BECOMING A
SUSTAINABILITY
LEADER

IMPACT REPORT
FEB 2022 TO JAN 2023

QUANTUM
LIFECYCLE PARTNERS

IMPACT REPORT

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OPEN LETTER
TO THE INDUSTRY

"I am proud to say that 2022 was the year of becoming a sustainability leader."

Gary Diamond, President, Quantum Lifecycle Partners LP

Dear Industry,

We are proof that hard work in ESG – environmental, social, governance – can pay off.

Sustainability has always been intrinsic to Quantum Lifecycle: what we do as electronics recyclers and remarketers is inherently great for the environment. We felt we could do more and it was our responsibility to do more.

Two years ago we decided to take our efforts to the next level and become leaders in ESG. Through a variety of efforts you'll see in the forthcoming pages, we put our hearts and resources towards the journey.

I am proud to say that 2022 was the year of becoming a sustainability leader.

With the launch of our Sustainability Reports for customers, we regularly hear how innovative and useful our complete service offering has become.

One of Quantum's national customers – themselves a well-known sustainability leader- acknowledged that we are a leader among their suppliers for ESG.

To cap it off, Quantum won the Overall Sustainability Leadership Award for 2022.

Yet it feels like we are only getting started.

We know Quantum has only scratched the surface of what we can do. We can and must do so much more.

Here's a peek at what Quantum is working on this year:
• Setting a long term carbon neutral target
• 8 emissions reductions projects
• Understanding our scope 3 (supply chain) emissions.
• Launching the Circular Future podcast and much more.

Join us on the most important initiative we've ever undertaken.

We have just come off a summer with temperatures hitting records never before seen and unprecedented wildfires causing debilitating air quality thousands of kilometres away.

It's the time for all of us to act.

Gary Diamond
President

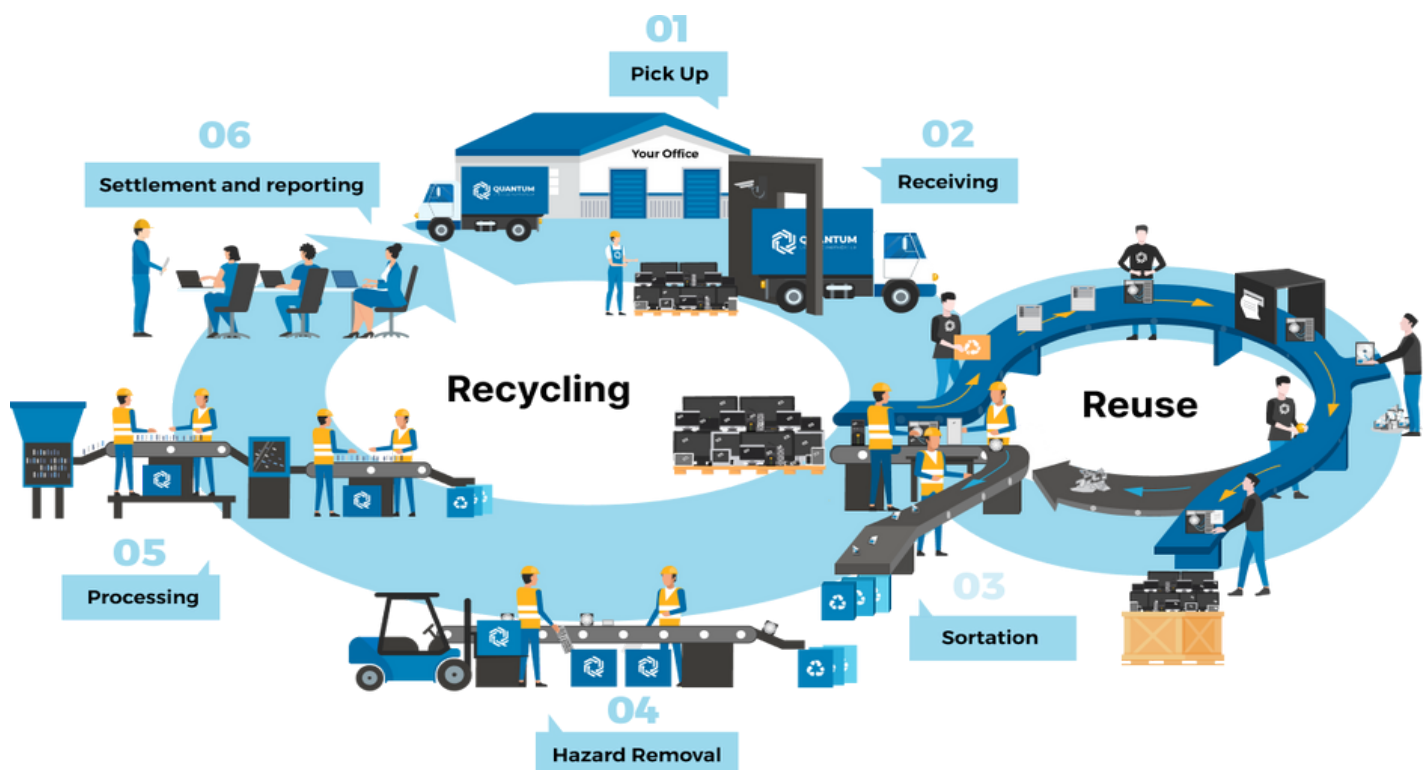QUANTUM WON THE **OVERALL SUSTAINABILITY LEADERSHIP AWARD 2022** THROUGH SUSTAINABILITY LEADERSHIP

The Overall Sustainability Leadership Award recognizes an organization with a strong internal focus on sustainability being incorporated into what you do, but also shows an external focus on sustainability communication with stakeholders.

ABOUT **QUANTUM**

Quantum Lifecycle Partners is both an IT asset disposition (ITAD) and an end-of-life electronics recycling company. We support organizations of all sizes from all industries in managing their electronic waste (e-waste) and obsolete I.T. assets through reuse and recycling.

QUANTUM'S SERVICES

- The responsible disposition of end of use I.T. assets and materials
- Maximizing the recoverable monetary value of assets and materials being disposed via the reselling of whole units and trading of commodities recovered during the recycling process
- Ensuring our clients are compliant with all applicable regulations and standards with regards to the disposition of assets and materials

- Securing and destroying all sensitive electronic data received in accordance with all regulations and industry standards
- Logistical services via our dedicated Quantum fleet and 3PL partners
- Best in class reporting (Financial / Material / Sustainability)
- Secure warehousing / Storage / Redeployment / Decommissioning services

CERTIFICATIONS

R2 v3 CERTIFIED

NSF-ISR — Registered to ISO 9001

Alberta recycling — REGISTERED ELECTRONICS PROCESSOR 2023 - 2024

NSF-ISR — Registered to ISO 14001

ECORESPONSIBLE — CERTIFICATION · PERFORMANCE · Level 2 · SUSTAINABLE DEVELOPMENT ENVIRONMENT

NSF-ISR — Registered to ISO 45001

EPRA

AAA NAID CERTIFIED

PERRY JOHNSON REGISTRARS, INC.

ALL LOCATIONS ARE INDIVIDUALLY CERTIFIED

For more information: QUANTUM WEBSITE

OUR PRESENCE

ITAD FACILITIES
Vancouver, BC
Calgary, AB
Brampton, ON
Ottawa, ON

RECYCLING FACILITIES
Edmonton, AB
Barrie, ON
Hamilton, ON
Toronto, ON

ITAD/ RECYCLING FACILITIES
Montreal, QC
Provincia de Cartago, Costa Rica

Edmonton, AB
Vancouver, BC
Calgary, AB
Ottawa, ON
Montreal, QC
Barrie, ON
Brampton, ON
Toronto, ON
Hamilton, ON
Provincia de Cartago

TYPES OF PRODUCTS HANDLED

LAPTOPS

DESKTOPS

CELL PHONES

CRT AND LCD/ LED MONITORS

TELECOM NETWORK AND INFRASTRUCTURE GEAR

TVS

TABLETS

SERVERS

PHOTOCOPIERS AND PRINTERS

TONER AND INK CARTRIDGES

LIFESTYLE ELECTRONICS

MIXED BATTERIES

MICROPHONES AND SPEAKERS

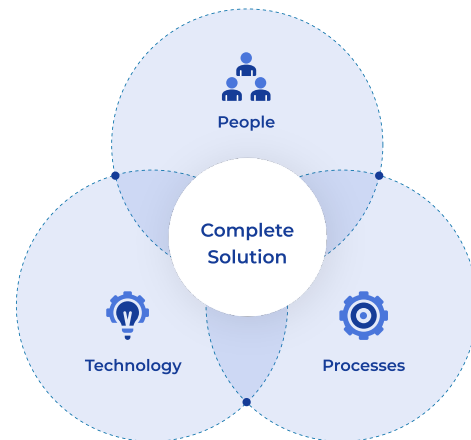AV AND BROADCAST EQUIPMENT

CPE (CUSTOMER PREMISE EQUIPMENT)

VISION

To become our **Customers' Most Trusted Partner by setting the standard** in sustainable electronics lifecycle management.

MISSION

We bring the **best people, processes and technology together to package the complete solution** for our customers.

CORE VAUES

RELENTLESS CURIOSITY
Learning and innovation is in our DNA. We're always searching for the better way. We are passionate about feedback.

ATTITUDE OF GRATITUDE
We bring the best people, processes and technology together to package the complete solution for our customer.

BOLD LEADERSHIP
We think big. We know we can transform our industry.
We want to be the best, not the biggest, in the world.

COURAGEOUS INTEGRITY
We do the right things right. If we see it we say it.
We do what we say we're going to do.

PRIDE OF CONTRIBUTION
Quality is everyone's job and we all strive for personal excellence. We are inspired by what we do together.
We are literally saving the planet.

WATCH PRESIDENT GARY DIAMOND TALK ABOUT OUR CORE VALUES IN THIS 2-MINUTE VIDEO.

Our Values: The Foundation of our Success

Watch on YouTube

SPOTLIGHT TECHRESET JOINS QUANTUM

On February 1, 2022, Quantum Lifecycle acquired ITAD company TechReset, based in Mississauga, ON.

TechReset serviced customers across North America in a wide variety of industries including financial, healthcare, education, and government.

QUANTUM LIFECYCLE PARTNERS LP ACQUIRES TECHRESET

QUANTUM LIFECYCLE PARTNERS LP | TechReset

ABOUT THIS **REPORT**

Quantum used the Global Reporting Initiative standard when compiling this report. We are using the operational control method, meaning we are reporting on 100% of the impact and GHG emissions over which we have operational control.

In 2022, Quantum completed a materiality assessment under the guidance of the organization Sustainability Leadership to look at what is significant to the organization and therefore what should be tracked and reported on.

For the second year, this report focuses on the top 10 topics determined through the materiality assessment. The majority of the topics relate to employees. Like last year, the only category that appeared in the top 10 but we chose to remove is Direct Economic Value.

Quantum is a privately held company, so this information is confidential. However, we have added Diversity of Employees, which fell below the top 10 ranking, but we felt it was important to address.

The timeframe for this report is our fiscal year: February 1, 2022, to January 31, 2023. Our baseline year is F2022 (February 1, 2021 to January 31, 2022). In a few cases we have made improvements to our data and thus restating our numbers from last year as indicated
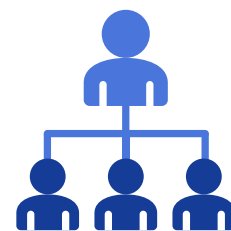
THIS REPORT ADDRESSES QUANTUM'S
THREE KEY STAKEHOLDERS

PLANET   **CUSTOMERS**   **TEAM**

WE ARE PROUD SUPPORTERS OR MEMBERS OF:

GRI **GLOBAL REPORTING INITIATIVE**	**Green Economy Canada** **GREEN ECONOMY CANADA**	**Jumpstart Bon départ** **JUMP START**
United Nations **UN SUSTAINABLE DEVELOPMENT GOALS**	**RECYCLING COUNCIL OF ALBERTA** **RCA** **RECYCLING COUNCIL OF ALBERTA**	**Sunnybrook FOUNDATION** **SUNNYBROOK FOUNDATION**
Sustainability Leadership. **SUSTAINABILITY LEADERSHIP**	**CIRCULAR INNOVATION COUNCIL** **CIRCULAR INNOVATION COUNCIL**	**reBOOT CANADA** Computers • Community • Connection **REBOOT CANADA**

GLOSSARY OF TERMS

SUSTAINABILITY SUPERHERO:	Staff member of Quantum Lifecycle Partners
ITAD:	Information Technology Asset Disposition, the industry term for reuse and remarketing of used electronics
CO2E:	Carbon dioxide equivalent, the standard metric to measure carbon emissions
SCOPE 1 EMISSIONS:	Emissions generated by burning of fossil fuels, such as natural gas for heating, diesel for the company fleet, etc.
SCOPE 2 EMISSIONS:	Emissions generated by consuming electricity
SCOPE 3 EMISSIONS:	Emissions generated through the business' supply chain
GRI:	Global Reporting Initiative, the reporting framework Quantum uses
UNSDG:	United Nations Sustainable Development Goal, an internationally-accepted plan to end poverty, reduce inequalities and tackle climate change

PLANET IMPACT

The Planet is a key stakeholder in all that we do. On our company scorecard, we have goals and plans linked to the planet. Why? It's the right thing to do, but we also know that aligning with the planet makes good business sense.

GRI CATEGORY	GOAL	UPDATE
REDUCTION OF DIRECT EMISSIONS – SCOPE 1 GRI CATEGORY 305-1	**Set long term plan while reducing 5% in F2023** *Updated goal for F2024 and beyond:* Be carbon neutral by 2030, with a 5% reduction in F2024	This year we expanded our scope 1 reporting to include all 10 of our sites, more accurate fleet information, and ancillary fuels such as dyed diesel. While our direct emissions from our buildings decreased by 5% in F2023 vs F2022 (1100 vs 1161 t CO_2e), our overall scope 1 emissions only decreased by 1% in the same period (1630 vs 1644 t CO_2e). The key reason was our company fleet was much more active in F23. A bright spot in our emissions reduction journey was the impact of our upgraded heating equipment to radiant heating in Toronto. This upgrade enabled a 25% reduction in our natural gas usage at that site. *What's next:* New efficient heating systems are being added in Edmonton as part of a major renovation: forced air in the office and radiant heating in the warehouse. This is forecasted to be complete in F2025. A pilot program to understand and improve natural gas usage will be done at one of our Ontario sites, with lessons learned rolled out across all sites.
REDUCTION OF ENERGY CONSUMPTION – SCOPE 2 GRI CATEGORY 302-4	**Measure energy consumption across sites, set targets + high level plan**. *Updated goal for F2024 and beyond:* Be carbon neutral by 2030, with a 5% reduction in F2024	Quantum achieved 14% reduction achieved in F2023 over F2022 (470 vs 544 t CO_2e). Quantum has upgraded lighting in several facilities, switching to more efficient LED bulbs. Savings were also achieved by reorganizing operations and shutting down inefficient machines. *What's next:* Montreal is the next site to be completed for a LED retrofit. Quantum is assessing adding solar to two sites. An energy assessment is being done in Edmonton to understand opportunities for improvement there and across all sites.
REDUCTION OF SUPPLY CHAIN EMISSIONS – SCOPE 3 GRI CATEGORY 305-3	**Measure scope 3, set long term goals for emissions reduction + high level plan.** *Updated goal for F2024 and beyond:* Set a long term target with plan by F2025	An initial scope 3 assessment was completed. Nine of the 15 scope 3 categories are deemed significant and applicable. After performing a rough order of magnitude test, Quantum determined scope 3 emissions are approximately seven times our scope1 and 2 emissions combined. *What's next*: In F2024, year we are establishing a high level plan and exploring how to efficiently and accurately capture some of the data points.

RELATED **UNSDGS:**

9-INDUSTRY, INNOVATION AND INFRASTRUCTURE

7-AFFORDABLE AND CLEAN ENERGY
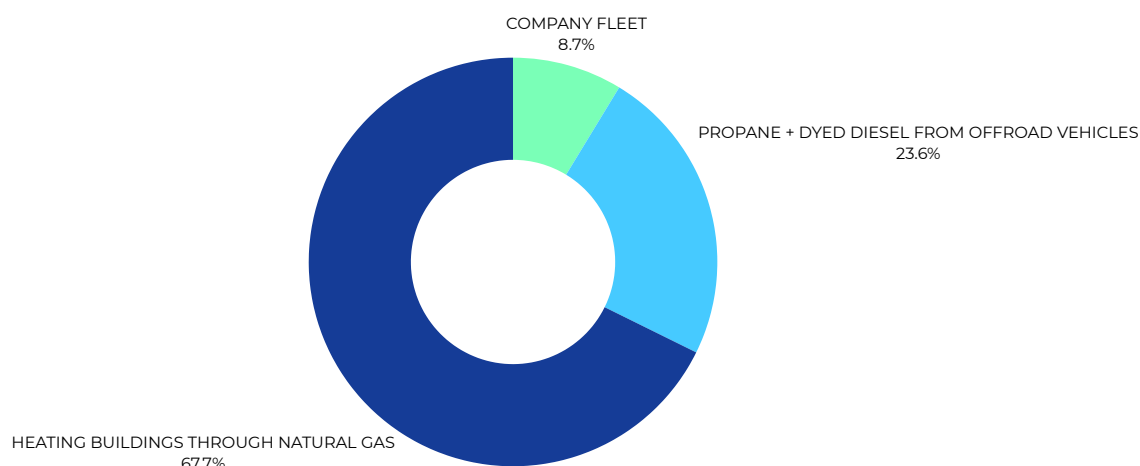
13-CLIMATE ACTION

UPDATING OUR F2022 DATA

As Quantum progresses in our ESG journey, we have been able to update data points for a more accurate reflection of the company.

As a result, we updated our F2022 data in the following ways:

- We have added Quantum Costa Rica's data in our emissions reporting, as this site maintains an independent set of data from the Canadian operations.
- The utilities from our Ottawa and Hamilton sites had been excluded as electricity and natural gas are included in the rent by the landlords. No separate utility data is available. This year we updated our data to include an estimation of utilities based on the square footage of the sites and multiplied against Brampton, which is a similar function and in the same province.
- In comparing our F2023 electricity data in Calgary against F2022, we noticed a significant decrease in usage that we could not explain. We believe the root of the issue is credits that had been applied in 2021 and 2022, which skewed the data. We now have averaged F2021 and F2022 data, which gives a more accurate representation.

SCOPE 1 EMISSIONS BREAKDOWN

COMPANY FLEET
8.7%

PROPANE + DYED DIESEL FROM OFFROAD VEHICLES
23.6%

HEATING BUILDINGS THROUGH NATURAL GAS
67.7%

SPOTLIGHT

CASE STUDY ON TRANSPORTATION EMISSIONS BY ROAD, RAIL AND EV SEMI

Quantum had Sustainability Leadership do a case study for us on the carbon emissions of rail vs transport truck vs EV semi truck.

The case study determined both rail and EV semi were about 10x more emissions-efficient than road.

Listen to the Circular Future podcast episode number 3 where we dive into the results.
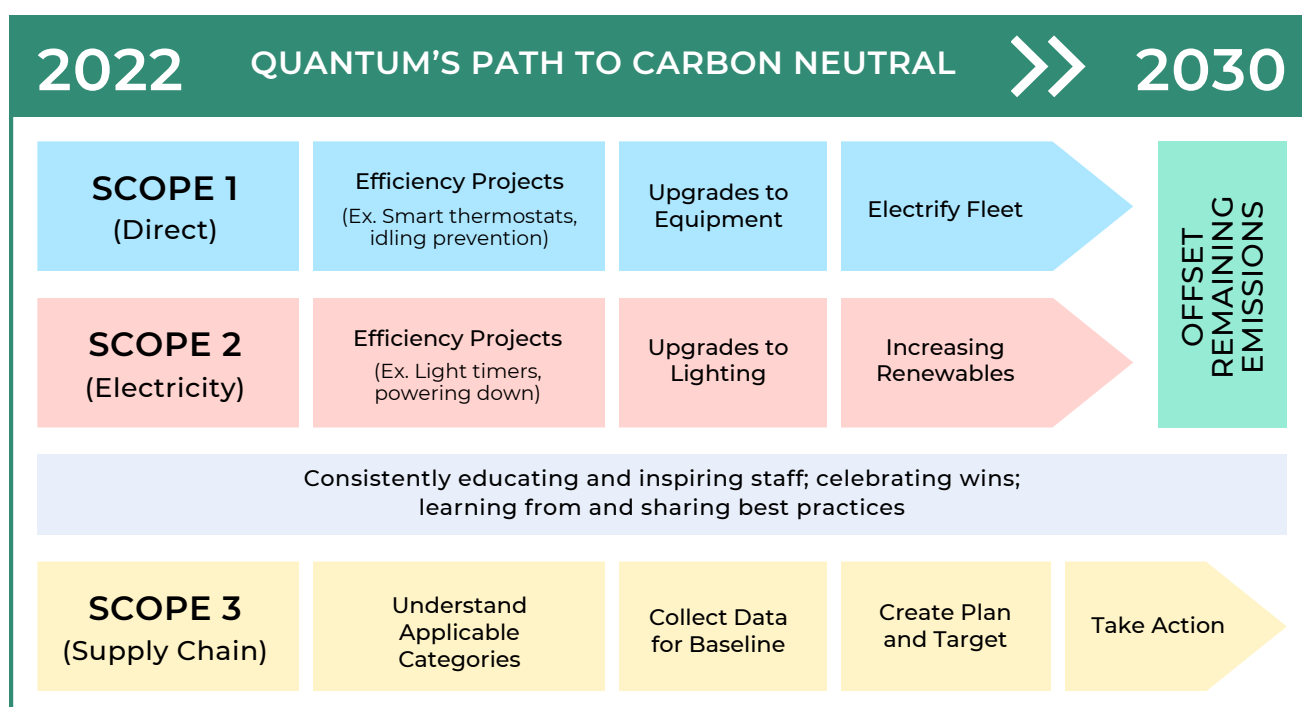
QUANTUM'S GOAL:

BECOME *CARBON NEUTRAL* BY 2030

Quantum is working towards becoming carbon neutral by 2030 – meaning our scope 1 and 2 emissions will net out to zero. We will do this through efficiency projects, applying innovations and investing in high quality carbon offsets.

Our strategy takes a science-based approach of a minimum reduction of 4% each year. We are committed to reducing our emissions as much as possible before using high quality carbon offsets for the rest.

We are working on our scope 3 emissions data collection and strategy alongside our carbon neutral targets.

2022	QUANTUM'S PATH TO CARBON NEUTRAL			2030
SCOPE 1 (Direct)	Efficiency Projects (Ex. Smart thermostats, idling prevention)	Upgrades to Equipment	Electrify Fleet	OFFSET REMAINING EMISSIONS
SCOPE 2 (Electricity)	Efficiency Projects (Ex. Light timers, powering down)	Upgrades to Lighting	Increasing Renewables	
Consistently educating and inspiring staff; celebrating wins; learning from and sharing best practices				
SCOPE 3 (Supply Chain)	Understand Applicable Categories	Collect Data for Baseline	Create Plan and Target	Take Action

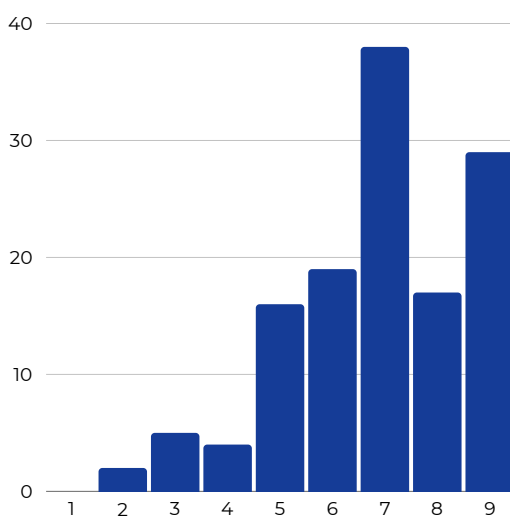# WALKING OUR TALK – NEW INITIATIVES IN F2023

GREEN TEAM LAUNCHED

A company Green Team was set up with representation across all sites. This committee addresses company-wide sustainability issues, improvements and requests. The team meets monthly.
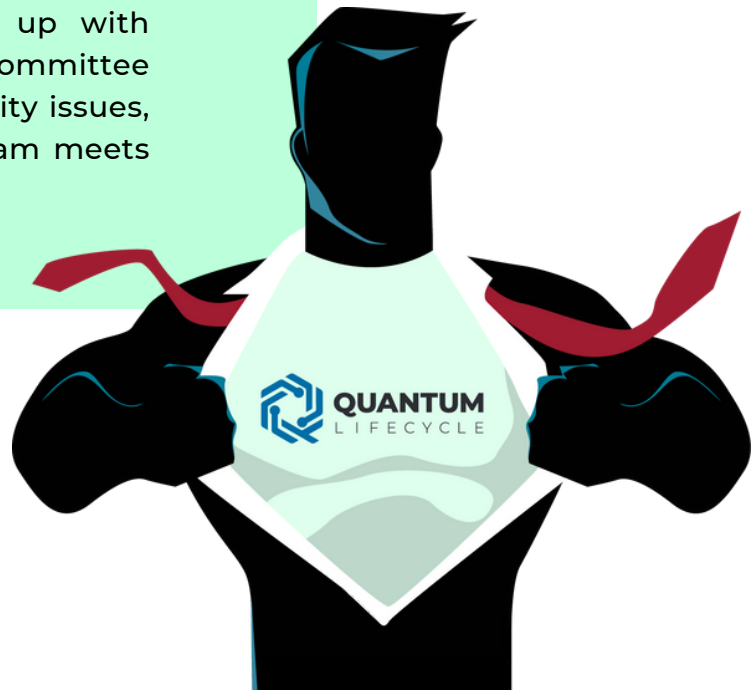
**Q:** OUT OF 9 HOW GREEN IS QUANTUM INTERNALLY?

AVERAGE RATING: **6.87**

COMPANY WIDE SUSTAINABILITY SURVEY

One of the Green Team's first tasks was to get feedback from all staff on how we were doing and any ideas for improvement. The results of our sustainability survey showed staff gave Quantum an average rating of 6.87 out of 9 on "how green is Quantum internally."

WALKING OUR TALK – NEW INITIATIVES IN F2023

WASTE SIGNAGE

Signage was updated and standardized across all offices and lunchrooms, and reminders to put waste in the right place became an ongoing focus for the company culture.
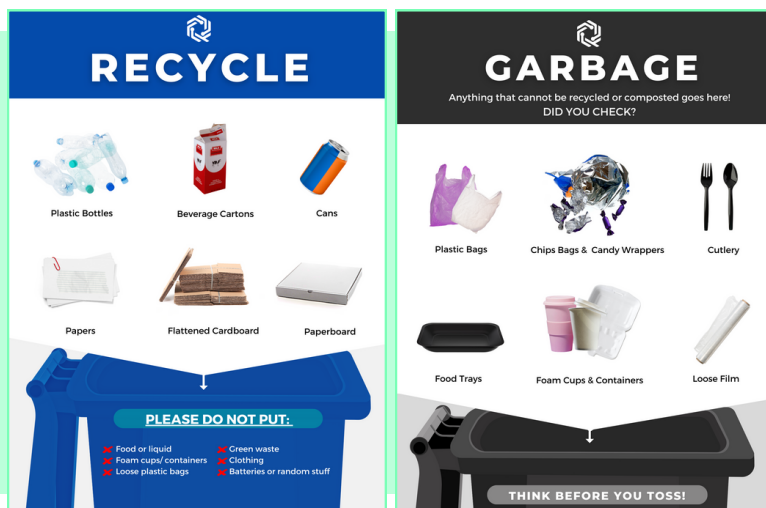
REDUCTION OF SINGLE USE PLASTICS

All staff were given reusable water bottles, eating utensils and lunch bags to help increase reuse and focus on reduction of single use plastics.

SUSTAINABILITY SUPERHERO BINGO

For Waste Reduction Week in October 2022, staff were encouraged to do eco actions and fill out a BINGO card.

CUSTOMER IMPACT

Customers are at the centre of what Quantum does day in and day out. Quantum exists because of our customers. When we help them to reuse and recycle their electronics, we're also serving the planet better too.

GRI CATEGORY	GOAL	UPDATE
RECLAIMED PRODUCTS AND THEIR PACKAGING MATERIALS GRI CATEGORY 301-3	**Increase landfill and incineration diversion: 330,000+ assets sold and 70 million+ lbs recycled.** *Updated goal for F2024 and beyond:* Save/avoid 100,000 tonnes of CO2e by 2028	Due to competitive reasons, we are not releasing our exact numbers. However, Quantum exceeded both our assets sold and weight of electronics recycled. We have seen the most growth in our reuse side of the business with significant double-digit percentage growth. In doing so, Quantum ensured that 83,406 tonnes of CO2e was saved or avoided in F2023. **What's next:** Increase our savings by 4% to 86,700 tonnes of CO2e in F2024

RELATED UNSDGS: ∞   12-Responsible consumption and production
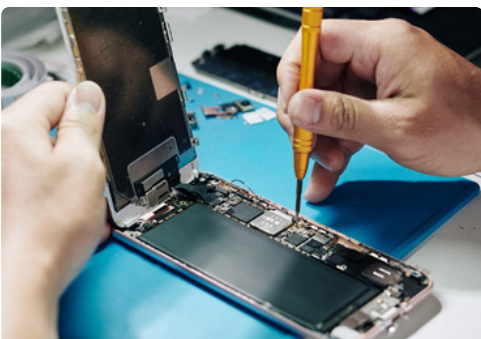
INDUSTRIES SERVED

- Telecom
- VARS
- Small Businesses
- Finance & Insurance
- Governments & Municipalities
- Pros and Producers
- School Boards & Universities
- Retail
- Healthcare

SPOTLIGHT AN EXPANDED MOBILITY OFFERING

- Streamlined end-of-life mobile and IoT device management
- Safe and effective reuse and recycling solutions for corporate cell phones via parts harvesting and refurbishment option
- Device buyback programs for small, medium and enterprise clients
- Associate member of the CTIA
- All Quantum facilities are WISE level 1 certified
- Partner with all major carriers in Canada

NEW INITIATIVES TO HELP CUSTOMERS

Quantum is proud to have launched new initiatives to educate customers not only on their impact, but also where we should go as an industry and society.

SUSTAINABILITY REPORTS

In June 2022, Quantum launched new Sustainability Reports for our customers.

The reports show your company's waste diversion impact by reusing and recycling your product through Quantum. Because reuse and recycling helps to avoid new manufacturing and mining, we also give you the estimated carbon emissions saved or avoided.
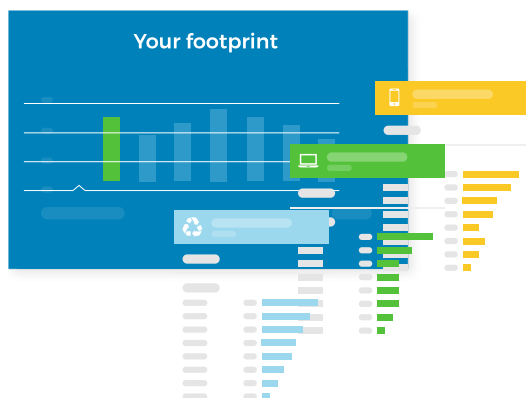
QUANTUM'S PODCAST

In F2023, we launched our podcast, The Circular Future, your access to thoughts leaders and innovations to help you be a business sustainability leader, especially if ESG is not your core job.

Find the podcast on our website, Apple, Spotify, or wherever you get your podcast from.

LISTEN HERE:

TEAM IMPACT

Quantum staff are called Sustainability Superheroes. We are proud of what we accomplish as a team and are striving to be best-in-class for providing a safe, inclusive, and equitable work environment for all.

GRI CATEGORY	GOAL	UPDATE
HAZARD IDENTIFICATION, RISK ASSESSMENT AND INCIDENT INVESTIGATION GRI CATEGORY 403-2	**Increase the number of hazards reported to 2/ person in F2023**	Hazards reported were 58% higher than forecasted (968 hazards reported). Total Recordable Injury Rate (TRIR) came in 25% lower than anticipated. Forecast was 4.5 and we finished at 3.4 – a 25% improvement. *What's next*: Achieve a TRIR of less than 3.06.
WORKER PARTICIPATION, CONSULTATION AND COMMUNICATION ON OCCUPATIONAL HEALTH AND SAFETY GRI CATEGORY 403-4	**Increase engagement in health and safety committees by 10% in F2023**	Overall engagement in health and safety committees increased by 12% during F2023. *What's next:* More hourly involvement and maintain participation, especially encouraging communication about personal health and safety requirements.
RATIO OF BASIC SALARY AND REMUNERATION OF WOMEN TO MEN GRI CATEGORY 404-1	**Measure remuneration ratio by job classification in F2023 to understand where Quantum is at**	As a first step, we determined how we would measure this category. Because employees' positions are aligned to a pay grade range, we will measure the compensation ratio of wages within the position's grade. We will only look at positions with 5 or more employees in it. *What's next:* Identify the applicable positions and analyse them based on gender. This will be completed for the F2024 report.
PERCENTAGE OF EMPLOYEES RECEIVING REGULAR PERFORMANCE AND CAREER DEVELOPMENT REVIEWS GRI CATEGORY 404-3	**100% of eligible employees to receive performance reviews, both hourly and salaried workers.**	Salaried employees performance reviews are in place with documented mid-year and year end reviews. We have also added A quarterly check-in process after Q1 And Q3. All eligible hourly employees will have documented performance reviews completed at mid-year and year-end – this program formally launching August 2023. *What's next:* Work to incorporate Montreal and Costa Rica hourly employees.

GRI CATEGORY	GOAL	UPDATE
AVERAGE HOURS OF TRAINING PER EMPLOYEE GRI CATEGORY 405-1	**Measure training hours per employee, with the ultimate goal of having 2 hours of training per month**	While training has been occurring regularly, Quantum has not been capturing the associated data with consistency. As of July 2023, systems are now in place to start capturing training hours monthly. *What's next:* Work towards the goal of having all employees receive 2 hours of training per month.
DIVERSITY OF GOVERNANCE BODIES AND EMPLOYEES GRI CATEGORY 405-2	**Measure ratio of male to female, and by leadership level**	At the end of F2023, Quantum had 398 males and 118 females for a 77/23 ratio. The senior leadership team is 8% female, while the leadership team is 27% female. Given Quantum is privately held and the board is comprised of the two shareholder groups, the breakdown is not included here. *What's next:* Perform an analysis of what additional actions should be taken in the area of diversity

RELATED **UNSDGS:**

9-INDUSTRY, INNOVATION AND INFRASTRUCTURE

8-DECENT WORK AND ECONOMIC GROWTH

10-REDUCED INEQUALITIES

HIGHLIGHTS OF OUR SUSTAINABILITY SUPERHEROES

Our staff are passionate about what they do and the impact they make everyday.

A TEAM PASSIONATE ABOUT BEING GREEN

In the company-wide sustainability survey, we asked staff "How passionate are you about being green?"

The average score was 7.63 out of 9.

INJURY RATES TIED TO BONUSES

15% of staff's bonuses are tied directly to the company Total Recordable Injury Rates. We take safety seriously.

LEARNING LIVES

Quantum started monthly Learning Lives, like lunch and learns, to educate employees on wellness, tech tools, budgeting and more.

BEACH VOLLEYBALL CHAMPS

Quantum held employee participation events and our beach volleyball team won the Heatwave tournament benefitting Sick Kids!
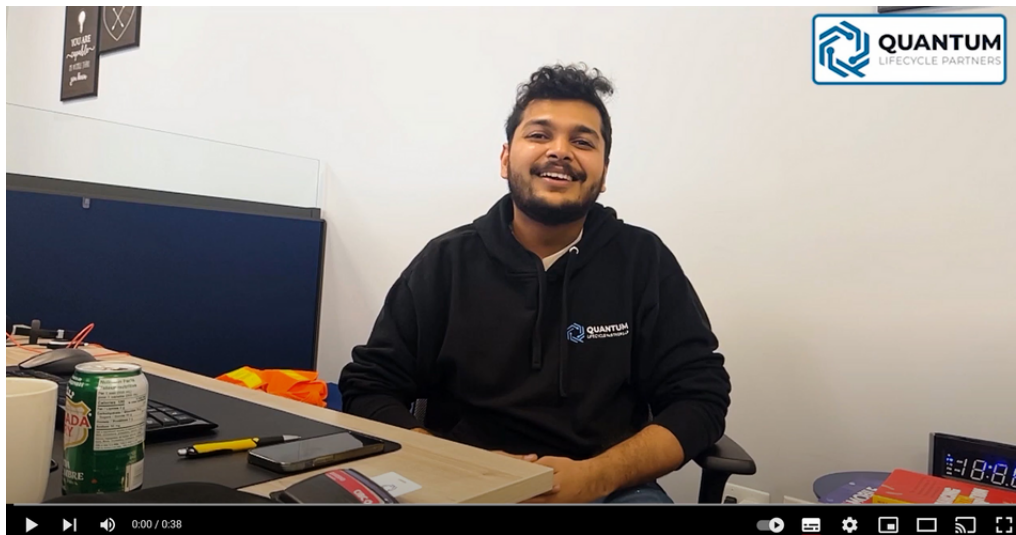
WELL6 CHALLENGE

In January 2023, we started an optional 6-month health and wellness challenge called WELL6. Over 70 participants signed up to take on an ambitious goal to improve their wellbeing.

22

SPOTLIGHT

MEET A FEW OF OUR SUSTAINABILITY SUPERHEROESAND HOW QUANTUM'S CORE VALUES SPEAK TO THEM

HR STATS

TOTAL NUMBER OF SUPERHEROES: 516

AVERAGE SUPERHERO YEARS OF SERVICE: 5.02 YEARS

YEARS OF SERVICE RANGE	0-05	06-10	11-15	16-20	21-25	25+
NO. OF SUPERHEROES	303	92	52	18	8	6

AVERAGE SUPERHERO AGE: 40.09 YEARS OLD

AGE RANGE	18-24	25-40	41-55	56+
NO. OF SUPERHEROES	45	214	141	79

QUANTUM
LIFECYCLE PARTNERS

Partners for a Sustainable Future

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WEBSITE: quantumlifecycle.com

LOCATIONS:

Canada:
Barrie | Brampton | Calgary | Edmonton
Montreal | Ottawa | Toronto | Vancouver

Costa Rica: Cartago