

Quantum[®]

Your difference is in your data.[™]

Environmental, Social and
Governance Programs

Fiscal Year 2023



Our path to environmental, social, and governance stewardship

Leading Our Path

We protect the data that preserves the world.

I am pleased to share our progress on our FY23 Environmental, Social, and Governance (ESG) programs with you as part of our ongoing commitment to engaging with our stakeholders.

ESG priorities rank high with my own personal values and I've long championed organizations with that focus. I am proud of the ESG improvements Quantum has made this year and ready to support additional changes as we move forward.

I invite you to read our story of stewardship for the benefit of our planet, our communities, and each other.



Jamie Lerner

Chairman of the Board, President, and Chief Executive Officer

We do well when we do good.

I am fortunate to have visited and lived in many different places, in environments that vary greatly across economic and social spectra. These experiences have instilled a passion for supporting new opportunities for underserved and underrepresented communities.

As the lead executive overseeing ESG, I consider it both a privilege and a responsibility to ensure our engagement in these critical areas. I hope you'll see that reflected in Quantum's ESG decisions and actions, including those described in the pages that follow.

I look forward to continuing to improve our ESG performance in the coming year and hope that you will share in our journey.



Brian E. Cabrera

Senior Vice President, Chief Administrative Officer, and Corporate Secretary

Our Journey Begins Here



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Notes

Unless indicated otherwise in this report:

- We provide data in US dollars and metric weights, for our FY23 time period (April 1, 2022 – March 31, 2023).
- Our goals and results only reflect activities under our operational control.
- We make forward-looking based on certain factors and assumptions and subject to certain risks. All forward-looking statements are made under applicable securities law safe harbor provisions.

Who We Are

At Quantum, we believe we all share one world, interconnected by not just the data we manage, but by the water we drink, the air we breathe, the natural resources we share, and the people we impact.

This connection means we owe our employees, communities, customers, and investors our best efforts to advance our environmental, social, and governance accomplishments.



850 Employees.



~10K Customers.



Millions of Stakeholders.

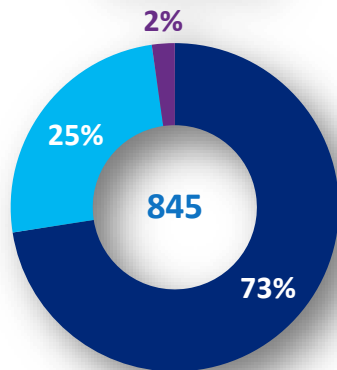


One World.

Our Demographics

Headcount and Employment Characteristics¹

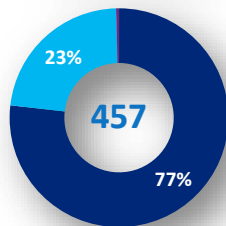
Worldwide



■ Men ■ Women ■ Not Identified

Average Age: 48

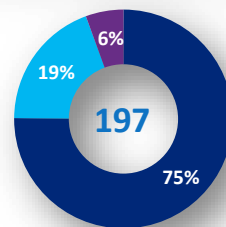
North America



■ Men ■ Women ■ Not Identified

Average Age: 52

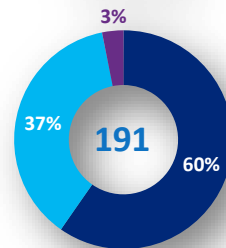
Europe, Middle East, and Africa



■ Men ■ Women ■ Not Identified

Average Age: 49

Asia Pacific

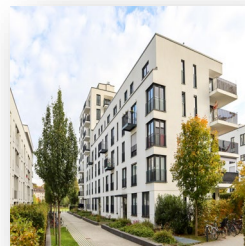


■ Men ■ Women ■ Not Identified

Average Age: 38



19 countries



21 Quantum-operated facilities worldwide

Community Spotlight



When our executive team gathered for fiscal year 2024 strategic planning, their teambuilding event focused on giving back.

They built bikes for children in need and improved their teamwork and communication in the process.

The bikes were donated to deserving kids at the end of the event.

Key Principles

Our ESG programs are built on the following tenets:

ENVIRONMENTAL

- We understand the importance of designing, manufacturing, and recycling our products in a sustainable manner.
- We commit to applicable requirements for materials restrictions and reporting.
- We invest in developing efficiency and energy conservation into our products.
- We expect to use our heating, cooling, and water resources in a responsible manner.
- We look for opportunities to increase our impact on combatting deforestation and water insecurity.

SOCIAL

- We thrive on incorporating the rich and differentiated viewpoints and experiences that only a diverse culture can provide. We will not tolerate discrimination against anyone due to a legally protected personal characteristic.
- We remain fully committed to complying with anticorruption requirements and avoiding improper payments or business arrangements.
- We insist that our suppliers conduct business responsibly and with respect for human rights.
- We expect our suppliers to adhere to the Responsible Business Alliance Code of Conduct.

GOVERNANCE

- We are committed to limiting global warming changes to no more than 1.5°C.
- We strive to reach the Climate Pledge net-zero carbon emissions standard by 2040 as well as UN Sustainable Development Goals.
- Our Board and executive management team champion investor transparency, ESG progress, and stakeholder support.

FY23 At a Glance

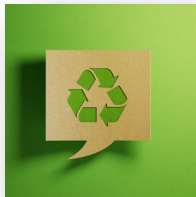
Environmental



8,877 metric tonnes
CO₂e reported Scope
1 and 2 Greenhouse
Gas Emissions



3% reduction in
reported Scope 1
and 2 Greenhouse
Gas Emissions per
employee



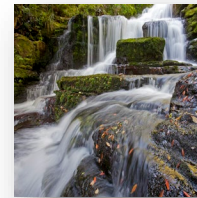
6+ tons of e-waste
recycled



0 enforcement actions for
data breach,
environmental and water
compliance, or regulatory
compliance practices



\$0 fines for regulatory
violations

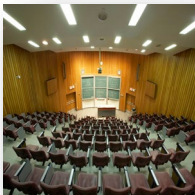


Colorado
wastewater No
Exposure Exemption
permit renewed

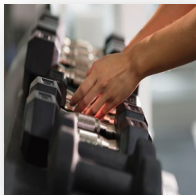
Governance



29% female
representation on
Board of Directors



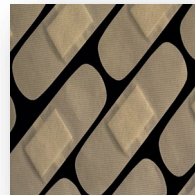
6,800+ hours of
employee training
provided



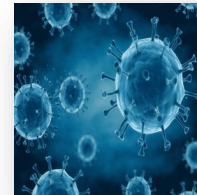
250+ hours of
exercise during
employee wellness
challenge



12,000+ employee
acts of kindness
during wellness
challenge



1 OSHA recordable
incident in CY2022



0 COVID-19 or other
employee
workplace fatalities

Health and Safety

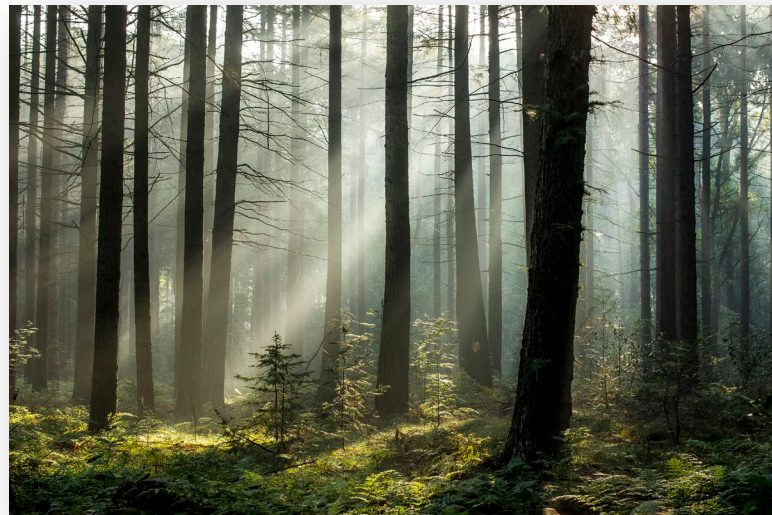
Environmental Programs



Environmental Policy



We recognize the responsibility of participating in a global economy. We're committed to protecting the welfare of our employees, customers, shareholders, and communities by pursuing opportunities that will positively impact the environmental footprint we leave behind.



Quantum has planted more than **11,500** trees in areas impacted by drought, deforestation, and wildfire. When mature, these trees are expected to sequester more than **253,000¹** pounds of carbon dioxide per year.

Environmental Spotlight



Product Efficiency Impact

DXi9000



“Quantum architected the DXi series with efficiency top of mind. Leveraging 12TB drives and a new, high-density chassis design on top of their variable length deduplication, the DXi9000 is particularly suited for reducing data center footprint, reducing power and cooling requirements, and maximizing performance while eliminating hardware upgrades with pay-as you grow licensing—improving efficiency on many levels.”¹

LTO TAPE STORAGE



“Overall, data centers are not the worst offenders when it comes to CO₂ emissions. However, these facilities do account for up to 5% of global greenhouse gas emissions...By migrating data that is less active from disk drives to tape drives, organizations can achieve significant reductions in CO₂ emission...Specifically, organizations looking to leverage LTO technology to reduce their carbon footprints can do so by simply converting appropriate disk storage to tape storage to save on CO₂ emissions, disposal costs, and energy costs.”²

Quantum's Commitment to Carbon Transparency



“As a mission-based non-profit that runs the global environmental disclosure system, **CDP greatly values the support of Quantum Corporation.** Urgent system-wide action remains critical to ensuring that we can limit global warming to 1.5°C, avoid the worst effects of climate change and safeguard our planet’s natural resources. Disclosure is the first key step in addressing current and future environmental risks. **Quantum Corporation has demonstrated its commitment to transparency around its environmental impacts and strategies for action** by disclosing its environmental data through CDP in 2022. Disclosure not only provides the foundation for environmental action, but brings tangible business benefits for shareholders, customers and employees alike.”

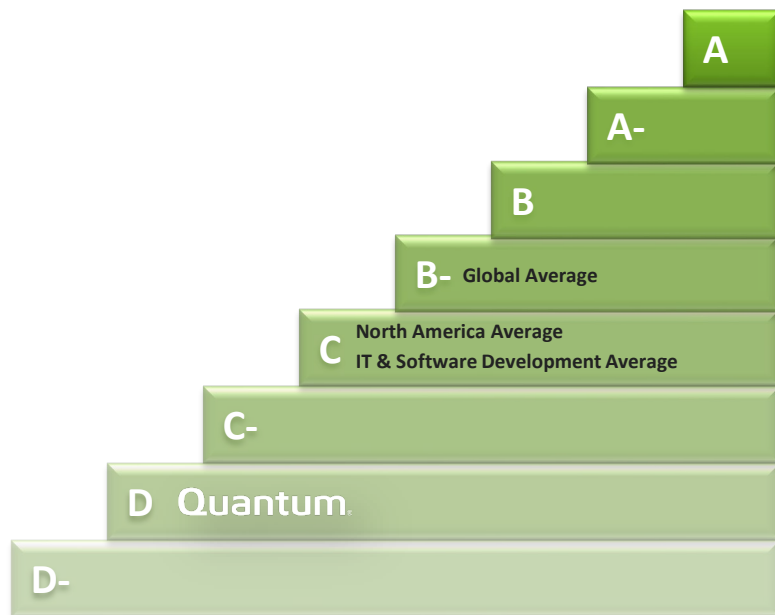
Dexter Galvin, CDP Global Director, Corporations & Supply Chains, 2022

Carbon Disclosure Project Score

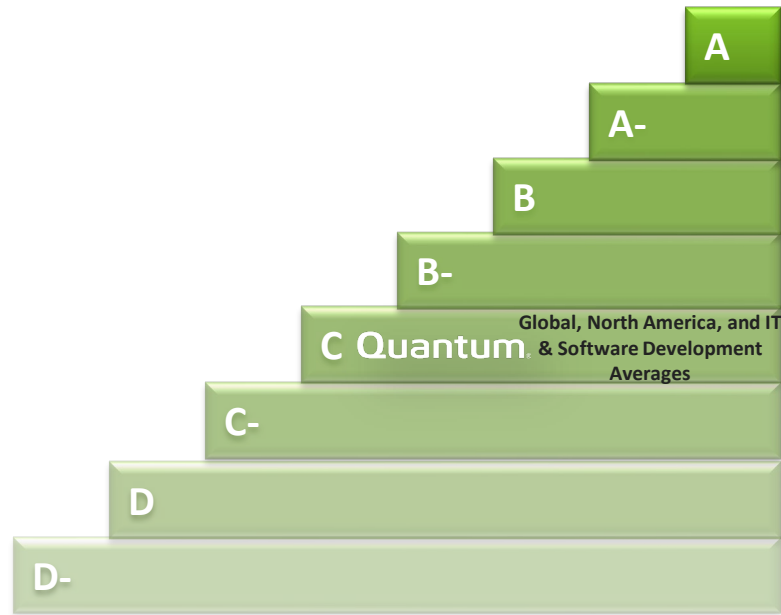


Quantum's Improvement Outperformed All Three Peer Group¹ Averages

FISCAL YEAR 2022



FISCAL YEAR 2023

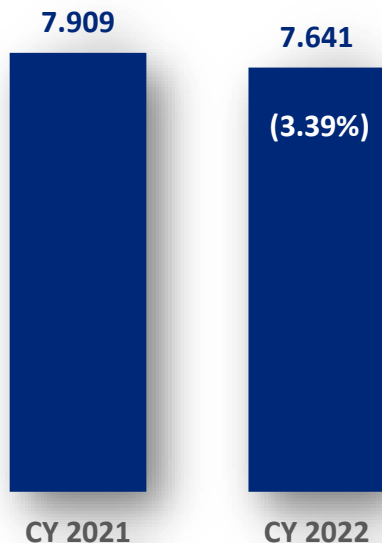


Carbon Footprint

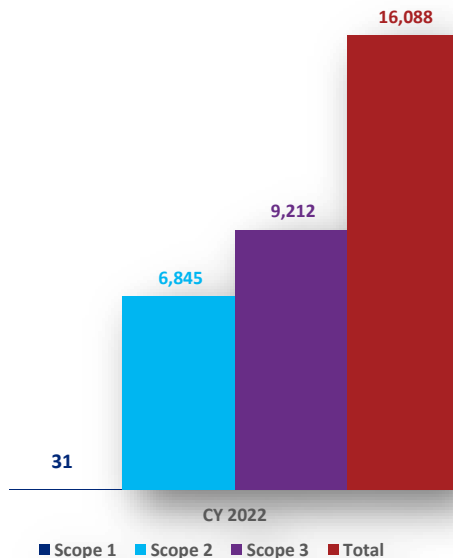


Emissions Intensity Decreased Despite Including More Emissions Sources

Scope 1 and 2 Emissions Intensity per Employee



Reported¹ Carbon Footprint², in metric tonnes CO₂e³

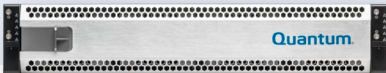

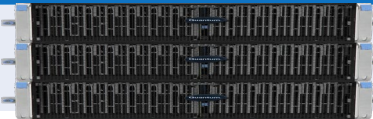


2022 data includes 5 additional international facilities and 15 additional key suppliers, contract manufacturers, and freight forwarders.

Case Studies



Product Shipment Carbon Footprint Examples

	H4000 Primary System	Scalar i3 Tape Library	ActiveScale X200
			
Conveyance	Truck	Air	Air
Weight ¹ (kg)	39	96	277
Origin	Los Angeles	Guadalajara	Chicago
Destination	New York	London	Singapore
CO ₂ e Emissions ² (metric tonnes)	.018	.697	3.28

Highlighted Improvements



Some of our key environmental accomplishments in FY23 include:

- We improved our FY23 Carbon Disclosure Project score by two levels over fiscal year 2022.
- We included 5 additional Quantum facilities and 15 additional key suppliers, contract manufacturers, and freight forwarders in our carbon footprint calculations and reporting.
- We recycled more than 6 tons of electric and electronic waste from our facilities.
- We constructed our new Colorado facility with energy-efficient LED lighting and airflow economizers estimated to reduce air conditioning demand by approximately 10%.
- We increased our planted tree footprint to approximately 115 acres¹.
- We renewed our Colorado wastewater No Exposure Exemption permit.

Social Programs



Social Policy



We rely on people, and people rely on us. That's why we support employment and contracting arrangements that adhere to applicable child and voluntary labor laws and minimum wage standards worldwide. We also encourage our business partners to implement living wage, human rights, and freedom of association standards for their personnel.



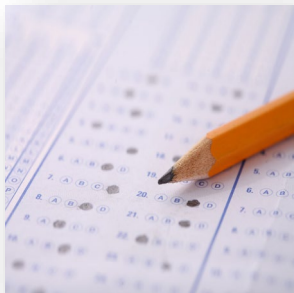
We provided an average **3%** base salary increase to eligible employees worldwide during our 2022 merit adjustment cycle.

Social Spotlight



Quantum Voice

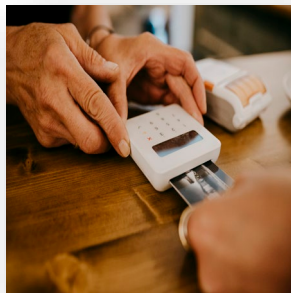
Quantum Voice is how we celebrate diversity, equity, and inclusion in the workplace. Key elements include:



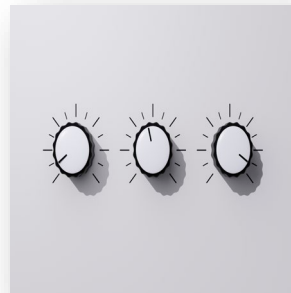
All-employee
culture surveys



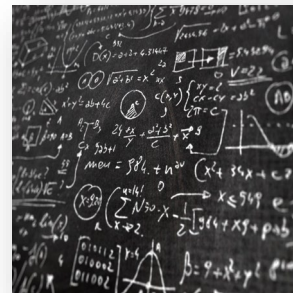
Employee
diversity analysis



Compensation
equity analysis



Recruiting
Outreach



Learning and
Mentorship
Opportunities

Highlighted Improvements



Some of our key social accomplishments in FY23 include:

- We performed a gender pay and leadership position equity analysis.
- We provided additional on-demand professional mental health resources for our employees and their families.
- We offered job applicants and new hires the ability to identify as nonbinary rather than only male or female.
- We designed a new DEI-focused internal culture survey of our employees to gauge how they perceive their Quantum experience.
- We defined our Quantum Voice program, intended to increase learning, growth, and advancement opportunities for our current and future female and underrepresented leaders.
- We celebrated Legal Momentum recognizing our lead ESG executive as its 2022 Man of Distinction for his lifelong demonstrated support of diversity, inclusion, and advancing women in the legal profession.
- We donated cash and equipment to nonprofits focused on education and technology training.

Governance Programs



Governance Policy

We believe good governance starts from the top. Our Board of Directors (Board) and executive and senior leadership teams maintain an unparalleled commitment to doing the right thing.

We maintain an external, anonymous hotline accessible worldwide to enable reporting of governance concerns, ethical questions, or potential regulatory violations.



In our last internal ethics survey, **98%** of employees agreed Quantum would appropriately resolve ethical issues.

Board Oversight

Our Board's Corporate Governance and Nominating Committee informs and oversees our ESG strategies and practices.

The Committee's oversight includes our environmental, social, human rights, and governance policies, practices, management systems, strategies, risks, opportunities, and results. All Committee members attended 100% of Committee meetings in FY23.

All Board members other than Jamie Lerner are independent.

	Lead Independent Director	Audit Committee	Leadership and Compensation Committee	Corporate Governance and Nominating Committee
Christopher D. Neumeyer				
Don Jaworski				
Emily White				
Hugues Meyrath				
Marc E. Rothman				
Rebecca J. Jacoby				



Governance Spotlight

Holding Ourselves Accountable to Our Future

CLIMATE PLEDGE EXPECTATIONS¹

- Regular reporting
- Carbon elimination
- Credible offsets

UNITED NATIONS GLOBAL COMPACT SUSTAINABLE DEVELOPMENT GOALS²



Highlighted Improvements



Some of our key governance accomplishments in FY23 include:

- We committed to joining the Climate Pledge and UN Global Compact in our fiscal year 2024.
- We won *Corporate Secretary Magazine's* 2022 Best Governance Around a Corporate Transaction Award for our rights offering governance practices.
- We invested in additional resources to identify and prioritize ESG program improvements and increased our ESG disclosure.
- We utilized only contract manufacturers with ISO 9001 and ISO 14001 certifications.
- We achieved monthly trended customer satisfaction ratings that exceeded industry norms¹ by 10% or more.
- We conducted more than 6,800 hours of employee training on ethical behavior, preventing harassment and discrimination, COVID-19 safety, and product specifications and performance.

Looking Forward



Upcoming Goals



We expect to take the following ESG improvement actions over the next year:

ENVIRONMENTAL

- Engaging with carbon offset platforms to define our path to carbon neutrality.
- Continuing our work to calculate product-specific expected carbon footprints.
- Increasing the scope of Scope 3 data we receive from our supply chain.

SOCIAL

- Evaluating options for increasing fertility benefits available under our health insurance plans to include solutions for hopeful parents in nontraditional relationships.
- Identifying opportunities to expand paid family leave benefits to include paternal and non-birth maternal programs.
- Launching a Quantum-branded app to support employee wellness all year.
- Conducting an internal culture survey of our employees to gauge how they perceive their Quantum experience.

GOVERNANCE

- Establishing ESG key performance indicators for quarterly reporting to our Board.
- Benchmarking our ESG performance against specific peer companies to identify improvement opportunities.
- Providing diversity and sensitivity training for our leadership teams.
- Joining the Climate Pledge and UN Global Compact.

ESG Risks



Some of our primary ESG risks are:

ENVIRONMENTAL

- Increasingly severe weather events could cause damage or disruption to our manufacturing facilities and supply chain.
- Rising power costs could increase our expenses to operate our facilities and shipping lanes.
- Scarce availability of key metals, minerals, and other resources could impact our ability to manufacture our products.
- We may be unable to meet our goal of net-zero carbon emissions by 2040.

SOCIAL

- Employees or customers may choose to work with other companies if they view our social priorities as being too progressive.
- Lack of diversity in our organization may impair our ability to innovate quickly and meet the modern demands of our growing customer base.
- Our supply chain may not successfully meet our expectations for fair labor and wage practices, potentially harming our reputation and stakeholder commitments.

GOVERNANCE

- If we fail to effectively develop and implement our ESG programs, we may fall short of investor expectations, customer satisfaction, and employee engagement goals.
- If we are unable to maintain effective ESG programs, our reputation and ability to positively impact our communities may suffer.

ESG Opportunities



Some of our key ESG opportunities are:

ENVIRONMENTAL

- We don't believe Quantum's controlled operations demand significant water use, but would like to understand how we can contribute to water security in our communities. Approximately 89% of our available water use data comes from landlord utility charge passthroughs and may not represent our actual operations.
- We can continue to evaluate our packaging designs to reduce their size, weight, and cardboard requirements.
- We intend to explore our ability to improve the accuracy of usage data passed through from landlords in facilities without dedicated utility meters.

SOCIAL

- We can evaluate avenues to recruit a larger percentage of women and minorities to our employee base.
- We expect to measure gender pay equity and make appropriate adjustments if needed.
- We can encourage and comfort current employees and new hires to provide more information about race and disability characteristics.
- We plan to increase employee engagement and collaboration via identifying and openly discussing shared personal interests during our workday.

GOVERNANCE

- We are currently investing resources to take significant actions intended to improve our ESG disclosures and ESG-focused investor interest.
- We can evaluate how our policies and programs reflect diversity, equity, and inclusion values in our business practices and decision making.

Your Perspective Matters



Quantum believes it is our responsibility to positively impact our world through our products, our programs, and our people. We hope the information provided here helped you learn more about how we do that, and invite you to [share your feedback](#) with us.

Quantum®



One World.

Quantum[®]

Your difference is in your data.