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ESG - Here to Stay,
or Is It Losing Steam?

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- Trends and Best Practices
- How Does ESG Factor In
- Improper Management at End of Life
- Risk Mitigation



Evolution of an Industry



- ITAM is Born in the 1990s
- Informal Industry
- Environmental Impact Focus
- Data Security Focus
- ESG



Environmental Issues



Sources: BAN & Silicon Valley Toxics Coalition 2002



Source: GreenNews 2019



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Environmental Concerns

Why recycle?

- Environmental Compliance
- Electronics Contain Heavy Metals-Lead, Mercury and Cadmium
- Laws and Regulations
- Prevent Illegal Export
- Batteries and Fire



Clean-up Costs

- ITAD, recyclers, OEMs, non-profits and government agencies-paid \$11 Million + for Clean Up Costs of defunct CRT processor in OH; AZ estimated at \$15 million
- TJ Maxx-\$2.05 million for Improper Disposal of items including electronics and batteries from 2016-2021. Paid \$2.77 million for same thing in 2014!
- Old Dominion Freight-\$1.36 million in 2022
- Walgreens, BB&B, Ross-over \$8.0 million in 2020



ESG-New Buzzword for Sustainability Reporting, or Does It Go Further?

- R2 and e-Stewards Require Tracking of Downstream Vendors/Processors
- Reducing Carbon Footprint, Using Less Resources, Less Mining, Saving on Energy
- Reuse Internally, Charitable Donations
- Avoid Landfill



US Recyclers Process More Than 5 Million Tons Annually

1 million cellphones recycled yields

- ✓ 33 pounds of Palladium
- ✓ 75 pounds of Gold
- ✓ 772 pounds of Silver
- ✓ 35,000 pounds + of Copper

1 million laptops recycled =
Energy savings equivalent
to electricity used by almost
3700 homes annually.

- ✓ Reuse
- ✓ Refurbish
- ✓ Recovery
- ✓ Recycle

Fun Fact: 2200 pounds of personal computers (PCs) contain more gold than that recovered from 17 tons of gold ore



How many tons of electronics are recycled annually?

- a) 2 million
- b) 5 million
- c) 8 million



Present Day

- Focus on Data Security Concerns
- ESG?
- Mature Industry
- ITAM or ITAD
- \$5.45 billion to the US Economy
- Employs 28,243 People Directly



Source: www.isri.org

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IT Asset Disposition



- Lifecycle management/retirement of assets
 - Logistics/reverse logistics
 - End of lease services
 - Inventory reporting
 - Data destruction
 - Redeployment
 - Remarketing
 - Recycling



Data Security



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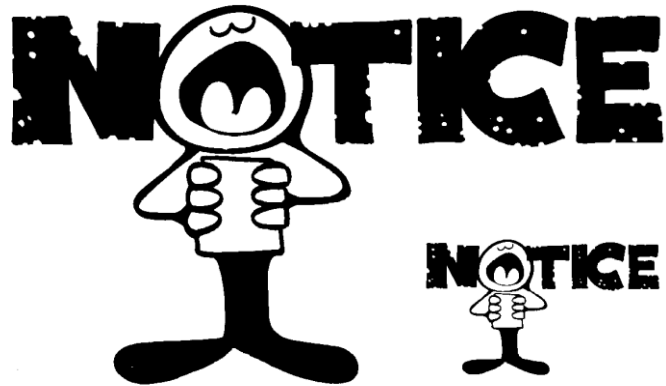
US Data Breach Costs

- 2006-\$3.54 million
- 2016-\$7.01 million
- 2017-\$7.35 million
- 2018 \$7.91 million
- 2019-\$8.19 million
- 2020-\$8.64 million
- 2021-\$9.05 million
- 2022-\$9.44 million



Costs-Trends

\$9.44 US vs \$4.35 Million Globally



Data Breach Fines and Settlements

- 2020-2022: Morgan Stanley fined \$60 million by Treasury Department; Legal settlement \$68.2 million; fined \$35 million by SEC
- 2022: T-Mobile \$350 million
- 2023: DNA Diagnostic Center \$400,000



Risk Considerations

- Encryption
- Data Erasure
- Onsite Hard Drive and Media Destruction
- Chain of Custody from You to Vendor
- Data Destruction Verification







Vendor Problems



Best Practices

- Transparency
- Certificates Tied to Equipment
- Hierarchy of Reuse, Refurbish, Recovery, Recycle
- Data Security Policies & Procedures
- Ownership, Time in Business
- Facility-Organized, Clean, Permits
- Employee Training



Long Before ESG was a Trend, ITAD/Recyclers Practiced:

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- Reduce Consumption
- Reduce Waste
- Reuse, Repair, Recycle

S

- Onsite Training
- Recognize Employees
- Employee Outings
- Provide Benefits
- Give Back to Community

G

- Follow Industry Standards
- R2, e-Stewards, NIST, NAID
- Legal Guidelines
- Environmental Regulations
- State, Fed and Local Laws
- Work with Integrity



Is ESG Staying Here and Is It a Good Thing?

- Corporate Responsibility Is Always Good to Strive For
- Can ESG Go Too Far?
- ESG Is Not Without Controversy
- ESG Can Be a Control Mechanism
- Will It Be Something That Can Be Used Against Us?



Thank you!

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