


INMAR INTELLIGENCE 2022 SUSTAINABILITY REPORT



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Inmar Intelligence associates, families, clients and communities faced so much during the pandemic. While much has changed, sustainability remains a key focus area for all of us. As the largest returns processor and liquidator in the U.S., we at Inmar are continuously challenging ourselves to deliver innovative solutions that support sustainability. Through curiosity, intelligent data and technology, we drive better outcomes for businesses, healthcare organizations, patients, and the environment. We make businesses smarter to improve consumers' lives. This report is a reflection of our commitment to deliver solutions that positively impact the world for all of us.

Thomas Borders

General Manager,
ProductLifecycle Cloud

BRIDGING THE GAP BETWEEN CONSUMERS AND SUSTAINABILITY

Inmar conducted a returns and sustainability survey this year that highlighted a significant divide between the reality of supply chain waste and what the general public knows about it.

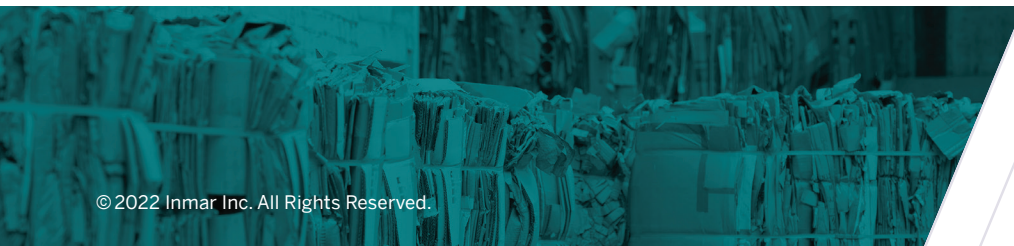
Despite being frequent online shoppers, many consumers don't know what happens when they make returns. Nearly 25% have no knowledge of where the items they return wind up, and more than a third of respondents (41%) believe their returns go back to stock to be resold (which is often not the case).

Unfortunately, experts estimate retailers throw away about a quarter of their returns, and many more are resold through alternative channels rather than going back on store shelves. In fact, a whopping five billion pounds of returned goods went to landfills last year.¹

Not at Inmar. With us, 99% of returns go back into commerce, donation programs and waste-to-energy programs instead of landfills. As the largest retail returns processor and liquidator in the U.S., we're proud to know that being an exception can make a big difference.

¹ Sarita Runeberg. 'How Business can Redesign Online Shopping to Fight the Environment Menace of Free Returns.' Fast Company. December, 2021.

<https://www.fastcompany.com/90701492/how-businesses-can-fight-the-environmental-menace-of-free-returns#:~:text=Returns%20are%20indisputably%20bad%20for,up%20in%20landfills%20each%20year.>





CONSUMERS AND SUSTAINABILITY

While consumers might not know the ins and outs of retail sustainability and returns, they do care.

- 54%** try to shop sustainably most (33%) or all (21%) of the time.
- 68%** indicated they care about practicing sustainability in everyday life.
- 69%** said they'd accept longer delivery times to make delivery more eco-friendly.
- 76%** would be more likely to buy from a retailer with more sustainable return practices if given information about how their returns contributed to their carbon footprint.
- 79%** reported they'd be more willing to select "deliver items as a group" if they knew it helped the environment.

As consumers explore ways to shop and live more sustainability, the need for awareness of sustainable shopping practices is vital. Our 2022 Returns & Sustainability Survey findings highlight the opportunity for retailers to communicate and offer more sustainable options to increase their appeal to this growing audience.

Inmar Intelligence is committed to making returns easier for your customers, more profitable for your business, and better for the environment.

SUSTAINABILITY MEASURED

We share these highlights of environmental stewardship with both pride and a commitment to continuous improvement.

Less than 1% of the returned products Inmar processes are sent to landfills.

- **7.7 MILLION KILOWATT HOURS OF ENERGY**

are produced from Inmar's waste-to-energy programs annually.

- **14,060 BARRELS OF OIL**

are saved using waste-to-energy programs instead of sending product to landfills annually.

- **>1 MILLION POUNDS OF DRUGS**

have been saved from improper disposal since the 2017 inception of Inmar's Consumer Drug Take-Back program, helping to protect the water supply.

- **200 MILLION POUNDS**

of material is kept from landfills every year through Inmar's returns management and liquidation programs.

- **28 MILLIONS POUNDS**

of clients' cardboard boxes are recycled by Inmar return facilities each year.

- **51 MILLION ITEMS**

were donated through both Inmar's and Inmar's clients' facilities.



SUSTAINABILITY IN PRACTICE

CONSERVATION-ORIENTED RETURNS PROCESSING

Inmar's technology-driven reverse logistics and supply chain solutions are recognized across the industry for reducing cost and eliminating the waste generated from returned consumer goods. Our supply chain innovations enable a landfill diversion rate of 99%, which is accomplished by placing goods back into commerce whenever possible.

We look at sustainability broadly — that is, eliminating all waste, regardless of source. We do it by reducing the amount of products that go to landfill, in processes, and by optimizing traditionally inefficient transportation models to decrease carbon footprint and reduce cost. In doing so, we minimize the supply chain's negative impact on the environment and make returns better for your customers, business, and the planet.

INTELLIGENCE-BASED ITEM SORTING

To optimize resale/reuse value, specialized processing facilities combine a human assessment of the returned product's condition with ML. This assessment measures the cost of the return against its value in different markets while factoring in each manufacturer's specific rules.

RETURN-TO-SHELF/RETURN-TO-VENDOR

Returning a product to the merchant's shelf is the most advantageous for trading partners, provided it can be sold as new and at full price. This generates the greatest financial and environmental outcomes since the product remains in commerce and doesn't generate waste. Similar advantages apply to RTV programs.

REFURBISHED SALES

Many e-commerce giants and big box retailers are reducing waste by keeping products in commerce, selling refurbished goods at discounted prices.

LIQUIDATION AND REMARKETING

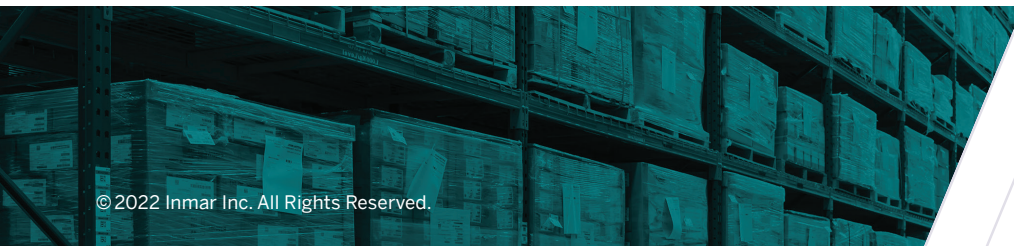
Liquidators buy overstocks, seasonal inventory and customer returns to resell into secondary markets like bodegas, flea markets and "out-of-market" geographies.

DONATION

Returned goods that aren't resold are donated to charity. While this doesn't keep products in commerce, this merchandise does serve worthy causes and avoid landfills.

WASTE-TO-ENERGY (DESTRUCTION)

Items that can't be sold, recycled or donated are sent to a waste-to-energy facility. These materials generate steam through combustion, which drives turbines and creates electricity.





SUSTAINABILITY IN PRACTICE



GREENER THROUGH LIQUIDATION AND ECO-INITIATIVES

Businesses who work with Inmar Intelligence get access to the nation's largest liquidation buyer base, increase recovery and divert products from landfills — and our goal is to help reduce the environmental impact of e-commerce returns through each and every one. Since we offer more locations across the country than any other liquidator, our clients can reduce overall transportation distance, resulting in lower gas consumption/emissions. In fact, 7 out of 10 major retailers and manufacturers are currently utilizing our nationwide facility network to reduce waste and drive sustainable commerce. Our 5,500+ registered liquidation buyer base creates a robust outlet for the consumption of returned, overstock, and damaged products — a great alternative to landfill.

REDUCE TRANSPORTATION COST AND RESOURCES

Our processing facilities are strategically located to decrease the returns journey. Many merchants process returns from a centralized location, such as a West Coast or East Coast facility. With 25 returns processing locations nationwide, Inmar operates more economically and more sustainably — minimizing transportation costs, the consumption of fossil fuels and greenhouse gas emissions.

AGGREGATE RETURNS

When feasible, we consolidate returns. Processing in bulk, versus single-item processing, enables merchants to ship more without needing additional resources.

PROVIDE DIGITAL RETURN AUTHORIZATIONS AND SHIPPING LABELS

In place of printed labels, our customers can process returns with a QR code, eliminating the waste that comes with paper and ink and its associated resources — boxes, cartridges, master cartons, handling, packaging and transportation.

EXPAND PUDO NETWORK (PICK UP/DROP OFF)

Consumers can enjoy the convenience of multiple shared location options for picking up purchases or dropping off returns versus making separate trips to shipping/parcel carriers — their neighborhood supermarket or drugstore, for example. This option also eliminates the seller's need to make special one-off trips for parcel pick up and/or delivery.

EMBRACE REVERSE-TO-FORWARD LOGISTICS

Product return facilities utilize supply chain and inventory data to fill new orders, ensuring the appropriate returns inventory is used. This process eliminates the time-consuming process of shipping from a return center to a merchant's DC, then shipping from the DC to the physical store or directly to the customer, and reduces the financial and environmental costs of all that transportation.





THE TIME IS RIGHT FOR PICK-UP/DROP-OFF (PUDO) RETURNS

Today's consumers, especially the younger generations, are more eco-conscious — and Inmar is clueing them in to the green value of PUDO networks. Returning or collecting items at errand friendly locations eliminates the need for one-off trips, which is better for the planet. Carriers get the same benefit since they're collecting returns from one place versus making multiple stops for the same number of returns. Using PUDO for deliveries also means carriers don't have to make additional stops to the same address when a customer isn't home. Instead, that customer can pick up their item when it's convenient for them. This also prevents secondary shipments caused by theft (porch pirates). According to a study by Safewise, a home

security firm, 210 million packages were stolen in the U.S. last year.

Consumers love it for the convenience, the savings, and the chance to be more eco-conscious. Retailers love it because becoming a multi-destination point for customers saves money, earns incremental revenue, and shrinks their carbon footprint — all while strengthening customer loyalty. Consolidating trips, eliminating multiple delivery attempts and reducing stolen goods means fewer transportation points, which reduces the consumption of fossil fuels, greenhouse gas emissions and packaging — a win, win, win.



PHARMACEUTICAL RETURNS MANAGEMENT

Inmar provides Rx returns services to 50,000+ pharmacies, more than 80% of U.S. hospitals, and 375+ manufacturers. That's over 95% of the industry's wholesale Rx returns. Compliant, efficient and eco-friendly handling of all classes of pharmaceuticals is conducted in our state-of-the-art facilities, designed specifically to accommodate the special needs of such Rx product. We've also revolutionized the pharmaceutical reverse distribution industry with the introduction of one-touch processing.

The traditional process for pharmaceutical returns was a two-count process in which the retailer or wholesaler

counts and produces invoices for product that is transported to the manufacturer for recount and payment. Inmar's One Touch Advantage® created a system in which the retailer and manufacturer accept the first count and thereby reduce a touch point, expedite credit, lessen carbon footprint and eliminate count discrepancies. With this system, transportation costs and the associated carbon footprint involved in transporting product to a third party are reduced, destruction costs are shared and more real-time data feeds enable faster credit reconciliation.



INMAR LIFEINCHECK™ CONSUMER DRUG TAKE-BACK PROGRAM

We've prevented more than 1 million pounds of drugs from improper disposal, protecting communities from abuse and contaminated water since the 2017 inception of our program.

Inmar has partnered with manufacturers and pharmacies across the country in a collective effort to combat the issues of drug misuse, environmental contamination and accidental poisonings with our Lifeincheck™ Consumer Drug Take-Back program. Every year in the US, over 100,000 people die from prescription drug overdoses and 60,000 children are treated for accidental poisoning in the emergency room, having gotten into household medications. Prescriptions that linger in the home often aren't disposed of properly. They end up tossed in the garbage or flushed down the toilet, which contributes to water pollution. According to a report from *ScienceDirect*, "47 different pharmaceutical drugs were detected in source water samples that feed into 25 drinking water treatment plants across the United States, and 37 different drugs were found in the water after it was treated."²

Inmar's Consumer Drug Take-Back program provides a safe, convenient process for our communities to return unused or expired medications and ensures they're handled in full compliance with emerging drug take-back regulations. Our program is compliant with the DEA Secure and Responsible Drug Disposal Act of 2010.

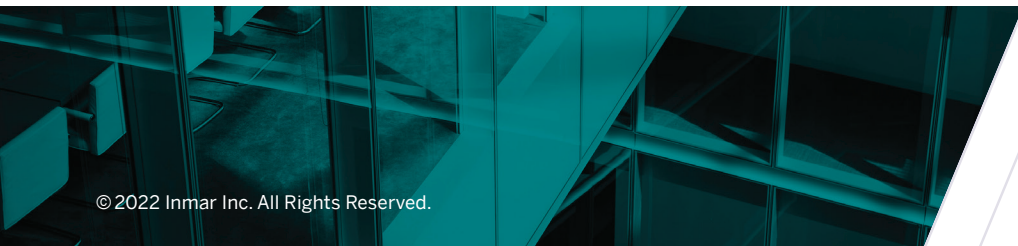
Inmar Intelligence is currently operating take-back programs with various retail partners and is also an approved Stewardship Operator in several jurisdictions, including programs in Massachusetts, California, New York, Oregon, and Washington. Inmar Intelligence has nearly 5000 drug take-back receptacles contracted nationwide — 5,900 with mail-back locations included — and has over 90 licenses with state and local agencies, including DEA, FDA and DOT.

² Edward T. Furlong et al. 'Nationwide reconnaissance of contaminants of emerging concern in source and treated drinking waters of the United States: Pharmaceuticals.' *ScienceDirect*. February, 2017. <https://www.sciencedirect.com/science/article/abs/pii/S0048969716305551>

DATA CENTER

The Inmar Data Center approaches sustainability with the goal of cost effective efficiency, utilizing the following methods and practices.

- Efficient cooling is maintained with a narrow temperature range optimized for the equipment and through the elimination of raised floors. The temperature is limited to and monitored at the rack level, reducing the amount of cooling space, and adjusted as compute load increases or decreases. This ensures the efficient use of power in each rack.
- All HVAC equipment undergoes preventative maintenance to preserve efficient operation and utilizes closed loop refrigerant systems, which don't require or consume water in the heat exchange process.
- The uninterruptible power supply (UPS) system uses lithium ion batteries (20+ year lifespan) instead of lead acid batteries (5-7 years) which lengthens battery life, requires less charging power, improves power usage effectiveness (PUE) and eliminates the need to recycle lead acid batteries.
- Equipment that's no longer used is decommissioned, promptly powered down and disposed of through vendors that either resell, recycle or dispose of it in a manner compliant with all local, state and federal regulations. A certificate of destruction is obtained for any equipment that is scrapped.
- The fire suppression system uses environmentally friendly chemicals. These systems are inspected annually to ensure optimal performance and to prevent waste caused by false alarms.
- The use of magnetic tape, which winds up in a landfill or an incinerator upon reaching end of life (EOL), is no longer used for long-term data retention.



Inmar is consistently recognized as a top green supply chain provider:



THE WORK WE DO

Inmar Intelligence is a leading data and tech-enabled services company. \$120 billion of commerce runs through our market-driven platforms — platforms that are propelling digital transformation through unified data, workflows and fund flows to help leading Fortune 5000 companies, emerging brands and health systems drive innovation and improve sustainability. Throughout our 41-year history, we've served retailers, manufacturers, pharmacies, health systems, government entities and employers as their trusted intermediary, helping them redefine success.



GET IN TOUCH

For more information about Inmar
visit [INMAR.COM](https://www.inmar.com) or call (866)440-6917

