Accessories



9,663,261 lbs

GHG Emissions Saved*



10,984 lbs

Toxic Metals Diverted from Landfill*

*Calculations from e-Stewards Global Impact Calculator

The background of the image consists of numerous concentric circles of varying shades of gray, creating a tunnel-like or ripple effect that draws the eye towards the center. The circles are most prominent at the edges and fade towards the center.

About ESG and Reporting for the Circular Economy



What is ESG Reporting?

According to Gartner, Environmental, social and governance (ESG) refers to a collection of corporate performance evaluation criteria that assess the robustness of a company's governance mechanisms and its ability to effectively manage its environmental and social impacts.

ESG is not new, the term was coined in 2005 with the launch of the United Nations Principles of Responsible Investing, indicating an understanding that non-financial factors materially impact a company's performance, and therefore should be considered in investment decisions. The non-financial metrics are centered around four pillars: People, Planet, Prosperity, and Principles of Governance.

People

Pay Equality and Board Diversity

Planet

GHG, Green Economy

Prosperity

Workforce Development, Job Creation, Fiscal Responsibility

Principals of Governance

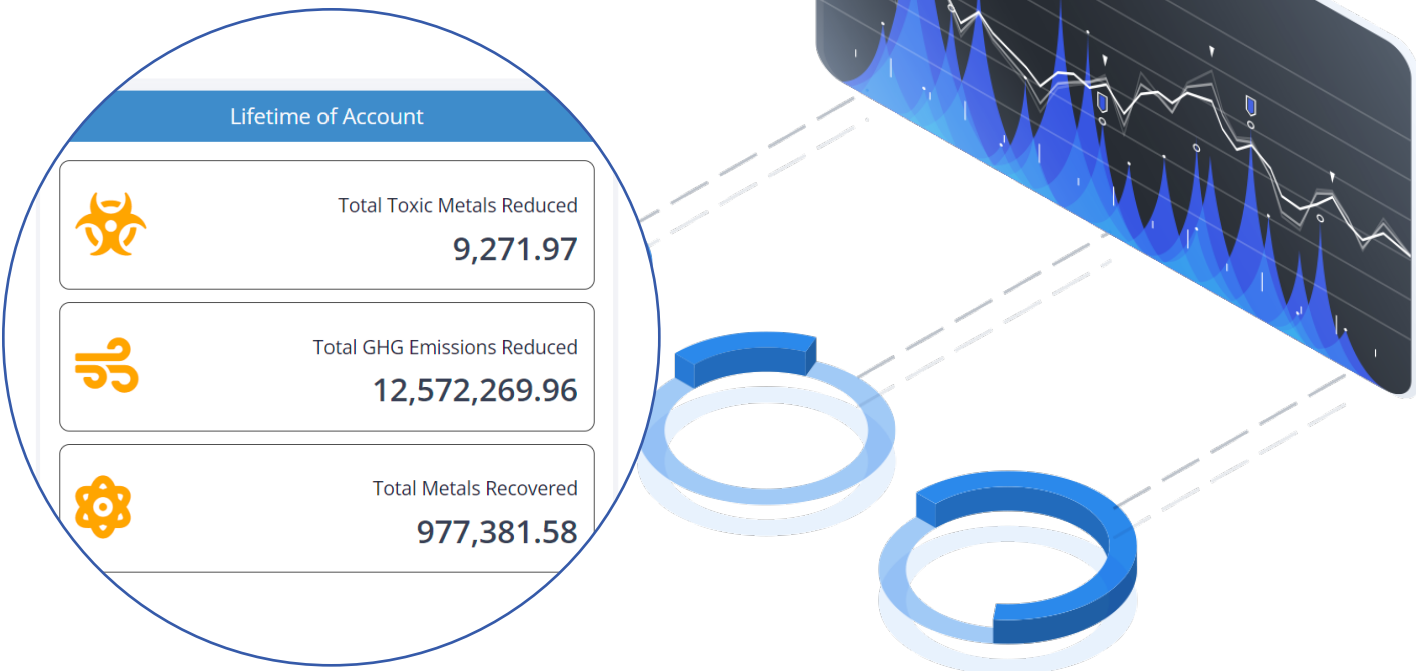
Transparency, Responsiveness, Fairness, Accountability


Quantifying ESG Performance

Consumers, business leaders, employees, investors, and communities all care about ESG practices. The problem is that, unlike with profitability, it's hard to compare ESG performance between companies or even over time within the same company. But with the right data and reporting format, you can define and improve your company's position as an ESG leader. A reporting platform like **Apto Pulse**, Apto's automated client portal, can quantify ESG performance by providing a real-time window into the entire asset disposition process with all the data needed to use in annual corporate ESG reporting.

In the past, companies have addressed sustainability by minimizing internal operational impacts on the environment. But in recent years we've seen more businesses looking outwards and acknowledging that their stakeholder's opinions matter. Looking outwards to the supply chain is where the most benefit will come from.

And now that ESG is becoming embedded into every day corporate governance, reporting must contain the information that the financial sector is interested in seeing. The shortfall of existing ESG measures is that they often lack raw data. Even if something that affects ESG is quantifiable, many companies rarely collect the needed data. Apto has met this challenge by simplifying the downstream supply chain by eliminating the vendors that are not necessarily needed. We've developed a one-of-a-kind single tier downstream that provides better data and more efficient tracking. Instead of trying to coordinate data from multiple vendors, we go directly to the smelters and refiners to gather direct data on our client's raw materials.





Why ESG Performance Matters

In a survey evaluating ESG programs conducted by McKinsey in 2020, 83% of C-suite leaders and investment professionals said they expect ESG programs will contribute more shareholder value in the next five years than today. And a majority of surveyed executives (57%) agree that ESG programs create shareholder value. According to this perspective, getting your ESG proposition right will ensure higher value creation for your organization.

Companies that fail to address ESG risks may experience:

- Reputational damage
- Supply-chain issues (for example, linked to COVID or climate change)
- Reduced revenue or boycotting
- Missed opportunities for new products
- Entrance into new materials and cost savings

Benefits of integrating ESG into business strategy include:

- Improved ability to attract investment
- Opportunity to 'stand out from the crowd' of their peers
- Increased returns and financial performance
- Access to new and emerging markets
- Increased resilience to market fluctuations
- Increased employee attraction and retention



Combating Global E-Waste

The Case for Donating: Extend the Life of IT Equipment and Give Back to Your Community

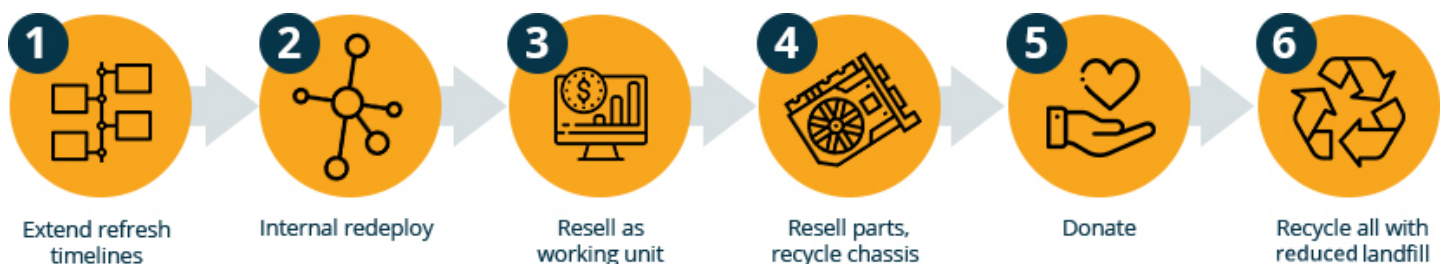
Computer donation programs are a great way for corporations to extend the life of their IT assets by giving older PCs and laptops to charities for those in need, and at the same time, do something productive for the global community. We work with client partners to implement the Responsible Donation Program to not only facilitate the donation of computers, but also make sure the equipment is properly recycled at the end of its life.

As illustrated in the reuse sequence graphic below, this approach provides recommended ways to reuse, with recycling being the final option. In step 1: Extend Refresh Timelines, we look first to extend company-wide refresh timelines by doing maintenance on machines at least once a year to keep devices in use longer than the 3–5-year standard. Next, step 2: Internal Redeployment, aims to redeploy tested, working devices to other departments that might be in need. In step 3: Resell as Working Unit and step 4: Resell Parts. Where working equipment is resold, or if a device is outdated, it

is parted out to sell the useful parts and recycle the 'material' that makes up the chassis.

Step 5: Donation, this fundamental step in the reuse sequence further extends the life of an IT asset before ever even thinking about step 6: Recycling. Recycling is the last resort for IT equipment, as all efforts are put into extending the lifespan of a device through reuse so we can collectively ensure the highest environmental benefit. But when items are ready for recycling, after they move through the reuse sequence, Apto has the ability to track and trace each type of recycled material down to the final new end product.

Electronic products are made from valuable resources including metals, plastics, and glass—all materials that require energy to mine and manufacture. Reusing electronics with donations is one way to conserve natural resources and mitigate air and water pollution, as well as reduce the Greenhouse Gas Emissions.



Apto's Donation Efforts to Combat Global E-Waste



Apto has been working with Reneal International Education Outreach Inc. to bring computers and technology to high school students in Tanzania. Our relationship with Neal and Rene Bierbaum, a husband-and-wife team, started back in January of 2021 and since the first shipment of repurposed computer equipment arrived in Africa in early May 2021, 16 secondary schools have received computer labs each equipped with 20 laptops!

The Bierbaum's philanthropic journey started in 2006 as US Peace Corps Volunteers where they became aware of the extreme need for educational resources and support in developing countries. They witnessed first-hand how education and the power of technology can change lives and with this realization, Reneal International Education Outreach was founded in 2012 —and they've been changing the lives of thousands of people each year since!

The organization's latest venture into Tanzania is delivering new technology to schools where each installation is greeted by parents and community members then followed with an orientation including specialized training for the dedicated computer teachers.

With our donations alone, Reneal has been able to reach over 5,500 high school students giving these students their first hands-on access to computers. Our team has been more than proud to support Reneal's mission to ignite the love of learning in students and teachers and open doors for new opportunities for those in developing countries.



75%

Seventy-five % of the fossil fuels and energy used by a computer are actually **consumed during manufacturing.**



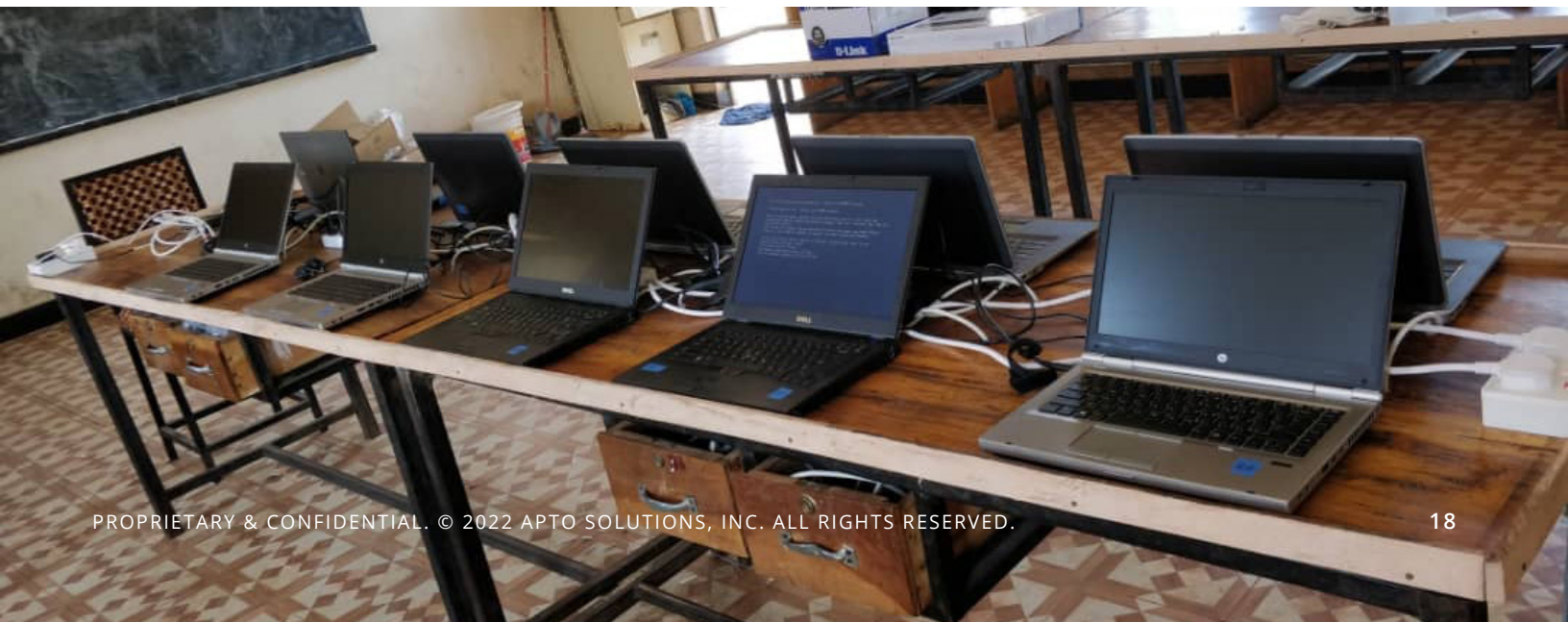
1M

Recycling one million laptops **saves the energy equivalent** to the electricity used by **more than 3,500 US homes in a year.**



1M

For every million cell phones we recycle, **35 thousand lbs of copper, 772 lbs of silver, 75 lbs of gold, and 33 lbs of palladium can be recovered.**

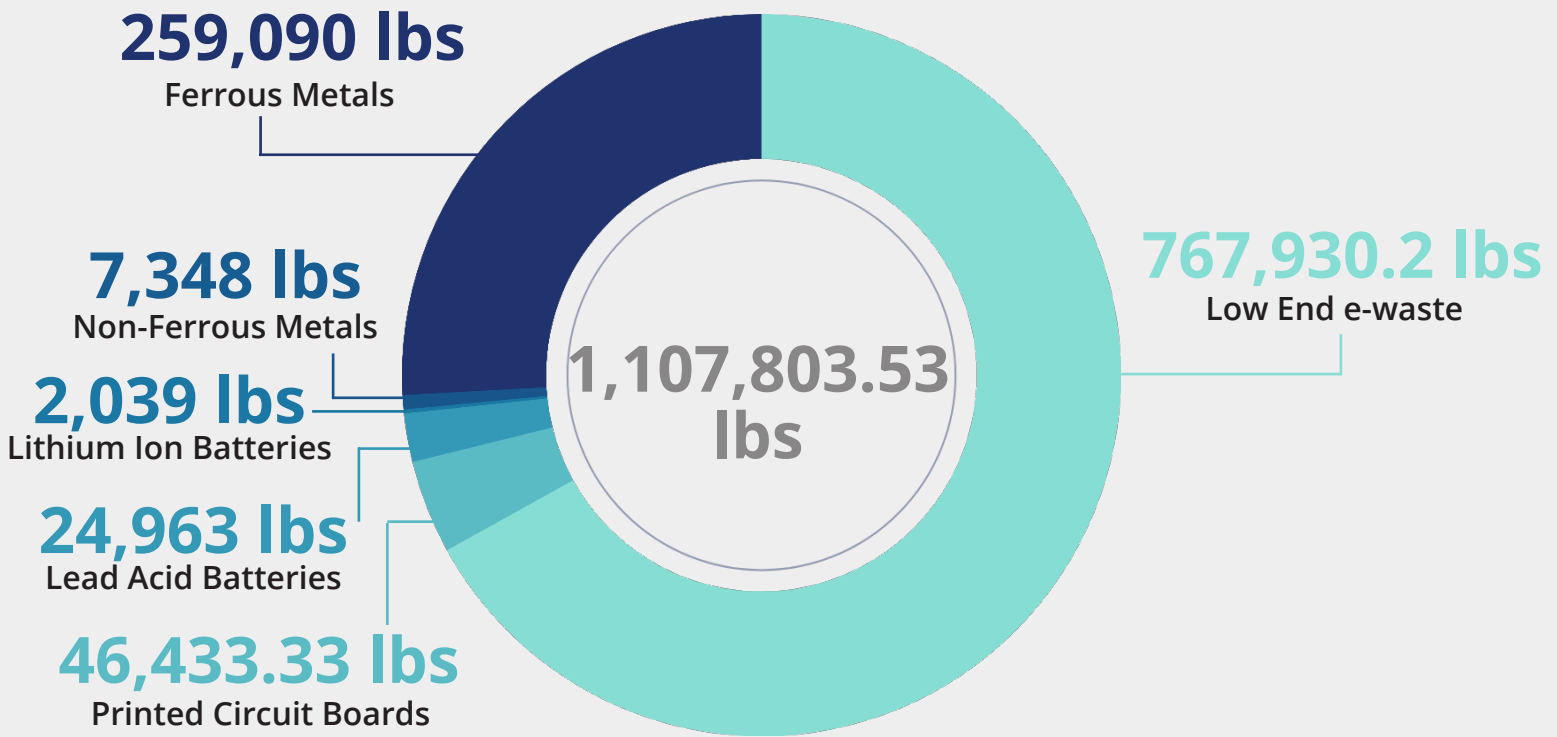
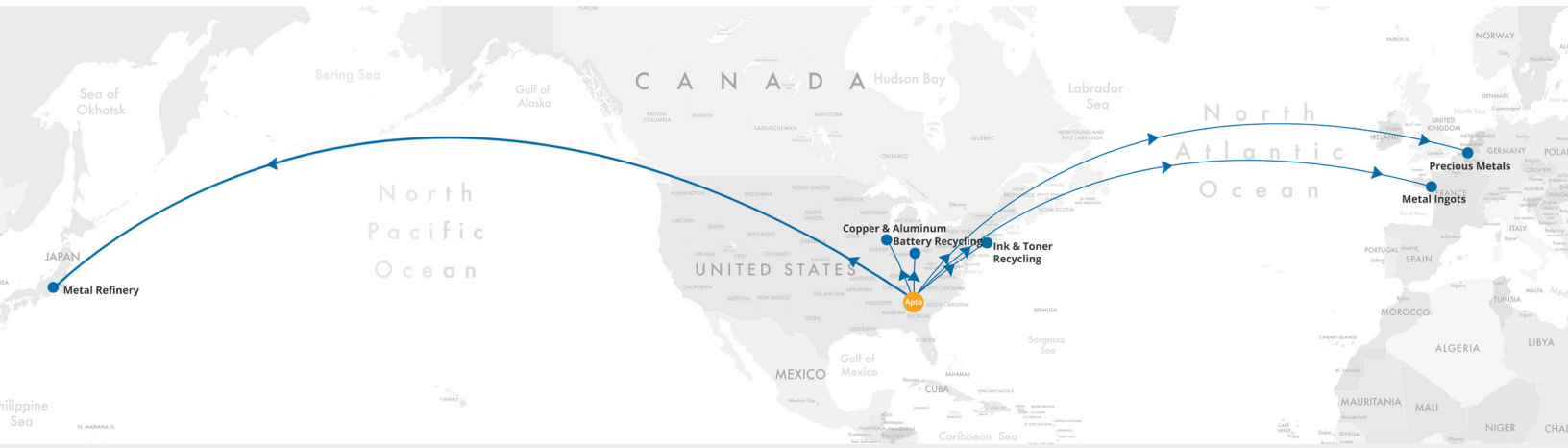


The background of the image consists of numerous thin, concentric, light gray circular lines that create a sense of motion and depth, resembling a tunnel or a vortex. The lines are more densely packed in the center and become more sparse towards the edges.

**Circular
Transformation®
Program Results**

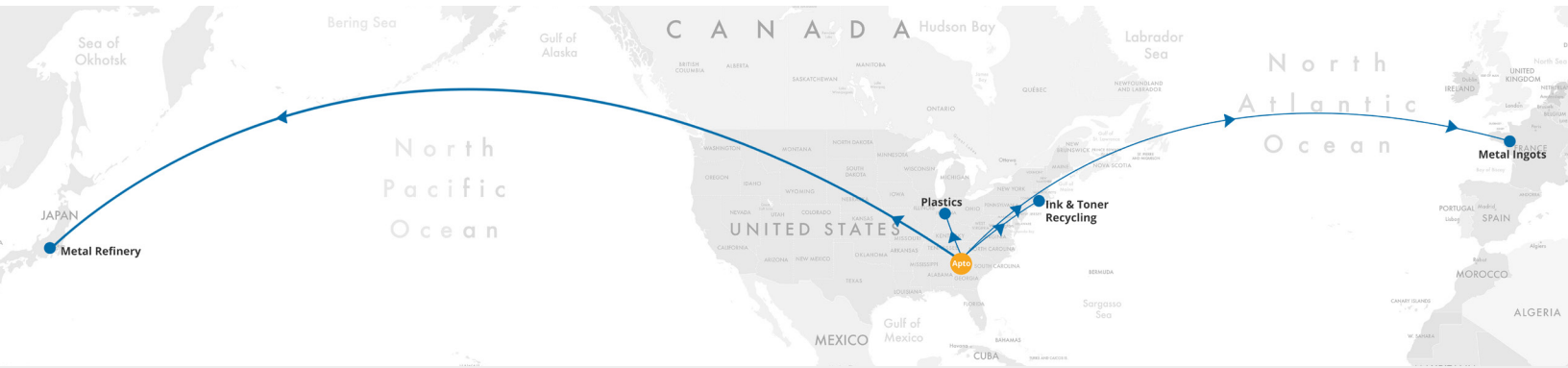
Materials & Circularity Summary

Apto recycled **1,107,803.53 lbs** of e-waste in 2021 as part of our Circular Transformation Program.



Low-End e-waste Summary

Apto shipped **767,930.2 lbs** of low-end e-waste in 2021. This includes plastics from keyboards & device casings, low-end materials, etc.

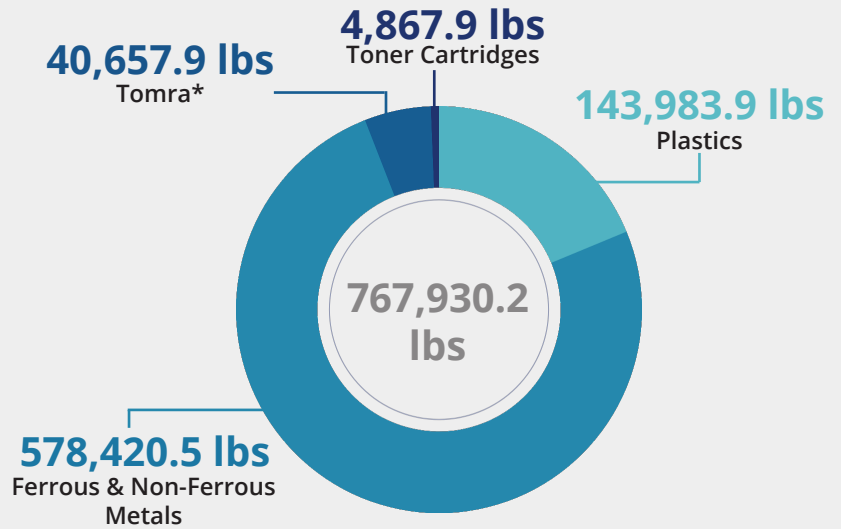


Apto Output/Recycler Input

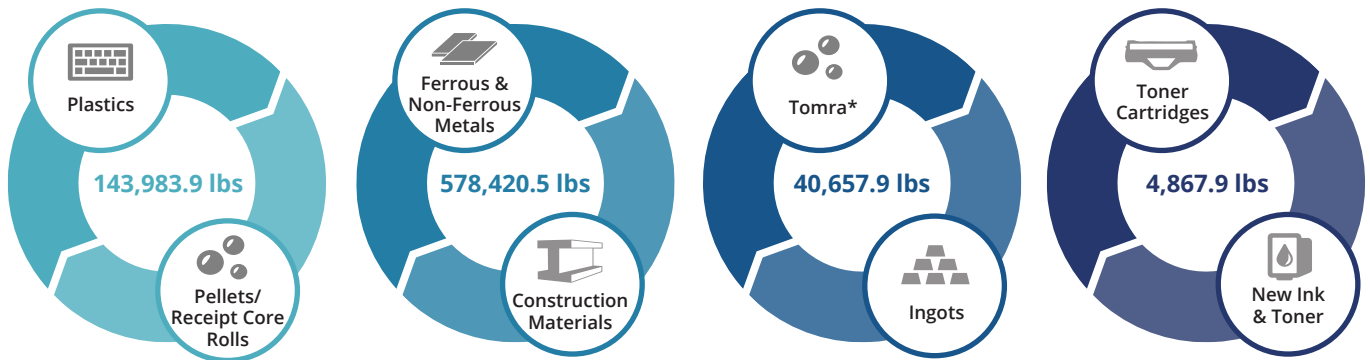
767,930.2 lbs
Low-End e-waste



Raw Material Output



Circular End Product Application



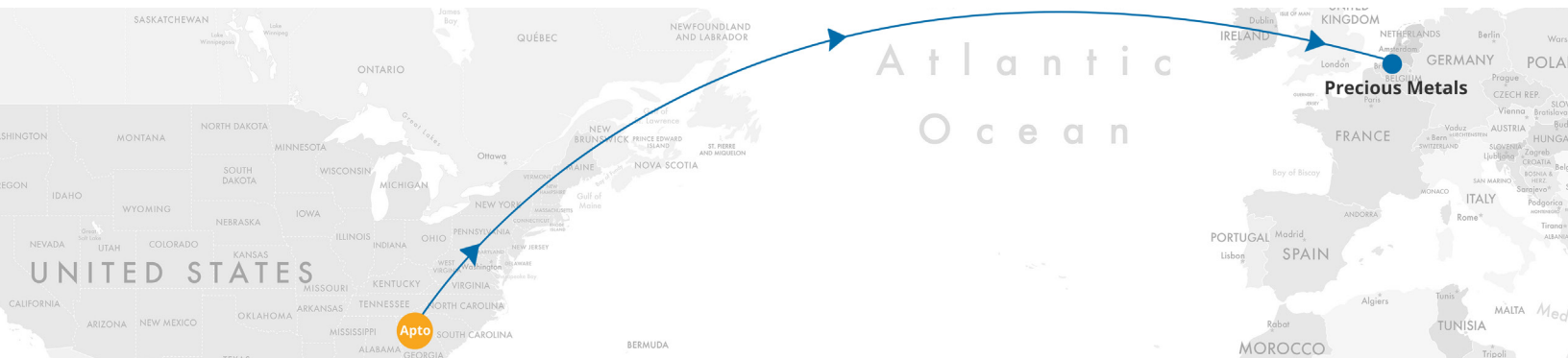
= Total Materials Converted: **767,930.2 lbs (100%)**

Zero materials are unaccounted for in our recycling efforts.

*Tomra: Non-ferrous metal fines extruded from industrial e-waste shredders.

Printed Circuit Boards Summary

Apto shipped **46,433.33 lbs** of circuit boards for recycling in 2021. Circuit boards consist of electrical components and connectors linked via conductive circuits - usually copper, with the purpose of routing electrical signals and power within and between devices.

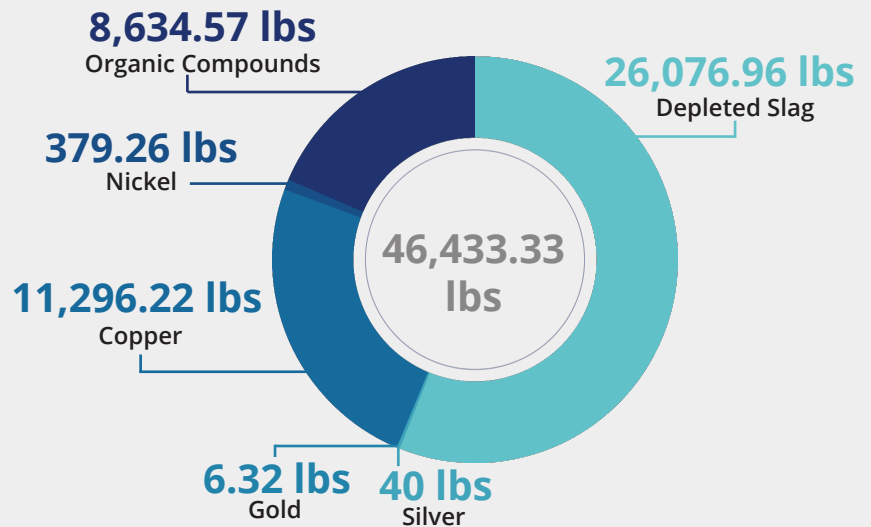


Apto Output/Recycler Input

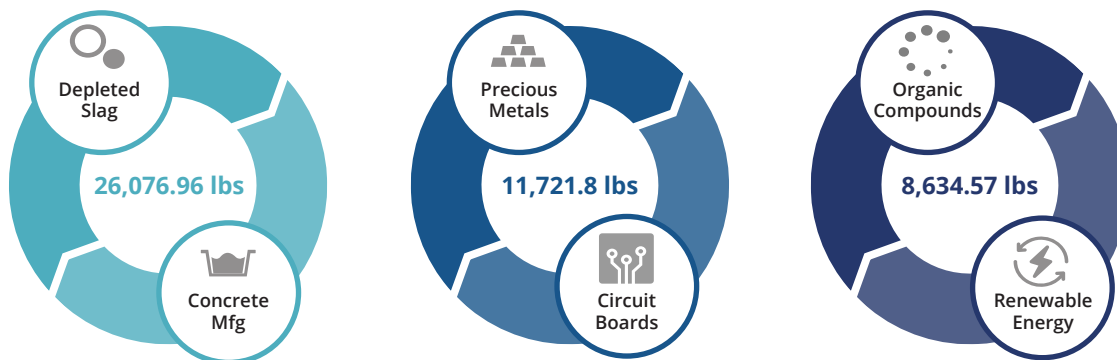
46,433.33 lbs
Printed Circuit Boards



Raw Material Output



Circular End Product Application



= Total Materials Converted: **46,433.33 lbs (100%)**

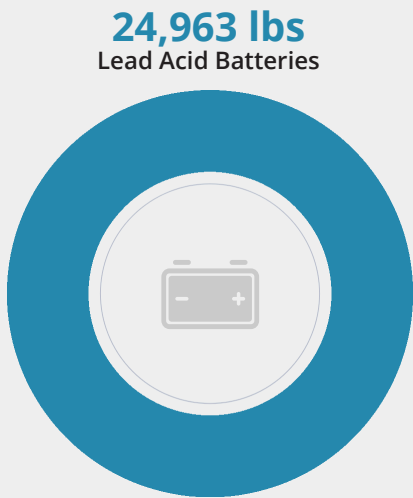
Zero materials are unaccounted for in our recycling efforts.

Lead Acid Batteries Summary

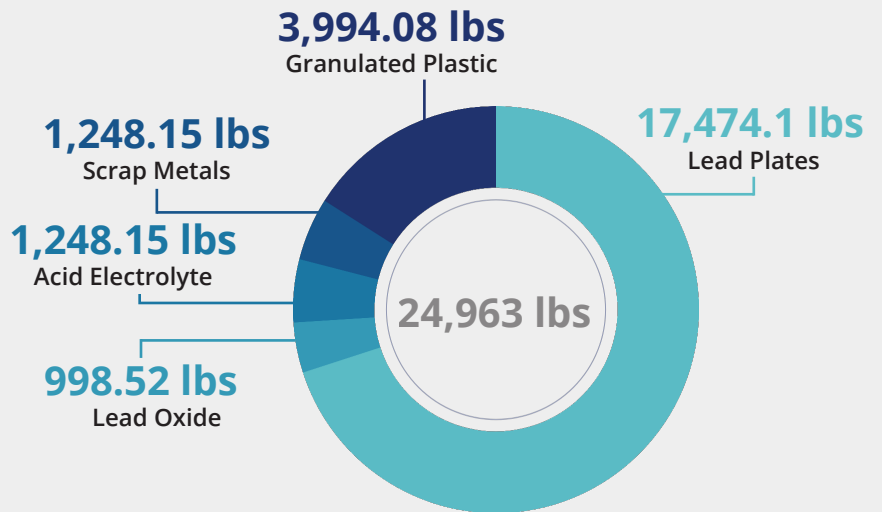
Apto shipped **24,963 lbs** of lead acid batteries for recycling in 2021.



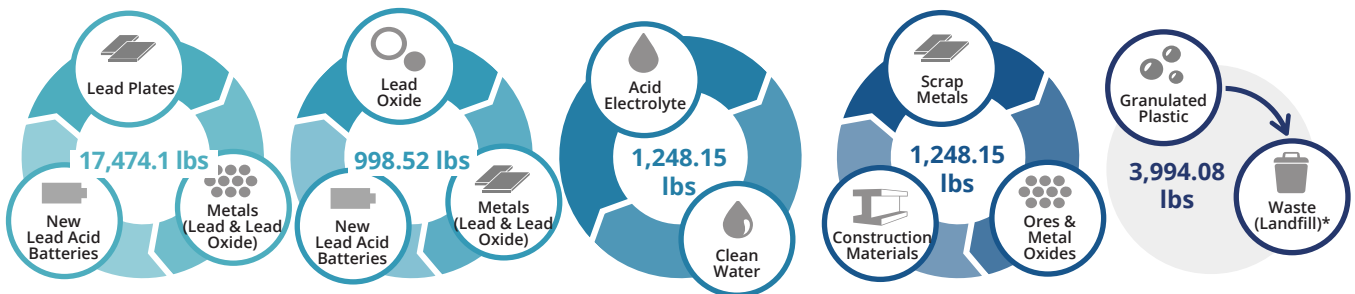
Apto Output/Recycler Input



Raw Material Output



Circular End Product Application



= Total Materials Converted: **20,968.92 lbs (84%)** | Total Landfill*: **3,994.08 lbs (16%)**

Zero materials are unaccounted for in our recycling efforts.

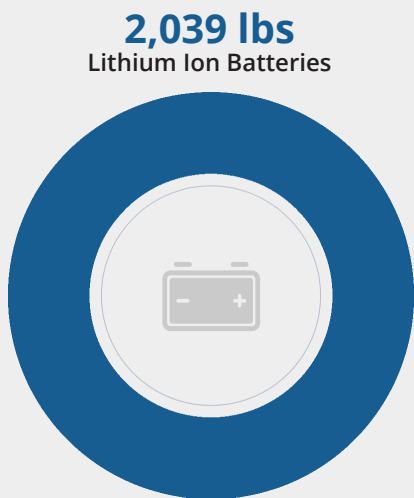
*Landfill used as a very last resort due to technological limitations.

Lithium Ion Batteries Summary

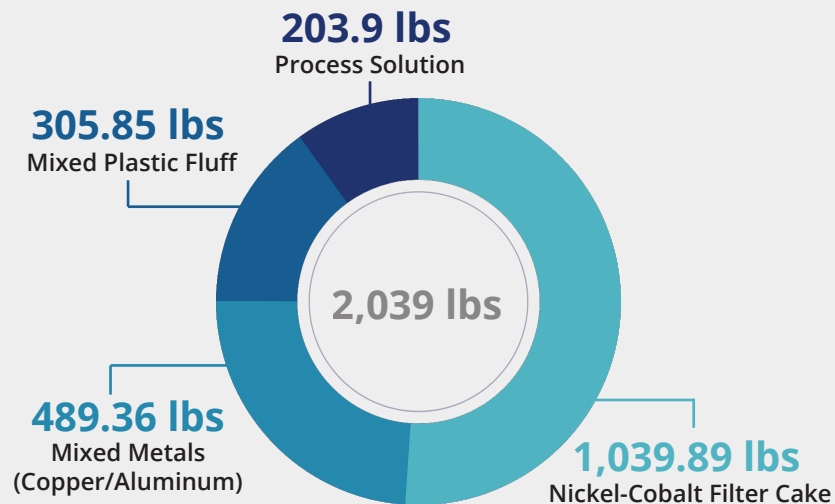
Apto shipped **2,039 lbs** of lithium ion batteries for recycling in 2021.



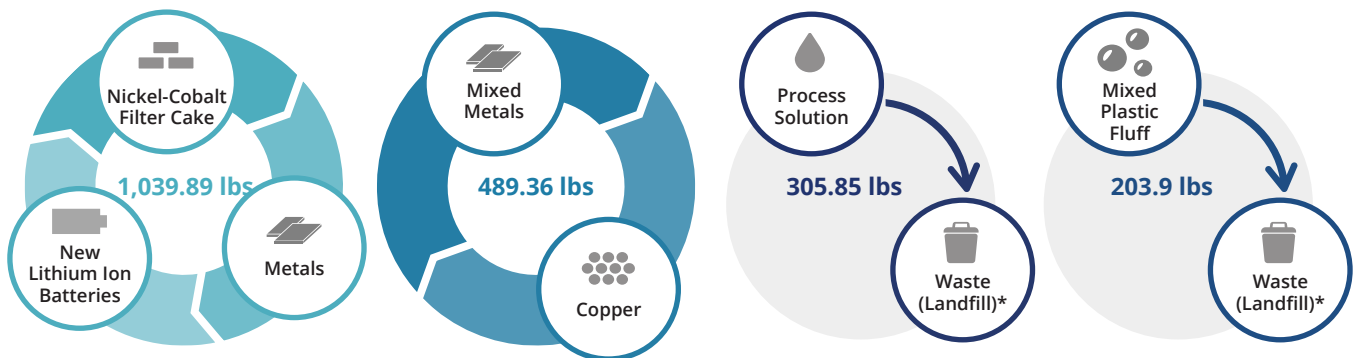
Apto Output/Recycler Input



Raw Material Output



Circular End Product Application



= Total Materials Converted: **1,529.25 lbs (75%)** | Total Landfill*: **509.75 lbs (25%)**

Zero materials are unaccounted for in our recycling efforts.
*Landfill used as a very last resort due to technological limitations.

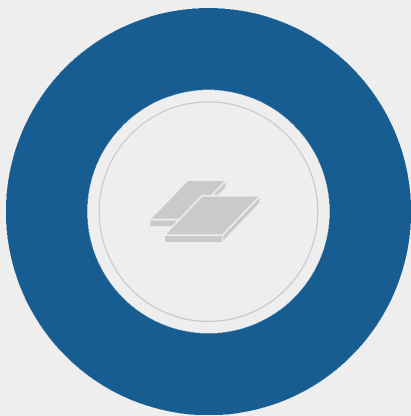
Non-Ferrous Metals Summary

Apto shipped **7,348 lbs** of non-ferrous metals for recycling in 2021.



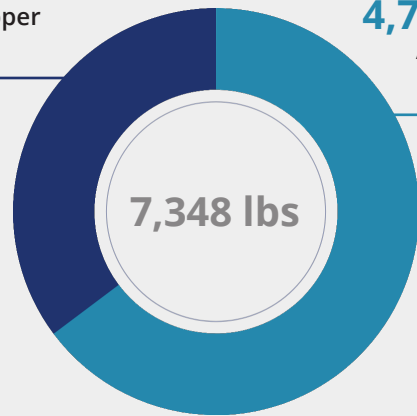
Apto Output/Recycler Input

7,348 lbs
Non-Ferrous Metals

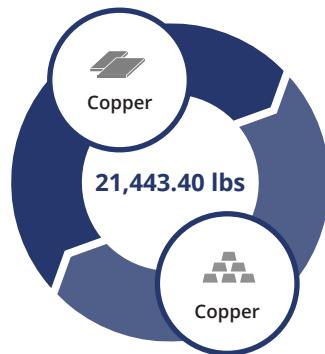
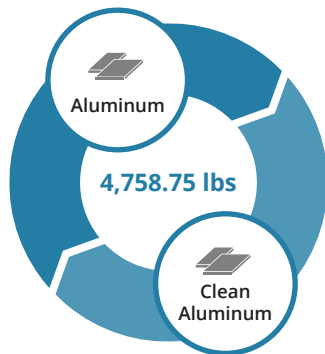


Raw Material Output

2,589.25 lbs Copper
4,758.75 lbs Aluminum



Circular End Product Application



= Total Materials Converted: **7,348 lbs (100%)**

Zero materials are unaccounted for in our recycling efforts.

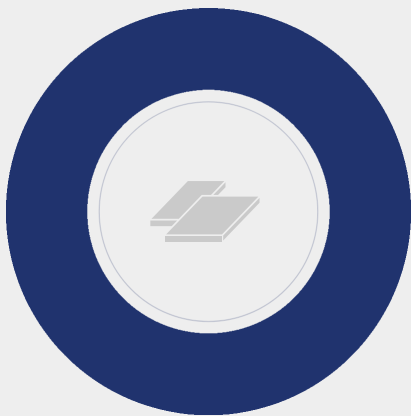
Ferrous Metals Summary

Apto shipped **259,090 lbs** of ferrous metals for recycling in 2021.



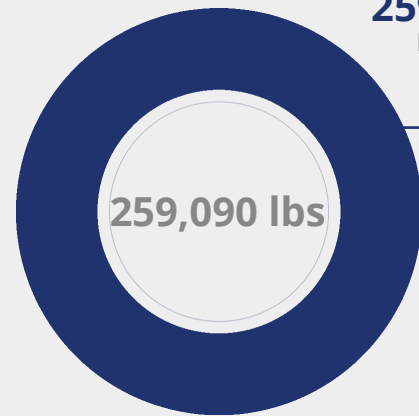
Apto Output/Recycler Input

259,090 lbs
Ferrous Metals

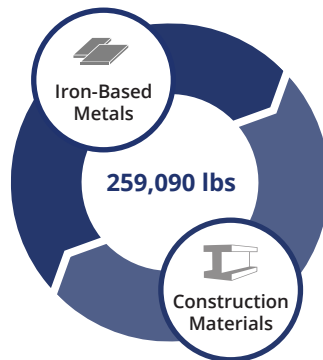


Raw Material Output

259,090 lbs
Iron-Based Metals



Circular End Product Application



= Total Materials Converted: **259,090 lbs (100%)**

Zero materials are unaccounted for in our recycling efforts.



2022 Goals

The Way Forward

Now that our team has two years of researching and processing circularity data under our belt, we've developed a distinct reporting method that exhibits how an ITAD program can support goals to meet requirements of new ESG regulations. This data is readily available with access to our client portal, **Apto Pulse**. With our experience in place, we have a clearer idea of what our attainable goals are as we move forward.

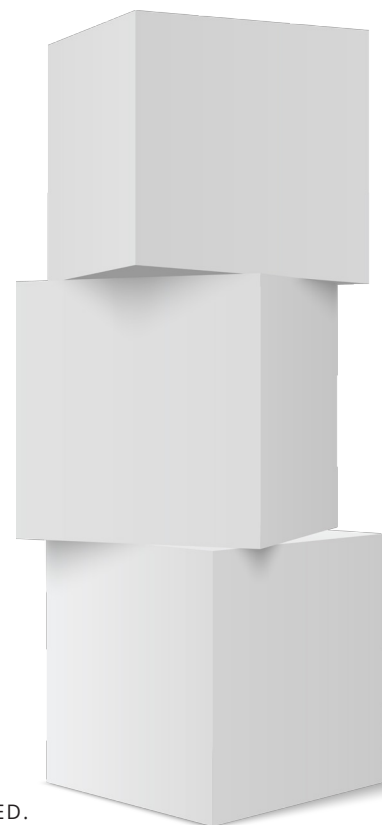
As our Chief Sustainability and Compliance Officer mentioned in her foreward, "Sustainability is still a buzzword that is more talking than walking right now." Building a circular economy to deal with our e-waste challenges means embracing a new level of industry-wide transparency.

Goals for 2022

- 1. Provide class leading ITAD Services to our customers.**
- 2. Continue to innovate on Circularity for e-waste and develop closed-loop applications for our downstream materials.**
- 3. Provide cutting edge sustainability reporting for our customers that they can use seamlessly in their ESG Reports.**

As industry leaders and innovators, Apto is ready for action at the frontline of this movement. We have the tools in place to propel our clients' reporting goals forward and the drive to make operational changes to increase transparency and make a circular economy a reality.

The ITAD industry needs to put their money where their mouths are when it comes to building a circular economy. Setting sustainability goals is a great first step; but to achieve them, we all need to commit to transparency and communication. Yes, it will mean upsetting the status quo – forcing everyone to adapt to a market that looks a little different. But it's also the best way to create a system that is both beneficial to the planet and profitable for businesses in the future.





**Reach out to us today to learn how
Circular Transformation® by Apto Solutions
can help your business**

Contact us at
info@aptosolutions.com