



2022 ESG REPORT



ISO 9001 CERTIFIED
ISO 14001 CERTIFIED
ISO 45001 CERTIFIED

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About E-Cycling

E-Waste remains the fastest growing solid waste stream globally, with only 17% of the world's waste properly managed and recycled. Due to a number of social factors including new and improved technology being introduced faster than ever, electronics are becoming obsolete at much faster rate than ever before. This results in approximately 100 billion pounds of e-waste generated each year, a metric which is growing at a staggering rate.

Since 2008, E-Cycling has been leader in the e-Waste recycling service industry. E-Cycling core services include e-Waste Recycling, IT Asset Disposition (ITAD), Data Destruction, Universal Waste Recycling, and Equipment Remarketing. In addition E-Cycling offers onsite service solutions, reverse logistics services, equipment testing and repair, and secure storage containers.

We are proud of our role leading the way in circular economy initiatives through responsible reuse and recycling of electronic devices. Our work provides key services to support social, environmental and economic initiatives while also ensuring data privacy and compliance with all applicable laws.

ESG is what we do

Each month we recycle about 200,000 pounds of electronic waste between our facilities in Puerto Rico and Dominican Republic.

As a company we are focus on our mission of extending the lifecycle of electronic equipment, protect the environment, our clients and our employees.

We are the largest e-waste recycling company in the Caribbean. We are also the leaders in acknowledging that e-waste is more than a sustainability issue; it's a data security issue as well.

The company's objectives remain on the walls of our warehouses and conference rooms as a reminder of what is what we need to accomplish on a daily basis:

- Comply with Service Level Agreement 100%
- Maintain Zero Data Security Breaches
- Reducing scrap percentage by 5% annually
- Maintain zero back injuries/lifting incidents



INTRODUCTION

Leading by example

Our leadership understands that whatever we accomplish is made possible by our talented dedicated people. Fulfilling our company mission requires highly skilled employees to be fully engaged in accomplishing our objectives.

We protect and provide support for our workforce through wide-ranging opportunities for training, leadership development and well-being.

Resilience through Innovation

E-Cycling constantly promotes the importance of Data Security and the protection of people's privacy. In a world where the internet of things have become a part of everyone's life, the protection of Data Security is becoming a bigger challenge.

E-Cycling destroys all the data contained in Data Bearing Devices and is leading the industry with data security programs specially designed to adapt to this new era of internet of things.

The new problem on e-waste recycling - lithium batteries and solar panels.

At E-Cycling we are working to develop a sustainable process to recycle lithium batteries and solar panels.

Lithium batteries and solar panels have become an environmental challenge because of their hazardous components and safety threats.

Meanwhile in the face of a pandemic crisis that shut down companies from every industry, E-Cycling never stop our

Critical work diverting e-waste from landfills, never losing a single employee life to COVID, and doubling down on our commitments to the planet, people and privacy.

Next Steps

2022 was truly a challenging year for E-Cycling in terms of innovation, collaboration and ESG. This year we are implementing an Environmental Impact Report which will be available for all our clients. This report will help our clients to comply with their ESG Goals through our e-Waste Recycling and Data Security program.

The report tracks all materials processed by E-Cycling, including what material was sent for reuse and what was processed and recycled. The report shows the impact on Greenhouse Gas Emissions and energy usage for recycling or reuse of various product types and commodities. E-Cycling is able to determine the benefits of recycling or reusing these items.

In short we are providing our clients with statistical evidence of their ESG efforts and giving them something to truly be proud of.



MESSAGE FROM THE PRESIDENT

Dear Clients, Collaborators, Suppliers, Partners and Community in General

It is with great pride and a deep sense of responsibility that I present to you our company's inaugural Environmental, Social, and Governance (ESG) Report. As the President of E-Cycling Puerto Rico, I am honored to share with you our commitment to sustainability, transparency, and responsible business practices.

In today's world, businesses are not only measured by their financial success but also by the positive impact they have on the environment, society, and governance. We recognize that our operations influence not only our bottom line but also the communities in which we operate and the planet we all share.

This report represents a significant milestone in our journey towards a more sustainable and ethical future. It reflects our dedication to ESG principles and outlines the progress we've made in addressing the key issues that matter most to our clients and collaborators.

At E-Cycling, we believe that business success and societal progress go hand in hand. We understand that our environmental footprint, our relationships with employees, customers, and communities, and our governance practices play pivotal roles in shaping our reputation and long-term viability.

Within these pages, you will find an overview of our ESG initiatives, the measurable impact we've achieved, and our ongoing commitment to continuous improvement. We have set ambitious goals and benchmarks, and we are determined to meet and exceed them.

This report is not just a snapshot of where we are today; it's a compass guiding us toward a more sustainable and responsible future. It reflects our transparency, accountability, and unwavering dedication to creating value for all our clients and collaborators.

As we embark on this journey, we are acutely aware that our success depends on the collective efforts of our employees, partners, customers, and the communities we serve. We value your trust, support, and collaboration as we work together to build a better tomorrow.

Thank you for joining us on this transformative path. We look forward to your feedback, insights, and partnership as we continue to evolve and make a positive difference in the world.

Sincerely,

Eng. Jose Rivera
President

E-Cycling Puerto Rico Inc.





ENVIRONMENT

In 2022 E-Cycling collected over 2 million lb. of electronic devices. This resulted in over 3,000 assets of electronic equipment re-entering the economy for beneficial reuse, and over 2,000,000. Lb. of commodities responsibly recycled and reintroduced into economy to create new devices.

E-Cycling always encourages companies to participate on its Asset Recovery Program which allows to extend the lifecycle of equipment while also economically benefiting them. This helps reduce greenhouse gas emissions by keeping electronics in the ecosystem rather than recycling them. Devices destined for recycling are broken down into raw commodities.

E-Cycling Puerto Rico facilities hold the highest certification for sustainable recycling, including, R2v3, ISO 9001, ISO 14001 and ISO 45001.

On average, E-Cycling produces 2,000,000 lb. of commodities every year. These commodities help prevent natural resources depletion, labor exploitation, and deforestation across the globe. Through E-Cycling downstream partners these commodities enter back into the supply chain to produce new products and other devices. E-Cycling downstream partners ensure raw commodities are safely transported, further processed, and refined to make their way back into the marketplace.

Green House Gases (GHG) Savings by Reuse/Recycling

E-Cycling mission is to extend the lifecycle of products and parts to reduce the need for new raw material extraction. We do this by promoting the circular economy, increasing electronic recycling rates to protect the environment.



In 2022, E-Cycling recycled and reused over 2 million of pounds of electronics, equivalent to remove 689 passenger cars from the road per year. This is a significant reduction in our Carbon Footprint.

While E-Cycling recycling and reuse dramatically reduces the carbon footprint of our clients, E-Cycling operations do have their own Carbon Footprint reduction goals. We’ve conducted a formal quantification and captured more data points to understand greenhouse gas emissions in our operations.

This is part of E-Cycling corporate commitments to hold ourselves accountable for our footprint and encourage low-carbon innovations throughout our entire operations and supply chain.

We recognize that creating a more sustainable planet is a key interest of our clients and ourselves. We are committed to doing our part in reducing our footprint so we can not only provide our clients with the carbon-friendly service they are seeking but do so while having the smallest possible impact on the environment.



CARBON FOOTPRINT

While recognizing the importance of reducing carbon emissions is nothing new to E-Cycling, we have made great advances in better measurement and reporting the environmental impacts of properly recycling electronic devices.

In 2023 we started collecting data to estimate GHG emissions from our operations. With this data we identify that most of our GHG emissions resulted from the inbound and outbound shipments of materials. Identifying this hot spots in E-Cycling emissions inventory has become one of the critical indicators to take initiatives to reduce the carbon footprint.

Our challenge is that we need to continue to increase our efforts on collecting and responsibly processing more materials, but we need to find the way of doing this while reducing our GHG emissions. Our goal is to help in reducing raw commodity mining from the earth and hence improve GHG emissions and ecological impacts to the environment.

There are three different categories associated with Green House Gas Emissions that are used to describe the GHG emissions associated with an organization. Scope 1, scope 2 and scope 3 are the commonly used terms for this categories.

Scope 1 emissions are direct emissions from sources that are owned or controlled by the organization, such as emissions from combustion of fossil fuels in boilers, furnaces, or vehicles. These emissions are considered "direct" because they are produced by the organization itself.

Scope 2 emissions are indirect emissions from the generation of purchased energy, such as electricity, heat, or steam. These emissions are considered "indirect" because they are produced by another organization (e.g., a utility company) but are associated with the activities of the organization in question.

Scope 3 emissions are all other indirect emissions that occur in the value chain of the organization, such as emissions from the production and transportation of purchased goods and services, employee commuting, and waste disposal. These emissions are considered "indirect" because they are produced by third-party suppliers, customers, or other stakeholders.

By learning and identifying our Scope 1 to 3 GHG emissions, we've continued to make the planet a better place. Our goal of Carbon Neutral emissions by December 2024 has brought up more ideas that can help E-Cycling and our clients improve together.

E-Cycling Estimated Emissions Distribution

- Waste
- Business Travel
- Commuting
- Facility Energy Use
- Company Fleet
- Purchase Good and Service
- Purchased Packaging
- Capital Goods





SOCIAL-COMMUNITY OUTREACH & EDUCATION

E-Cycling helps our clients address their community relations through various programs including computer donation, cellphone recycling and asset recovery.

For more than 10 years we partnered with our clients to develop programs to support charitable organizations. We assist with multiple facets of the process, including the disposition, data sanitization, equipment testing, refurbish, remarketing or recycling.

Prior to the remarketing of the device, equipment go through E-Cycling ITAD program for audit, data sanitization and removal of any data or information they may contain.

Celu-Cash - cellphone data security, asset recovery and recycling program.

This program, awarded by the Puerto Rico Manufacturer Association, is designed to benefit people in general alongside charitable organizations.

Celu-Cash provides secure storage containers to collect cellphones and provide an environmental safe disposition and data sanitization process.

After collecting the devices, equipment go through E-Cycling ITAD program for audit, data sanitization and removal of any data or information they may contain.

After devices are properly sanitized, they are sorted either for material recovery or reuse. This generates value that goes back to a charitable organization that promotes environmental sustainable solutions to their communities.

This program promotes the Sustainable Development Goal Target 11.6: By 2030, reduce the adverse per capita environmental impact of cities by paying special attention to air quality as well as municipal and other waste management.



GOVERNANCE - DATA SECURITY AND RISK MITIGATION

IMPLEMENTATION OF THE R2V3 CERTIFICATION



SERI R2 (Sustainable Electronics Recycling International Responsible Recycling) is a certification program for electronics recyclers that sets standards for responsible and sustainable electronics recycling practices. The R2 certification is a third-party certification that verifies that an organization's electronics recycling practices meet the requirements of the SERI R2 standard.

The SERI R2 standard covers several key areas of electronics recycling, including data security, environmental protection, worker health and safety, and the proper management of materials throughout the recycling process. The standard includes requirements for the establishment of an environmental, health and safety management system, as well as for the tracking and management of materials through the recycling process

To obtain the R2 certification, an electronics recycler must undergo an audit by an accredited third-party certification body. The audit assesses the organization's electronics recycling practices against the requirements of the SERI R2 standard and verifies that it is effectively implemented and maintained. If the organization meets the requirements of the standard, it is granted the R2 certification.

The R2 certification can provide several benefits to electronics recyclers, including increased credibility and trust among customers and stakeholders, improved environmental performance, and a competitive advantage in the marketplace. It can also help recyclers to identify and address areas for improvement in their electronics recycling practices and to continually enhance their sustainability and responsibility in the electronics recycling industry.



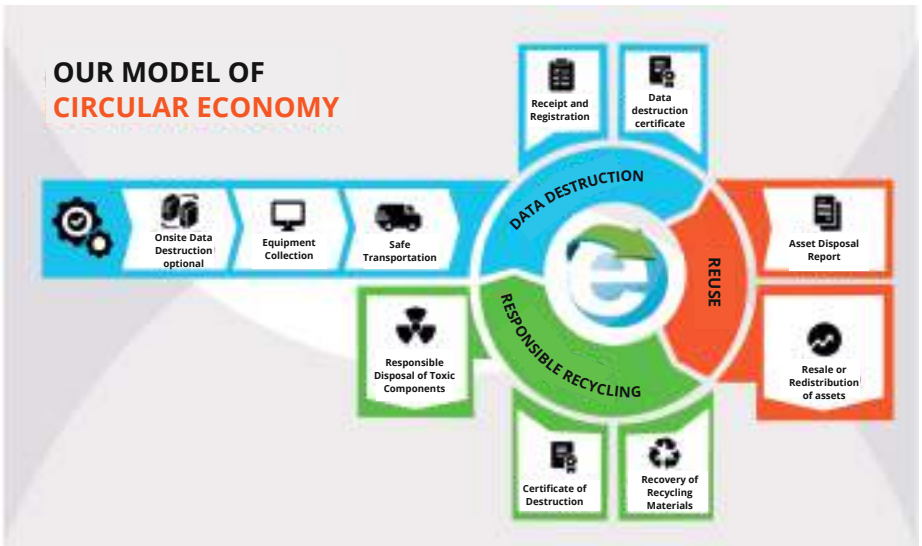


ISO 45001 is a standard developed by the International Organization for Standardization (ISO) that specifies requirements for an occupational health and safety (OH&S) management system. The ISO 45001 certification is a third-party certification that verifies that an organization's OH&S management system meets the requirements of the ISO 45001 standard.

The ISO 45001 standard is focused on helping organizations to manage their OH&S risks and improve their OH&S performance. The standard includes requirements for the establishment of an OH&S policy, the identification of hazards and OH&S risks, the development of objectives and targets, and the implementation of an OH&S management program.

To obtain the ISO 45001 certification, an organization must undergo an audit by an accredited third-party certification body. The audit assesses the organization's OH&S management system against the requirements of the ISO 45001 standard and verifies that it is effectively implemented and maintained. If the organization meets the requirements of the standard, it is granted the ISO 45001 certification.

The ISO 45001 certification can provide several benefits to organizations, including increased credibility and trust among stakeholders, improved OH&S performance, and a competitive advantage in the marketplace. It can also help organizations to identify and address areas for improvement in their OH&S management processes and to continually enhance their OH&S performance.





GOVERNANCE - DATA SECURITY AND RISK MITIGATION

IMPLEMENTATION OF A QUALITY MANAGEMENT SYSTEM - ISO 9001

On 2021, E-Cycling achieved an ISO 9001 Certification,

**ISO
9001
CERTIFIED**

ISO 9001 is a standard developed by the International Organization for Standardization (ISO) that specifies requirements for a quality management system (QMS). The ISO 9001 certification is a third-party certification that verifies that an organization's QMS meets the requirements of the ISO 9001 standard.

The ISO 9001 standard is focused on ensuring that organizations consistently provide products and services that meet customer and regulatory requirements, and that they continually improve their processes to enhance customer satisfaction. The standard includes requirements for organizational structure, policies, procedures, and resources, as well as for monitoring and measuring quality performance.

To obtain the ISO 9001 certification, E-Cycling must undergo an audit by an accredited third-party certification body. The audit assesses the organization's QMS against the requirements of the ISO 9001 standard and verifies that it is effectively implemented and maintained. If the organization meets the requirements of the standard, it is granted the ISO 9001 certification.

The ISO 9001 certification can provide several benefits to organizations, including increased credibility and trust among customers, improved quality performance, and a competitive advantage in the marketplace. It can also help organizations to identify and address areas for improvement in their QMS and to continually enhance their quality management processes.

IMPLEMENTATION OF AN ENVIRONMENTAL MANAGEMENT SYSTEM - ISO 14001

**ISO
14001
CERTIFIED**

ISO 14001 is a standard developed by the International Organization for Standardization (ISO) that specifies requirements for an environmental management system (EMS). The ISO 14001 certification is a third-party certification that verifies that an organization's EMS meets the requirements of the ISO 14001 standard.

The ISO 14001 standard is focused on helping organizations to minimize their environmental impact and comply with environmental regulations. The standard includes requirements for the establishment of an environmental policy, the identification of environmental aspects and impacts, the development of objectives and targets, and the implementation of an environmental management program.

To obtain the ISO 14001 certification, an organization must undergo an audit by an accredited third-party certification body. The audit assesses the organization's EMS against the requirements of the ISO 14001 standard and verifies that it is effectively implemented and maintained. If the organization meets the requirements of the standard, it is granted the ISO 14001 certification.

The ISO 14001 certification can provide several benefits to organizations, including increased credibility and trust among stakeholders, improved environmental performance, and a competitive advantage in the marketplace. It can also help organizations to identify and address areas for improvement in their environmental management processes and to continually enhance their environmental performance.

GOVERNANCE - DATA SECURITY AND RISK MITIGATION

Data and Privacy - Managing Risk

Due to the Internet of Things (IoT), there are more data bearing devices in use than ever before including wearables, smart watches, smart phones, compact media, storage devices, smart cars, smart homes, and much more. Because of this ever growing trend of being more connected, it is critical that individuals and organizations alike take data security and destruction seriously.

Research shows that identity theft continues to grow as we are more connected and have data stored on more and more devices.

E-Cycling tracks and destroys all data contained in data bearing devices which then are resold or recycled. Our facilities

Holds the highest level of certifications available for both data destruction and responsible recycling, being the only

Certified recycler in the Caribbean by R2v3, ISO 9001, ISO 14001 and ISO 45001.

Our facilities are secured with CCTV camera systems, alarm system, access control, and physical on-site security.

All E-Cycling employees, and staff are vetted and checked prior to being hired. Data Sanitization area have electronic access controls to limit only authorized personnel into this area.

At E-Cycling we maintain enhanced data security controls and perform physical or logical data sanitization in accordance with best practices, where data devices are managed to the highest level of sensitivity as required by the supplier or regulation.

Data Security Policy

E-Cycling Puerto Rico is committed to providing a secure environment for data bearing devices that could contain personally identifiable data of our customers, clients and partners. E-Cycling Puerto Rico strives for continual improvement of its products and services related to data security and protection. Our Data Security Policy demonstrates our commitment to the following:

- Access control in the facilities,
- Qualified Personnel handling data bearing devices.
- Data Breach Reporting.
- All employees are required regular training.
- Confidential Agreements.
- Identifies penalties for non-compliance

Data Breach Notification

Management will report, following discovery and without unreasonable delay, to the customer any release of, or unauthorized access to the customer's confidential material that poses a threat to the security or confidentiality of that information. Management will complete an incident response reporting form to document steps taken to investigate any breach, determine root cause, and corrective actions taken as well as to document notifications to customers. Management will notify customers no later than 30 days after a breach has taken place.

Quality Control

Our quality control management system verifies that received equipment and components containing data:

Were processed as planned
Quantities processed match quantities received
Clients are notified of any discrepancies

After verification, data storage devices shall be approved for release by the Data Protection Representative and records retained.

How we process Data Bearing Devices

All data containing devices at E-Cycling are processed by an asset management employee who is specially trained in hard drives wiping, shredding and degaussing. We follow the R2v3 standards for data security to ensure 100% of data is destroyed every time. Once hard drives are wiped, we verify that all data was destroyed. If we cannot verify that the data was erased, we will destroy the drive by shredding, to physically ensure 100% data destruction.

E-Cycling Data sanitization process are compliant with:

- Fair and Accurate Credit & Transaction Act (FACTA)
- The Fair Credit Reporting Act (FCRA)
- Gramm-Leach-Bliley Act (GLBA)
- Health Insurance Portability and Accountability Act (HIPAA)
- Sarbanes-Oxley Act (SOX)





DOWNSTREAM MANAGEMENT FOR RESPONSIBLE RECYCLING

Supporting the Circular Economy

In order to truly support the circular economy, E-Cycling tracks the movement of materials and commodities once they leave our facilities. E-Cycling only uses recycling services and downstream partners certified by specific organizations that meet or exceed our own rigorous requirements, audits, and approval processes.

This ensures compliance with all relevant health, safety, security, and environmental legislation. E-Cycling maintains a register of permits and license details for all our waste carriers, processors, recyclers, and commodity companies that we work with.

Internal Audits

E-Cycling conducts annual internal audits to improve operational practices and validate compliance with Certifications. Also, internal audits help us to prepare for audits to certification standards.

Downstream Vendor Audits

E-Cycling has a documented Downstream Vendor Management Program in compliance with the sustainable electronics reuse and recycle (R2) standard Appendix A - Downstream Recycling Chain. This program requires an audit evaluation and documentation for permits, insurance among other requirements from the R2 standard. First-tier, high risk or hazardous e-waste vendor (e.g. CRT's, batteries, or mercury containing devices) are audited annually.

International Partner Audits

For international partner E-Cycling audit process includes compliance with recycling industry standards, compliance with all relevant electronic waste laws and regulations. Compliance with E-Cycling standards for security, asset management, environmental safety, and service level agreements. International partners must also comply with downstream management and reporting and perform annual audits



ENVIRONMENTAL IMPACT REPORT



ENVIRONMENTAL IMPACT REPORT

CLIENT NAME: E-Cycling Puerto Rico







REPORT DATE: 01.01.2022 TO 31.12.2022



TOTAL ASSETS REUSED: 446
TOTAL LBS. RECYCLED: 18, 492

BY PROPERLY REUSING AND RECYCLING YOUR ELECTRONICS, THIS IS EQUIVALENT TO:

METRIC / EQUIVALENCY

<p>ENERGY SAVINGS:</p>  <p>ELECTRICITY TO POWER 45 US HOUSEHOLDS</p>	<p>GREENHOUSE GAS REDUCTION:</p>  <p>REMOVING 55 PASSENGER CARS FROM THE ROAD PER YEAR.</p>	<p>SOLID WASTE REDUCTION:</p>  <p>SOLID WASTE GENERATED BY 5.22 US HOUSEHOLDS IN A YEAR.</p>
<p>PRIMARY MATERIAL SAVINGS:</p>  <p>THE WEIGHT OF <0.01 EMPIRE STATE BUILDING.</p>	<p>HAZARDOUS WASTE REDUCTION:</p>  <p>THE WEIGHT OF <0.01 EIFFEL TOWERS.</p>	<p>TOXIC MATERIAL REDUCTION:</p>  <p>THE WEIGHT OF 2.87 BRICKS.</p>
<p>AIR EMISSIONS SAVINGS:</p> <p>280.00 METRIC TON(S) OF AIR EMISSIONS.</p>	<p>WATER EMISSIONS SAVINGS:</p>  <p>9.30 METRIC TON(S) OF WATER EMISSIONS</p>	<p>COST SAVINGS:</p>  <p>\$58,002.63</p>



EIR P.1 Date Issued 06.08.2023 Revisión N° 1.0



E-WASTE SECURE STORAGE SOLUTIONS



FLUORESCENT LAMPS CONTAINER



BATTERIES CONTAINERS



ELECTRONIC EQUIPMENT STORAGE CONTAINER



ECO BOX

THE E-CYCLING FAMILY



CONCLUSION

As we bring this 2022 ESG Report to a close, we reflect on a year filled with challenges and opportunities, marked by our unwavering commitment to sustainability and responsible business practices. At E-Cycling, we firmly believe that our actions today shape the world of tomorrow, and this report illustrates our dedication to making a positive impact on our environment, society, and governance.

Throughout the pages of this report, you have seen the tangible results of our efforts – the reduction in our carbon emissions, the diversity and inclusivity initiatives that have enriched our workforce, the strides we’ve made in ethical governance, and our active engagement with stakeholders who hold us to account.

But this report is not just a retrospective; it’s a testament to our forward-looking vision. It’s a pledge to continue our journey toward a more sustainable and equitable future. We acknowledge that there is much work to be done, and we embrace the challenges that lie ahead with enthusiasm and determination.

The stories within these pages are not just about us; they are about all of us. Our employees who have embraced our ESG goals, our customers who demand responsible products and services, our partners who believe in the value of ethical practices, and the communities where we operate – together, we are driving positive change.

As we turn the page on 2022 and look to the future, we carry with us the lessons learned, the progress made, and the vision that guides us. We remain committed to transparency, accountability, and the pursuit of excellence in ESG performance. We invite you to hold us to our commitments and share in our aspiration for a better world.

We extend our heartfelt gratitude to our stakeholders, partners, and employees for their unwavering support and collaboration. Together, we will continue to make a meaningful difference, for the benefit of our planet, our people, and our shared prosperity.

Thank you for joining us on this remarkable journey. Together, we are writing a brighter, more sustainable future.

Sincerely,

Eng. Jose Rivera

President

E-Cycling Puerto Rico





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