

PCdisposal.com

A History of Sustainable Values

2014 Sustainability Report

As our business has grown and evolved over the past decade and a half, PCdisposal.com understands sustainability--our history is built on it and our future depends on it.

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CEO letter

Dear Friends,

Welcome to PCdisposal.com's first Sustainability Report. For more than a decade and a half, PCdisposal.com has been in the sustainability business—we just never called it that. We take in electronic equipment organizations no longer need or want. Next, we separate the equipment into like categories (e.g., computers, monitors, servers, cell phones, PDAs, tablets) and then distribute those items to downstream vendors to either refurbish, reuse, recycle, or deconstruct into their component parts (e.g., plastics and base metals) that can be disposed of in an environmentally-responsible way. A key to our success is guaranteeing to our clients that any digital data stored on these devices is completely destroyed. Today, as our stakeholders seek to better understand what we do and how we do it, we are pleased to tell our story.

With this report, we want to share the ways in which we practice sustainability at PCdisposal.com. We also want to explore areas where we have an opportunity to improve. Fundamentally, PCdisposal.com delivers services that help support a global sustainability challenge—disposing of electronic equipment. We use advanced technology to destroy digital data, and then distribute the equipment for reuse, recycling, or destruction. As part of our commitment to sustainable practices, in 2013 we received R2 certification for Responsible Recycler Practices. This involved a huge effort on our part, but will provide our customers with yet another level of service and protection.

This report enables us to not only discuss the ways in which we are a solution provider, but also to consider how we might more strategically integrate sustainability into our organization's objectives from both business and operational perspectives. Although climate change has dominated the sustainability conversation in recent years, we know that being able to reuse equipment decreases the carbon foot-print needed to produce new equipment. Thus, from an energy standpoint, we support the broader development of a less energy intensive future.

A major source of pride at PCdisposal.com is the high standard to which we hold ourselves accountable. Our sustainability as an organization is inherently linked to our ability to operate safely, and we make safety training a priority for all employees.

Over the next years, we intend to more fully explore the issues related to sustainability and to develop a strategy that considers both the opportunities and risks associated with PCdisposal.com's environmental, social, and economic impacts. We want to better understand the forces driving our key customer markets so that we can appropriately position our services to meet their sustainability needs. We also intend to continue to operate as an effective, responsible partner. Where opportunities exist to improve our energy footprint, we will identify appropriate efficiency or reduction targets. As our business has grown and evolved over the past decade and a half, we understand *sustainability*—our history is built on it and our future depends on it.

Kory Bostwick, CEO
January 15, 2014

Organizational Profile

Who We Are and What We Do

Established in 1990, PCdisposal.com has become one of the leading PC recyclers in the United States. The business has evolved from single personal computer systems to an array of electronic devices including, but not limited to, cell phones, servers, printers, PCs, laptops, hard drives, monitors, scanners, fax machines, DVD players, PDAs, and tablets. With all of these devices, if there is digital data stored in it, we provide a \$1,000,000 guarantee that the data will be permanently and irrecoverably destroyed. Next, the equipment is sorted into categories before it is distributed to downstream vendors who either refurbish, reuse, recycle, or deconstruct the equipment into its base components (e.g. plastics and base metals) for reuse or disposal.

PCdisposal.com's goal is to allow for the reuse of the electronic devices that pass through its processing facility near New Century Airport in Gardner, KS. In cases where the device has reached the end of its useful life, PCdisposal.com distributes it to downstream vendors who deconstruct it so that its components can be recycled and/or disposed of in an environmentally-responsible way. PCdisposal.com's processes and procedures are EPA-approved and compliant with the R2 (Responsible Recycler Practices) certification the company earned in 2013. The certification process involved a huge effort on our part, but will provide our customers with yet another level of service and protection.

Who we are today is a reflection of our decade old history — one that values integrity, hard work, and doing the right thing. Where we go tomorrow will be shaped by our history and defined by the opportunities we create.

Financial Performance

In fiscal year 2013 (FY13), PCdisposal.com had less than \$10,000,000 in revenues. Over the past five years, PCdisposal.com has successfully increased its asset base without incurring any long-term debt. As we look ahead to fiscal 2014, we enter the year with a strong balance sheet. Our sustainability practices include ensuring PCdisposal.com's short-term and long-term financial stability.

Governance

As a Kansas Subchapter S Corporation, PCdisposal.com is allowed to have a single member as its Board of Directors. That person is company's primary shareholder and CEO, Kory Bostwick. A minority shareholder, George Semb, owns 20% of the shares of PCdisposal.com, and he is the author of this report.

Collaborations

It is a priority for PCdisposal.com to stay on top of emerging trends, industry research, and regulations pertaining to our industry. Our relationships with professional and trade

organizations give us access to the latest business insights and provide us an opportunity to collaborate with stakeholders.

About the Report

Report Parameters

A History of Sustainable Values is PCdisposal.com's first sustainability report. The entire report is available on the web from PCdisposal.com, and a brief summary may be requested by contacting sustainability@pcdisposal.com.

Unless otherwise stated, the data for this report is from the 2013 calendar year, which corresponds to our fiscal year. Because this is our first report, we also include historical information about recent, relevant topics that have taken place prior to 2013. We expect future reports to reference and conform to the immediately previous fiscal year for all data.

PCdisposal.com recognizes the importance of external reporting standards in promoting transparent and comparable disclosures on company performance. Our present sustainability report takes full account of the Global Reporting Initiative (GRI) guidelines—the world's most widely used sustainability reporting framework. [Click here](#) to learn more about the Global Reporting Initiative.

Our GRI Content Index provides a description of the material GRI Indicators and Profile Disclosures and their location within this report. [Click here](#) for a complete version of PCdisposal.com's GRI Content Index.

GRI offers a service for organizations to have self-declared Application Levels confirmed. GRI concluded that our report fulfilled the requirements for Application Level C.

Once it is awarded, [click here](#) to review the official Application Level C Check Statement from GRI.

[Click here](#) to review GRI's Application Level Chart.

Further, we have used the G3 reporting principles to ensure the quality of this report.

Materiality and Stakeholder Inclusiveness

Materiality was assessed by PCdisposal.com employees representing each of the company's corporate functions. We did not conduct any formal stakeholder engagement for this report.

While our customers do directly affect our economic viability, we consider them to be secondary stakeholders in what we do. The reason companies and organizations engage our service is our \$1,000,000 guarantee that any and all data stored on any electronic device will be permanently and irrecoverably destroyed. Recycling, reuse, refurbishing, and deconstructing are

not priorities of our customers, but they are a priority for PCdisposal.com. (Note: Much as we might like to interview our customers as stakeholders, our competitors would like nothing better than for us to name them.)

We also consider our downstream vendors to be secondary stakeholders in what we do. After we separate the equipment into categories, downstream vendors bid on them, and we ship the product to them. We have no control over that equipment once it leaves our warehouse. While we make every effort to deal with vendors who have a track record of sound environmental practices, there is no way to guarantee how they will perform. (Note: for competitive reasons, we do not disclose who our downstream vendors are.)

Sustainability Context and Completeness

The information in this report covers topics that reflect PCdisposal.com's significant economic, environmental, and social impacts. This report includes topics that relate to our operations within the United States.

Balance and Clarity

PCdisposal.com is committed to transparent reporting of our material sustainability impacts. The emphasis of our report will reflect the materiality of the topics and we will present information in a way that is understandable and accessible. We will report favorable and unfavorable progress towards PCdisposal.com's goals.

Comparability and Timeliness

PCdisposal.com has followed the G3 Guidelines and has included a thorough GRI Content Index to enable the comparability of our performance to future and past performance at PCdisposal.com. We have not yet formally established the timing of our reporting cycle; however, we recognize that the convention is to report annually.

Accuracy and Reliability

This report was written by the minority shareholder, George Semb, who has a vested interest in the future operations of the company. All financial data are reviewed annually by the minority shareholder, and the results are reviewed and evaluated monthly by the company's CPA. This report was reviewed by PCdisposal.com's CEO and is published with his support and approval.

Forward Looking Statements

This publication may contain forward-looking statements within the meaning of Section 27A of the Securities Act of 1933 and Section 21E of the Exchange Act of 1934. Such statements may include, but are not limited to, statements of plans and objectives, statements of future economic performance and statements of assumptions underlying such statements, and statements of the Company's intentions, hopes, beliefs, expectations or predictions of the future.

Forward-looking statements can often be identified by the use of forward-looking terminology, such as "should," "intended," "continue," "believe," "may," "hope," "anticipate," "goal," "forecast," "plan," "estimate" and similar words or phrases. Such statements are based on current expectations and are subject to certain risks, uncertainties and assumptions, including but not limited to: unanticipated slowdowns in the Company's major markets, the availability of credit, the effectiveness of operational changes expected to increase efficiency and productivity, and economic and political conditions. Should one or more of these risks or uncertainties materialize, or should underlying assumptions prove incorrect, actual results may vary materially and adversely from those anticipated, estimated, or projected. These forward-looking statements are made as of the date of this publication, and the Company assumes no obligation to update such forward-looking statements or to update the reasons why actual results could differ materially from those anticipated in such forward-looking statements.

Sustainability Operations

Safety

PCdisposal.com's safety record represents a strong commitment to proactive risk management and comprehensive training. Our employees face daily safety challenges associated with moving, sorting, and placing electronic equipment on pallets. These challenges make safety one of our top priorities.

We deliver in-house safety training that is compliant with the most up-to-date OSHA and DOT regulations. On the job site, we ensure our field employees possess the necessary personal protective equipment and detailed, site-specific safety information that covers issues including confined space entry, environmental health, and safety plans, and on-site monitoring.

One of PCdisposal.com's most significant safety efforts is our annual safety training program in which we deliver training to our employees. We also work to ensure every employee understands and abides by our Accident Prevention Policy.

Evidence of our safety program's effectiveness is the fact that we have never had an accident and have had no lost time since we began doing business.

Environmental Stewardship

Throughout our history, environmental stewardship has been a key goal of PCdisposal.com's philosophy and operations. As we expand our array of solutions for our customers, we continue to seek ways to reduce our environmental footprint by finding vendors who will refurbish and recycle electronic equipment. For equipment that has reached the end of its useful life, we find vendors who will deconstruct equipment.

When we look introspectively at our own operations, PCdisposal.com's stewardship of the environment provides us with the opportunity not only to build upon our strong legacy of ethical behavior and responsible actions, but also to identify new efficiencies and to help improve the future of our employees and the community in which we operate.

We are proud of our company's history and culture of respect for the environment. Given the environmentally sensitive nature of our work, operating in compliance with EPA environmental regulations is strongly embedded with our company's policies, processes, and programs. This is evidenced in our priorities related to safety and training. However, compliance is not the end goal. We see the continued engagement in responsible actions and respect for the environment as an ethical mandate.

At PCdisposal.com, we actively seek new opportunities to improve environmental impacts across our operations by: (1) encouraging reuse of electronic equipment and (2) minimizing the environmental impact of deconstructed electronic equipment. These stewardship efforts provide an opportunity for PCdisposal.com to reduce operating costs, and to lead by example by proactively addressing global challenges related to energy and natural resources.

Encouraging Reuse of Electronic Equipment. PCdisposal.com excels in collecting, separating, and distributing unwanted and/or unneeded electronic equipment, and we understand the importance of managing our own footprint in a responsible way. Our goal is to provide a home for any piece of electronic equipment that still has a useful life. During 2013, about 20% of the equipment we received was shipped to vendors who refurbished and made it available for reuse. The remaining 80% of the equipment had reached the end of its useful life, so our goal was to find vendors who would salvage as much of the raw material as possible for use in other manufacturing activities. Raw material that could not be reused was disposed of in a minimally invasive manner.

While our goal is to recycle as much equipment as possible for reuse, we are at the mercy of our upstream clients. Some clients wait years before sending their retired equipment to us, in which case nearly everything has reached the end of its useful life. Other clients upgrade quite frequently (e.g., every two years), in which cases much of the equipment can find another home.

Minimizing the Environmental Impact of Disposed Electronic Equipment. The costs and environmental impact associated with disposing of electronic equipment drives PCdisposal.com to find ways to reduce it. First, we try to find vendors who will salvage as much of the raw material as possible. For items and salvage material that have no other useful life, what remains is disposed of in a minimally invasive manner. For this, we depend upon the integrity of our downstream vendors to act in the environmentally sensitive way that they have stated to us.

Responsible electronics recycling provides important benefits, such as: (1) reducing environmental and human health impacts from improper recycling; (2) increasing access to quality reusable and refurbished equipment to those who need them; and (3) reducing energy use and other environmental impacts associated with mining and processing of virgin materials, thus conserving limited natural resources.

Currently two accredited certification standards exist: the Responsible Recycling Practices (R2) and the e-Stewards® standards. Both of these certification programs share common elements that ensure responsible recycling of used electronics. These programs advance best management practices and offer a way to assess the environmental, worker health, and security practices of entities managing used electronics. Specifically, these certification programs are based on strong environmental standards which maximize reuse and recycling, minimize

exposure to human health or the environment, ensure safe management of materials by downstream handlers, and require destruction of all data on used electronics. **PCDisposal.com is proud to announce that they met R2 criteria in 2013 and were awarded R2 certification.**

Certified electronics recyclers have demonstrated through audits and other means that they continually meet specific high environmental standards and safely manage used electronics. Now that PCDisposal.com is R2 certified, we are held to the standard set by the independent accredited certifying body. The EPA supports and will continue to push for continuous improvement of electronics recycling practices and standards.

Energy and Carbon Footprint

PCdisposal.com has always worked to ensure that we act responsibly. A fundamental aspect of responsible operations is the efficient use of resources, and we strive to consume energy in a manner consistent with this approach. Our primary energy impacts result from the electricity and fuel used to power our equipment. While we do not track energy use across all areas of our business, we intend to establish a system this year to track total energy use. We always look for opportunities to improve the energy efficiency of our fleet whenever possible. For instance, we have replaced older equipment with more efficient models that require less fuel.

Health and Wellness

PCdisposal.com understands that our future success depends upon a healthy workforce. We believe that supporting our employees in improving their health and wellness is the right thing to do. As health care costs continue to rise, we are faced with an economic challenge — what can we do to reduce costs while improving the overall health of our organization? We have designed a wellness program that delivers education and helps our employees make more informed health decisions. Recognizing the need to have a health and wellness expert leading the initiative, we contracted with our minority shareholder, Dr. George Semb, who is a behavioral psychologist, to lead this effort. We will launch this program in 2014 by offering a \$150 health savings account (HSA) contribution to anyone who has a physical exam, and additional \$100 HAS contribution for the completion of a health risk appraisal.

Our wellness program may be new, but the philosophy behind it is not. We must do all that we can to support the employees who work for us. To be successful in the future, PCdisposal.com must have healthy employees today.

Workplace

The work environment at PCdisposal.com is just as important as the work we do. Establishing an ethical framework for doing business, embracing diversity, and creating learning opportunities for our team are all part of our history and critical elements of our future.

Ethical Behavior

We are committed to operating in an ethical manner wherever we do business. This means that we adhere to laws and regulations that apply to our business wherever we operate and often go beyond those requirements based on our stringent internal standards, policies, and processes pertaining to workplace issues such as child labor, harassment and discrimination, and forced labor.

PCdisposal.com's *Code of Business Conduct and Ethics* serves to foster a culture of honesty and accountability. As part of our Corporate Compliance Program, all of our employees, officers, and directors are accountable for adherence to our Code of Business Conduct and Ethics.

Diversity and Equal Opportunity

PCdisposal.com values teamwork as an essential element of a strong culture, and we seek to build a productive, motivated workforce by treating all employees with fairness, dignity, and respect. As an equal opportunity employer, we are committed to hiring as many local residents as possible to staff our projects. We hire and promote the most qualified individuals for each position, regardless of age, gender, sexual orientation, nationality, race, religion, color and other indicators of diversity.

PCdisposal.com employs nine people, seven males (78%) and two females (22%). There are four workers under age 30 (44%) and five between the ages of 30 and 50 (56%). Four employees (44%), two males and two females, work in sales, marketing, logistic planning, and customer service. Five employees (56%), all males, work in the warehouse.

Talent Development

For PCdisposal.com to be successful and sustainable, we must employ a highly qualified workforce that embraces our standards for quality and excellence. This requires attracting qualified and diverse talent, training them to perform to our high standards, and providing them with opportunities to enhance their learning. With fair wages, we believe we provide our employees with competitive compensation while also offering them unique opportunities to develop.

Talent development includes training and leadership development activities. We provide all employees with job-specific training as necessary and deliver safety training through our comprehensive safety management program.

For years, learning and evolving has enabled us to remain ahead of our competitors. Maintaining this focus on excellence and employee development will continue to position us as a leader in our industry.

Sustainable Services

Solving Regional and National e-Waste Challenges

For PCdisposal.com, solving e-waste problems is our greatest challenges, dating back to 1996 when we first started the business. Today, the global challenges we face are more complex as the number and types of electronic equipment grow almost exponentially in both number and form, from computer and servers to cell phones, i-pads, and PDAs, and tablets.

Developing e-Waste Sources

Before PCdisposal.com can begin to recycle, we need to find the equipment, sort it into categories, and then determine how much of it might be refurbished and recycled, and how much of it is at the end of its useful life. We partner with clients to identify and understand their electronic waste needs, and with that information, we design the most efficient system possible — one that minimizes the impact on the environment and produces the client's need for secure and reliable data destruction.

Beyond e-waste recycling, PCdisposal.com also improves the sustainability of existing electronic resources. Our staff is trained to identify equipment that is still viable, while at the same time meeting the needs of our clients to securely and reliably destroy all data in any device that enters our facility. Thus, our expertise allows us to make informed decisions about sustainable resource reuse and destruction.

Opportunities for the Future

Over the next few years, e-waste recycling and disposal will emerge as a dominant global sustainability challenge. With population growth, emerging economies, and other factors increasing demand for electronic equipment, PCdisposal.com is prepared to provide advanced solutions to this global challenge.

We envision three key areas in which PCdisposal.com can deal with e-waste recycling and disposal: 1) reliable, intelligent detection of equipment that may still have a useful life; 2) identifying more advanced technologies to deconstruct and reuse electronic waste materials; and 3) new and improved way to destroy a wider array of data (e.g., pictures, posts, and encrypted information) from an increasing universe of data containing devices. Our recent activity in these three areas represent growth areas for our business. PCdisposal.com's focus on technology development in this space will enable us to expand and enhance the data destruction services we provide for our clients. Developing a deeper understanding of the sector's sustainability challenges and needs will help position PCdisposal.com as a leader in this industry.

Sustainable Communities

Regional and National Economic Development

When PCdisposal.com's founder Kory Bostwick first started the business, his garage was both the office and the warehouse. Today, with projects and clients throughout the US, the focus of our work remains essentially the same—supporting economic growth. Office and warehouse now encompass some 34,000 square feet. PCdisposal.com is committed to improving the social, environmental, and economic conditions where we operate by providing jobs and conducting sustainable projects.

From electronic equipment collection and categorization to distribution to downstream vendors for reuse or disposal, our operations can contribute to the economic growth of the local communities and regions where our projects take place. PCdisposal.com is proud of our commitment to hire local residents, and to purchase local goods and services so that our presence in a community helps to build a more stable operating environment and contribute to local economic growth.

The complex nature of our recycling projects requires training and experience to meet PCdisposal.com's high standards for quality and safety. To that end, we conduct extensive training for local hires as well as partners and clients. We view our sustainability as an organization as being inherently tied to our ability to support regional and national economic growth.

Community Investment

PCdisposal.com has a history of supporting the community where we live and work by giving our time, talent and financial resources. We strive to support organizations and causes that address issues that impact communities around the region and the nation. Giving back to the community that support PCdisposal.com is an important part of our sustainability efforts.

Because recycling is central to our business, PCdisposal.com makes that a central component of our community investment activities. The two shareholders are members of a Committee that awards grants in the areas of science education, sustainability, and entrepreneurial development at our local community college, Johnson County Community College (JCCC). They are also involved with the JCCC Small Business Development Center and the JCCC Center for Sustainability. PCdisposal.com does not have a formal community investment policy and probably will not because it is organized a Subchapter S corporation; thus, contributions made each shareholder are affected by their individual tax rates. Nevertheless, last year the minority shareholder donated \$35,000 to his grant fund at JCCC. Finally, last year, CEO Kory Bostwick sponsored a recycling event to support an Amateur Athletic Union (AAU) D1 level boys basketball team made up of local youth, an event that raised over \$14,000 for the team.

Looking Ahead

In exploring our past, we see a commitment to exceptional social, environmental, and economic performance that will extend into tomorrow. PCdisposal.com's first sustainability report provides a snapshot of our history and operations, giving us a clearer understanding of where we stand today, and where we need to be in the future. The megatrends affecting businesses and communities play an important part in our overall strategy to identify key areas for quantifying, monitoring, and improving our sustainable performance going forward.

Key Sustainability Impacts and Risks

PCdisposal.com's business is highly specialized, and the sustainability impacts of our operations remain fairly consistent across projects. As a socially responsible organization, we make safety—for our employees and our clients—a top priority. PCdisposal.com concentrates on creating safe, productive working environments as a primary component of our organizational sustainability. By providing the necessary resources and support to our workforce, we strive to empower employees to lead successful projects. This, in turn, enables the ongoing achievement of our goals and objectives.

Energy, particularly fuel, consumption also represents one of PCdisposal.com's greatest sustainability challenges. Focusing on energy efficiency and carbon footprint over the next year will enable us to develop an appropriate tracking and reduction plan. As the conversation around carbon footprints evolve, PCdisposal.com will manage our risks responsibly, ensuring that we integrate sustainability into strategic operational decisions. Relative to regulatory impacts, PCdisposal.com has developed strong competencies in managing risks associated with diverse and environmentally sensitive projects. Continued monitoring of changes or shifts in EPA regulations associated with environmental sensitivity will enable us to design the most appropriate risk management plans.

Sustainability Opportunities

Finding ways to more clearly link PCdisposal.com's expertise to the sustainability needs of the markets we serve represents a key opportunity in the future. Electronic recycling is one area where our services inherently contribute to sustainable performance. Whether we are serving businesses that discard electronic equipment over very long cycles, or organizations that upgrade electronic equipment every year or two, PCdisposal.com applies leading edge technology and deep experience in responding to electronic recycling and data destruction issues. Increasing our focus on these challenges provides us with an opportunity to better assess our own environmental footprint and begin to develop solutions to increase reuse and minimize pollution associated with our operations.

With the experience and expertise to address regional and national sustainability challenges, PCdisposal.com has been and will continue to be a trusted partner in defining, developing, and delivering sustainable solutions for our clients and within our industry. Fifteen

years of sustainable value is a foundation for a future of sustainable growth, and we look forward to continued improvement in the coming years.