



**Annual Sustainability
Report 2023**





Table of Contents

3	Introduction
4	About CTL
5	Mission and Vision
6	CTL's Impact at a Glance
7	Stakeholders and Materiality
8	Focus Areas and Goals
9	Environmental
10	Climate and Energy
11	Product Lifecycle Management
12	Packaging and Waste Reduction
13	Social
14	Diversity, Equity, and Inclusion
15	Human Rights and Labor Practices
16	Governance
17	Supply Chain Management
18	Ethics & Code of Conduct

Letter from the CEO



Valued Stakeholders,

As a global cloud computing solutions leader, we recognize the essential need for the highest corporate governance standards. Therefore, we are pleased to welcome you to our inaugural Annual Sustainability Report.

Sustainability is not just a buzzword for us; it is a core value that shapes our decisions, strategies, and operations. We recognize the growing importance of environmental, social, and governance considerations in today's business world, and we are dedicated to being responsible corporate citizens. We continue to drive significant progress on our sustainability agenda, including:

- Reducing greenhouse gas emissions in our operations by more than 20% between 2023 and 2025 while our business has grown significantly
- Outperforming like-size companies as it relates to our goals and objectives in sustainability targets
- Continuing to achieve our diversity goals within our workforce
- Making meaningful progress in expanding access to affordable and connected devices to students and workforces around the world with mindfulness to community and responsible reuse
- Expanding our device refurbishment program to align with our core missions of circularity and serving the customer throughout the device lifecycle

As our impact on people and communities around the world grows, sustainability remains central to delivering on our purpose and driving business results. In addition, we remain committed to helping our customers access technology to learn and grow in a way that protects future resources. Thank you for your interest in our strategy and progress.

Regards,
Erik Stromquist, CEO



About CTL

CTL is a cloud computing solutions provider on a mission to empower success at school, in the workplace, and at home. For 30+ years, customers in more than 50 countries have relied on CTL's award-winning offerings of Chromebooks, Chromeboxes, laptop and desktop PCs, monitors, high-end servers, digital signage, and video collaboration tools. CTL serves as a computing configuration partner to deliver customized solutions with comprehensive lifecycle support from purchase through buy-back and recycling. CTL's expertise has earned designations as a Google Education Premier Partner, a Google Cloud Partner, and an Intel Technology Platinum Partner.

Mission

Provide creative solutions that enable cloud-based collaboration, empowering our customers and partners to do their best work.



Vision

CTL aims to be a leader in connected and sustainable cloud-based product development backed with a full suite of lifecycle management services to maximize and protect our customer's investments in technology.

CTL's Impact at a Glance



We've served customers in more than **50 countries**



Our carbon offset activities **planted 3,258 carbon-capture mangrove trees** in Kenya



We redesigned our laptop products to **increase the amount of recycled material to 30%** in PX Series products in 2023

We launched our ChromeOS-as-a-Service device rental program to **improve whole device lifecycle management, refurbishment, and recycling**



Our Beaverton headquarters runs on **100% renewable energy sources**



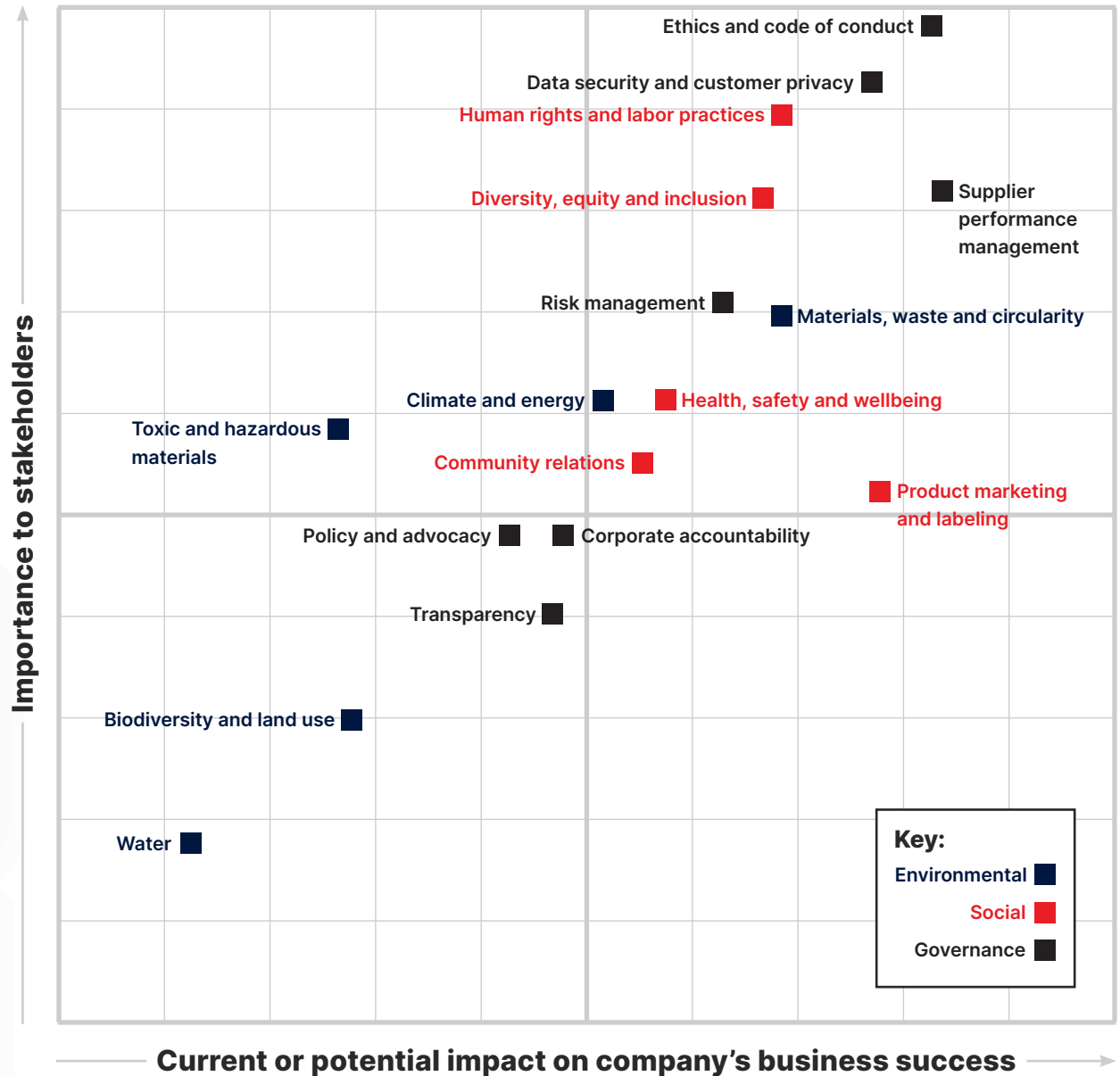
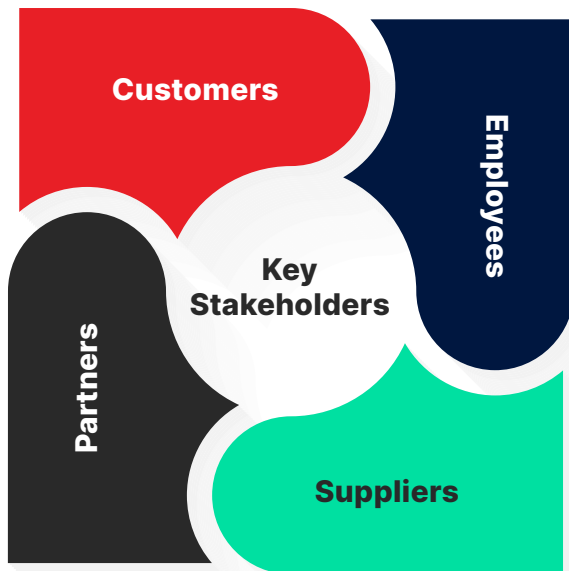
We achieved **platinum status** with Green Business Benchmark

Additional CTL designations include:



Stakeholders and Materiality

At CTL, our global business touches a broad range of stakeholders -- from the students using our computers, to the suppliers manufacturing the hardware, to our business partners and customers around the world. Our leadership has defined our sustainability priorities by considering the needs and perspectives of all our stakeholders and reflecting that through our Materiality Assessment.



Our Sustainability Focus Areas and Goals

Environmental

Climate and Energy

- Reduce Scope 1 and 2 greenhouse gas (GHG) emissions each year through renewable energy purchasing and operational efficiency
- Improve Scope 3 GHG emissions each year through supplier engagement and product design
- Reduce energy consumption 10% by 2025

FY21 baseline, absolute basis

Product Lifecycle Management

- Increase volume of product takeback 100% each year
- Grow sales of refurbished products 100% each year
- Measure & manage CTL's baseline percentage of refurbished versus recycled material flow
- Design products for easy repairs

Packaging and Waste Reduction

- Engage 100% of suppliers to reduce waste footprint in value chain by 2025
- Engage 100% suppliers to identify and reduce all unnecessary packaging
- Engage 100% of suppliers each year to identify environmentally preferred packaging materials per the Forest Stewardship Council (FSC)

Social

Diversity, Equity, and Inclusion

- Reduce the rate of diverse population turnover and retain employees at statistically similar rates across all demographics
- Introduce diversity, equity, and inclusion focused trainings for all staff members, with a goal of 100% completion by management

Human Rights and Labor Practices

- Enact labor audits at 100% of key suppliers, where possible, annually
- Participate in the Responsible Business Alliance (RBA)
- Enact preferential sourcing for RBA members

Governance

Supply Chain Management

- Communicate CTL sustainability objectives annually to 100% of strategic suppliers
- Encourage suppliers to retain Responsible Business Alliance membership

Ethics and Code of Conduct

- Achieve 100% compliance of all employees with CTL Code of Conduct, yearly review and signing of conduct document
- Be inclusive, considerate, and respectful in all business dealings
- Ensure CTL's Code of Conduct is modernized and aligned with the most current standards





Environmental

Climate and Energy

Our Performance

Scope	Category	Emissions
1	1.01 - Onsite Fuel	2.45
1	1.02 - Vehicle Fuel	7.65
2	2.01 - Purchased Electricity	20.79
3	3.01 - Purchased Goods & Services	18,367.3
3	3.04 - Upstream Transportation & Distribution	1,692
3	3.06 - Business Travel	105.58
3	3.07 - Employee Commuting	71.46
3	3.09 - Downstream Transportation & ...	148.5
3	3.11 - Use of Sold Products	8,860.3
		29,276.03

Scope 1: Direct emissions from sources owned or controlled by CTL

Scope 2: Indirect emissions from purchased electricity, steam, heat and cooling

Scope 3: all other emissions associated with a company's activities

Our Goals

- Reduce Scope 1 and 2 greenhouse gas (GHG) emissions each year through renewable energy purchasing and operational efficiency
- Improve Scope 3 GHG emissions each year through supplier engagement and product design
- Reduce energy consumption 10% by 2025

FY21 baseline, absolute basis

Actions we are taking:



Renewable Energy Purchasing

CTL purchases 100% of Beaverton headquarter facility energy from renewable sources



Supplier Engagement

CTL has engaged all of our strategic suppliers on improving energy and climate performance



Product and Packaging Materials

We are working to reduce our product and packaging materials and source preferred materials where possible



Corporate Travel and Commuting Policies

CTL's travel and commuting policies contribute to the reduction of our carbon footprint

Product Life Cycle Management

Our Performance

CTL continues to offer value added services and program to enhance the product life cycle of our products. CTL designs its products for extended use, maintains parts for extended warranty, and participates in Google's self-repair program. We've increased financial incentives to encourage sustainability by 50% with programs, including buybacks, to encourage reuse.

Our Goals

- Increase volume of takeback 100% each year
- Grow sales of refurbished products 100% each year
- Measure & manage CTL's baseline percentage of refurbished versus recycled material flow
- Design products for easy repairs

Actions we are taking:



Evangelize Google Chromebook student repair program



Offer Chromebook end-of life buyback program



Encourage and promote ChromeOS-as-a-Service program



Encourage and promote extended warranty options

Packaging and Waste Reduction

Our Performance

Every year, CTL continues on its mission to reduce packaging and waste. We remain committed to working with partners and stakeholders to find new ways of improving sustainable packaging. CTL has made significant progress in improving our packaging design to reduce excess materials. As one example of supplier collaboration, CTL incorporated 30% recycled material in PX series products in 2023.

Our Goals

- Engage 100% of suppliers to reduce waste footprint in value chain by 2025
- Engage 100% suppliers to identify and reduce all unnecessary packaging
- Engage 100% of suppliers to identify environmentally preferred packaging materials per the Forest Stewardship Council (FSC)

Actions we are taking:



Implementing FSC designated packaging on applicable products



Increase supplier collaboration for improved design and manufacturing methods



Energy Star, ROHS, and EcoLabel adoption and compliance



Deploying bulk packaging strategies to reduce waste.



Social

Diversity, Equity, and Inclusion

Our Performance

CTL is committed to fostering diversity and inclusion and recognizing unique perspectives, backgrounds, and talents. Through a myriad of programs, we value equity, cultivate an inclusive culture, and empower every voice to thrive.

Our Goals

- Reduce the rate of diverse population turnover and retain employees at statistically similar rates across all demographics
- Introduce diversity, equity, and inclusion focused trainings for all staff members, with a goal of 100% completion by management

Actions we are taking:



Calculate turnover rate by race, ethnicity, and gender



Conduct employee exit interviews to identify issues



Launch annual employee demographic information survey



Diversity, equity, and inclusion training

Human Rights and Labor Practices

Our Performance

We prioritize human rights and fair labor practices, ensuring a safe, respectful workplace for CTL and our suppliers. CTL commits itself to ethical standards and to uphold the well being of members of our supply chain.

Our Goals

- Enact labor audits at 100% of key suppliers, where possible, annually
- Participate in the Responsible Business Alliance (RBA)
- Enact preferential sourcing for RBA members

Actions we are taking:



Request supplier certificate of origin



Require suppliers to sign CTL code of conduct



Visit supplier sites and conduct ethical audits



Conduct Responsible Labor Initiative supplier risk assessments



Governance

Supply Chain Management

Our Performance

Our supply chain approach emphasizes transparency, sustainability, and ethical practices. We prioritize fair labor conditions, minimize environmental impact, and forge partnerships based on responsible sourcing, ensuring a resilient and responsible supply chain.

Our Goals

- Annual communication of CTL sustainability objectives to 100% of strategic suppliers
- Encourage suppliers to retain RBA membership

Actions we are taking:



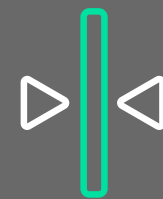
Encourage supplier RBA membership



Request supplier self-assessment questionnaire



Review entity lists using Consolidated Screening List (CSL)



Align with RBA standards

Ethics and Code of Conduct

Our Performance

Our ethical foundation is built on integrity, accountability, and transparency. CTL's Code of Conduct guides our decisions, fostering a culture of trust, fairness, and responsibility throughout the organization and through extended partnerships.

Our Goals

- Achieve 100% compliance of all employees with CTL Code of Conduct, yearly review and signing of conduct document
- Be inclusive, considerate, and respectful in all business dealings
- Ensure CTL's Code of Conduct is modernized and aligned with the most current standards

Actions we are taking:



Encourage High Ethical Principles

Good judgment, based on high ethical principles, acts as guidelines of acceptable conduct



Solicit Customer Feedback

We ask customers to provide ethics-related feedback to our executive offices for appropriate action



Policy Compliance Expectations

We enact consequences for failing to comply with CTL's ethics and conduct standards



Expectation to Follow Laws and Regulations

All employees must follow federal, state, and local laws and regulations



CTL Corporation Headquarters
9700 SW Harvest Ct.
Building 100
Beaverton, OR 97005

Phone: 800.642.3087
Fax: 503.526.9135

ctl.net