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ADVANCEMENT IN E-WASTE RECYCLING

CBS recently contracted with Heritage Crystal Clean, a nation-wide vendor, to pick-up and recycle electronic waste at all locations on a Corporate-wide basis. Electronic waste - or e-waste - is how we refer to discarded electronic devices including cameras, computer monitors, keyboards and cables. It also includes devices that often contain sensitive data like computers, cell phones, printers and scanners. E-waste is a predominant waste stream for CBS as every business unit generates it. For a host of reasons, it is not a benign waste stream. Close management of electronic waste brings with it financially important risk-related benefits to the Corporation:

- ❖ Protection of the CBS brand
- ❖ Data security risk control
- ❖ Avoidance of environmental legal liability
- ❖ Sustainability reporting capability
- ❖ Reduced cost

Unscrupulous disposal and recycling of e-waste is nothing new; it's been in the news for years. In 2008, 60 Minutes exposed the corrupt and dangerous practices of some recyclers. Again, in [2018, CBS News](#) focused on the unethical and environmentally hazardous practices of sham "recyclers." It is imperative to our brand and reputation that we have verifiable and consistent practices to avoid the consequences of sham recycling.

As we're all aware, and possibly have experienced personally, the breach of data security can have huge financial and reputational consequences. Most of us know that discarded electronic hardware such as computer hard drives are vulnerable but even the information on [printers and scanners](#) can be susceptible to theft and inappropriate disclosure. Through its recycling process, Heritage Crystal Clean grinds the e-waste such that no data can be recovered, thus ensuring that any of CBS's intellectual property contained therein can't be misappropriated once the waste is processed.

On the environmental compliance front, there is a complicated and ever-changing set of legal requirements to meet. As of this writing, there are regulations to comply with at the federal level and eleven states have specific, but different, regulations governing the disposal of e-waste. Local municipalities have ordinances governing e-waste as well which makes it nearly impossible to efficiently and effectively identify and track without assistance from a reliable, credible vendor. Further, improper disposal of e-waste which contains a variety of hazardous substances can result in cleanup liability (aka Superfund liability) at a site and sometimes even criminal liability. This very complex and ever changing environment begs for the alliance with a partner that can keep us abreast and in compliance of the immense number of rules.

As a part of our sustainability program, we recently completed a materiality analysis in which we asked key stakeholders what elements of environmental, social and governance issues were important to them. The results identified waste management and associated reporting as a high priority for the investment community. Transforming e-waste recycling in a manner that provides for responsible disposal and data security as well as creates reportable data is a major stride forward in this key area.

By contracting with Heritage Crystal Clean for our e-waste recycling, we receive more competitive pricing for responsible waste management by which all locations benefit, while reaping the benefits described above for the overall Corporation.

More information will be forthcoming as the rollout progresses. Please feel free to contact David Templeman at david.templeman@cbs.com for more details.