



Ecodom. Remedia.
Producer Responsibility

**OVERVIEW
SUSTAINABILITY
REPORT**



2021



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LETTER TO STAKEHOLDERS

After a first year characterised by great challenges for us, we could have slowed down and taken the time to enjoy our achievements. Instead, we decided to focus on what was next. This was a fundamental choice in order to continue building on our vision for the future, and do so on a solid basis. The merger of two Collective Systems is certainly a challenging first step, but it cannot be the only one, and perhaps not even the most important one. The task is how to tackle the next step (and then the one after that), because announcing an amalgamation is one thing, making it work in practice is another. There are harmonies to be created, balances to be struck, working methods to be modified, goals to be reshaped. This had been our 2021, our second step: the pages of this Sustainability Report, which you are about to read, tell the story. They speak of numbers, results and successes, but above all they speak of dedication. The

dedication of all our people and our Producers who have placed their trust in us and have taken this second step with us, with commitment, responsibility and passion. We like to say that *"We do a job that, if done right, can do good to the world"*. We believe it, we really feel this phrase is ours. Not only because of the history we carry with us, but also because of the history we are building today, step by step, as Erion. That is why we have decided to mark this document with the double helix of DNA: a double chain, two bands that tell an important story (that of Ecodom and Remedia), but which together give life to a new unique narrative. This is the image that, in our opinion, best represents all the work done by the Erion System during 2021. It is our second year of operation, the one that has made us the most important Extended Producer Responsibility Organization operating in Italy, and one of the largest in Europe, for the waste streams associat-

ed with electronic products, i.e. Waste Electrical and Electronic Equipment (WEEE), Waste Batteries and Accumulators (WBA) and Packaging Waste. Telling the story of our 2021 means, first of all, being aware of the road we have already travelled and the one we will have to take, of our "character" and our vision. In Erion's DNA there is **"concreteness", "evolution", "authoritativeness" and "determination"**. Not just words, as some of our people will tell you in these pages, but concrete actions. You will realise, when you read the figures in this Report, that such terms faithfully reflect the profile of an industry leader who, in 2021, managed **290,880 tons of waste, of which 266,614 tons of Household WEEE** (69.2% of the entire Italian System, an increase of 1.6% compared to the result achieved in 2020), aiming every day to make the most of this waste in order to bring real development to the circular economy. In a context characterised by an

unprecedented climate crisis and a progressive shortage of raw materials, we believe that our contribution can represent an opportunity, that although not decisive it is certainly significant for the country. For this reason, the primary focus of our work continues to be environmental protection. In numbers (the ones we care about most): our management of Household WEEE has made it possible to avoid emissions of almost **1.8 million tons of CO2 equivalent** (equal to those generated by the vehicle park of the entire province of Milan for a period of 65 days), save **more than 400 million kWh of energy** (equal to the annual electricity consumption of a city like Florence) and recycle more than **238,000 tons** of Secondary Raw Materials (89.4% of all Household WEEE managed).

And if values like **concreteness, evolution, authoritativeness and determination** are the constituent elements of our DNA, the commitment to a sustainable future

is what best describes the vision of our work. The common goal, which directly affects all European countries, the people who live there and the economic players who operate in them, is to rapidly achieve an ecological transition that is socially equitable and capable of guaranteeing secure re-

sources for future generations. Erion Collective Schemes have a clear task: to be an efficient and reliable partner for their member Producers and a competent and proactive point of reference for institutions and all players in their respective sectors. **Erion WEEE, Erion Professional, Erion Energy**

and **Erion Packaging** face these challenges in the knowledge that their work today is no longer limited to waste management. New issues need to be addressed, such as the eco-design of products, their durability and recyclability, new circular business models and public awareness.

Standing still is not an option for us: we have the duty, and the opportunity, to continue moving in the direction set out this year. Step by step, continuing again and again to do good to the world. **Because the first steps are beautiful, but it is even more beautiful to make progress together.**



Andrea Fluttero

President
Erion Compliance Organization



Dario Bisogni

President
Erion WEEE



Daniela Valterio

President
Erion Professional



Alessandro Frigerio

President
Erion Energy



Maurizio Bernardi

President
Erion Packaging

THE ITALIAN SITUATION¹



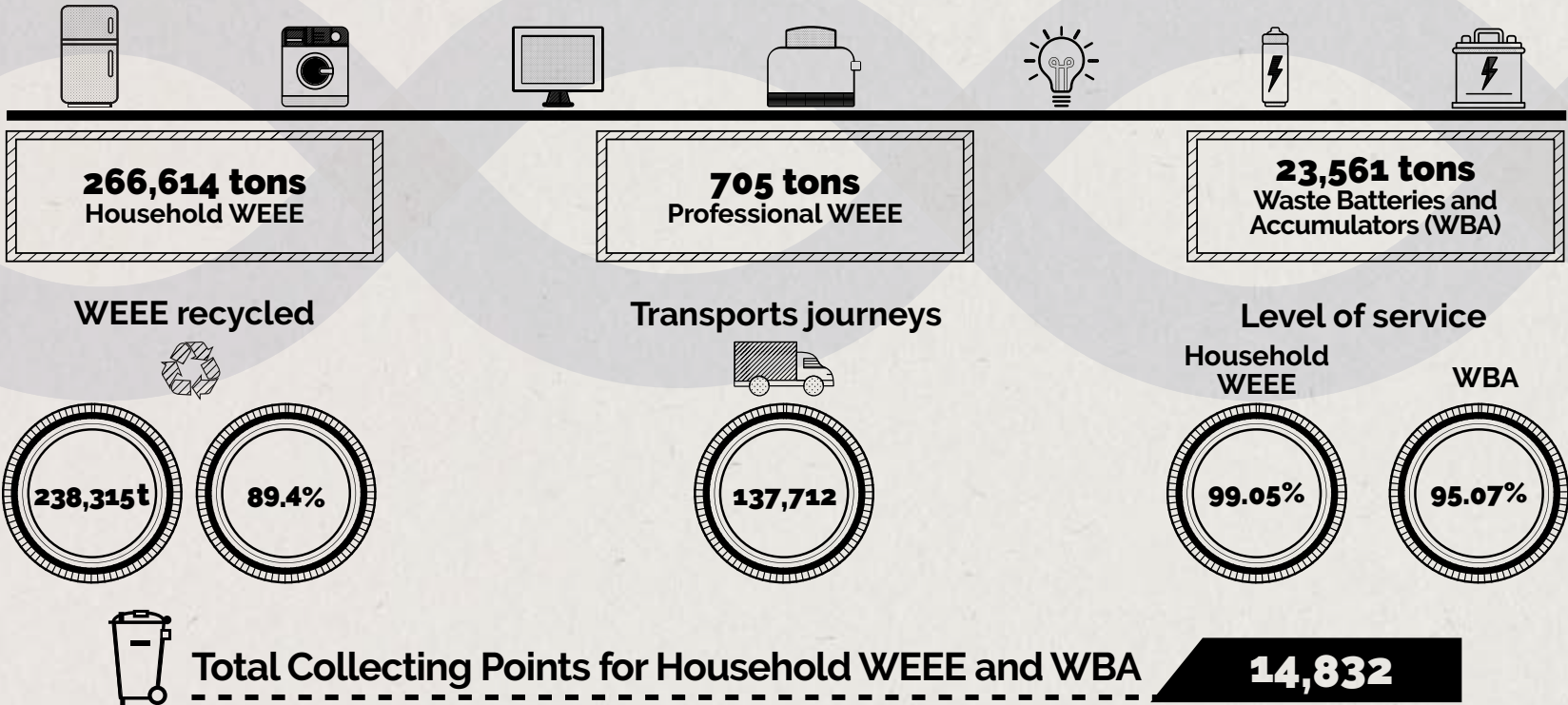
Only **1** out of **2** Italians knows the word **WEEE**
55% of citizens do not know the “**1 for 0**” take-back obligation



Only **1** Italian in **3** knows how to behave **sustainably**
Only **36%** of citizens use **take-back services**

OUR 2021 IN NUMBERS

WEEE and WBA managed amounted to **290,880 tons** of which:



1. In 2021, in line with its social commitment, Erion commissioned IPSOS to carry out a survey (<https://erion.it/it/studi-e-proposte/raee-economia-circolare-cambiamenti-climatici/>) to understand the level of knowledge and awareness of citizens about WEEE.

Thanks to the proper management of Household WEEE:

More than **400 million kWh** saved, equivalent to the annual electricity consumption of a city like **Florence** (more than **360,000 inhabitants**)



Around **1.8 million tons** of CO₂eq **avoided**, which is like eliminating the emissions generated by the vehicle park of the entire province of **Milan** for a period of **65 days**



Economic value generated:

EUR 146.8 million



Economic value distributed:

EUR 113.5 million



Efficiency bonuses:

EUR 16.3 million



12 European projects



7 websites and over **300 news** published



Over **317,000** views and more than **58,000** interactions on social networks



1,305 press releases



EconomiaCircolare.com over **566,000** views



47 Employees (average age 39 years)



2,064 Hours of training

1. ERION IS RESPONSIBILITY

The price of greatness is responsibility said Winston Churchill, and in an era so marked by environmental changes, the ethics of responsibility, and therefore the addressing of problems, is the very foundation of the preservation and survival of the planet. In this perspective, Erion, the most

important non-profit Extended Producer Responsibility (EPR) multi-collective scheme operating in Italy, carries out its activities with the aim of guaranteeing its associated Producers full compliance with environmental regulations in the management of specific categories of waste:

- Household and Professional Waste Electrical and Electronic Equipment (WEEE);
- Waste Batteries and Accumulators (WBA);
- Packaging Waste associated with Electrical and Electronic Equipment (EEE) and Batteries and Accumulators (B&A).

In order to understand the nature of Erion's business and its importance to the environment, the economy of different sectors and to society, let us first analyze the value chain in which it operates.

1.1 EPR SYSTEMS AND RESOURCE MANAGEMENT: A VIRTUOUS CIRCLE

The EPR model assigns the Producer (i.e. the one who places a product on the market) the responsibility of the entire cycle of its goods, from design to end of life, in order to reduce their environmental im-

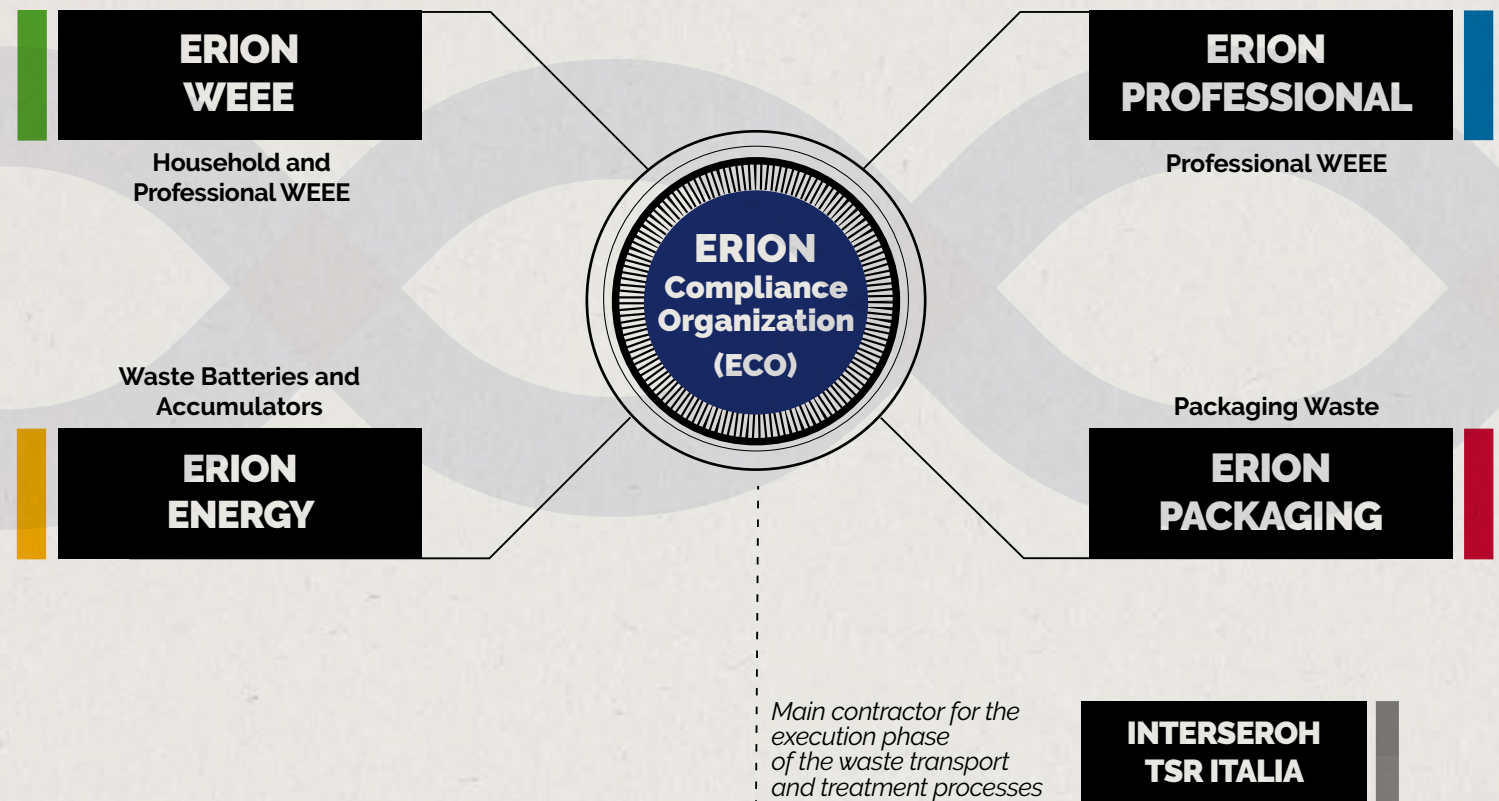
pact. **In the sectors in which Erion operates, this commitment is essential** since products such as computers, refrigerators, smartphones and batteries contain potentially hazardous substances for the ecosystem, which must

be removed and sent for proper treatment by operators with high levels of skills and equipped with appropriate technologies. Furthermore, the proper management of WEEE, WBA and Packaging Waste by EPR organizations represents

an opportunity for the recovery of Secondary Raw Materials to be re-used in new production cycles, resulting in a real contribution to the circular economy thanks also to a more sustainable consumption of resources.

1.2 FOUR COLLECTIVE SCHEMES FOR FOUR AREAS OF RESPONSIBILITY

Erion offers a comprehensive service, supporting the development of a circular and sustainable culture in economic, social and environmental terms. In order to strengthen the quality and resilience of the sectors in which it operates and guarantee efficient management and specialized services to Producers, Erion has created four Collective Schemes operating in as many specific areas. This organization guarantees maximum focus, offering a one-stop-shop approach to Producers operating in several sectors. The Collective Schemes (including "Erion Packaging", which is still in the process of obtaining ministerial accreditation) are wholly owned by the Producers and hold all the shares of Erion Compliance Organization ("ECO"), a consortium company responsible for providing them services with the support of a *main contractor* (Interseroh TSR Italia, a company in which ECO is a minority shareholder) for the management of operational activities.





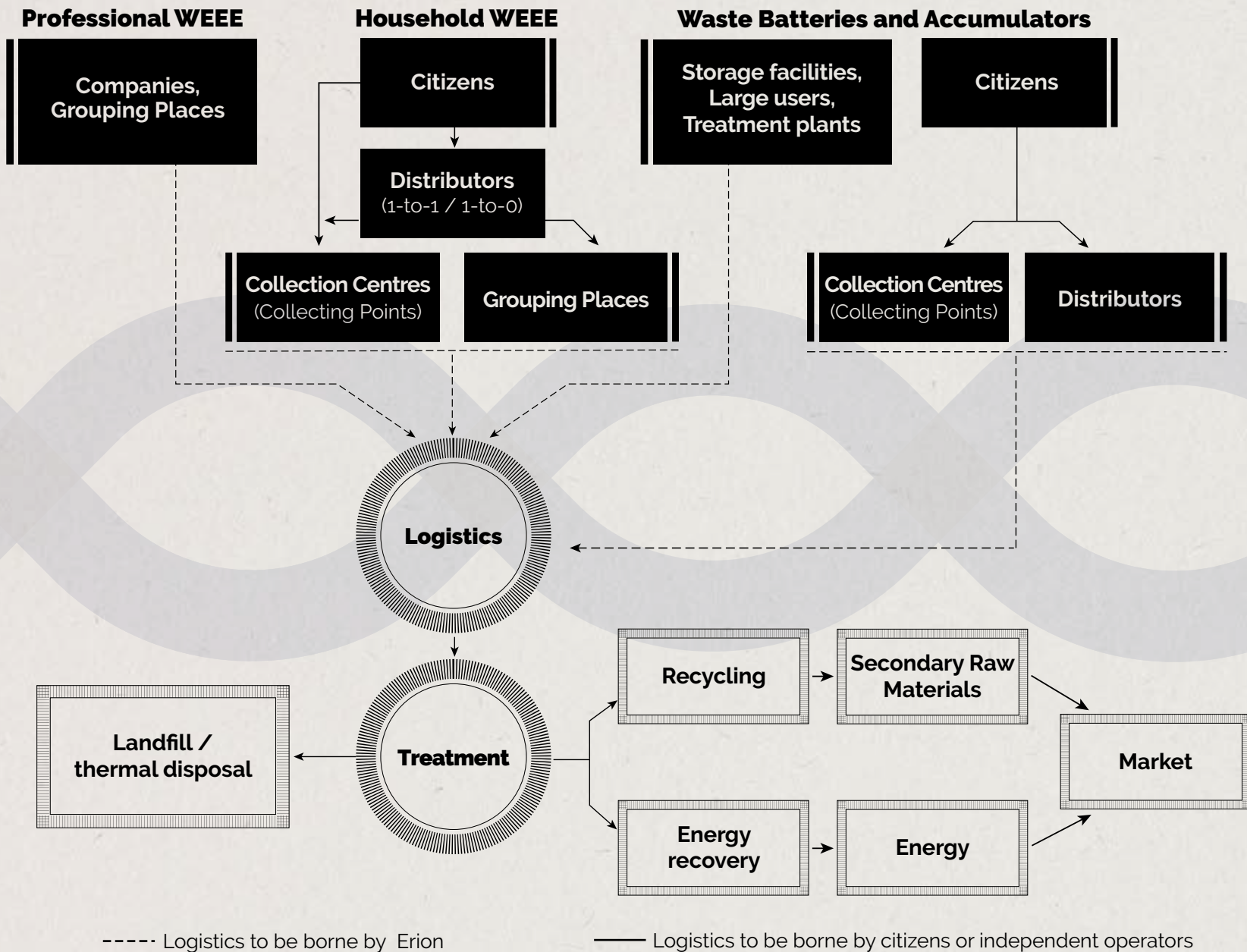
1.3 THE VALUE CHAIN

For the physical waste management processes, Erion relies on specialized logistics and treatment companies. Upstream of these activities, there are the departure points, i.e. the citizens and businesses that

generate the waste destined to become resources. For Household WEEE and Waste Batteries and Accumulators (WBA), Erion complies with the provisions of the Centro di Coordinamento RAEE (CdCRAEE) and the Centro di Coordinamento

Nazionale Pile e Accumulatori (CDCNPA). For Professional WEEE, conversely, collections take place from customers or from dealers/installers. Downstream, the chain continues with the companies that recycle the output fractions and,

marginally, with those entrusted with the operations of energy recovery and disposal of the remaining fractions.



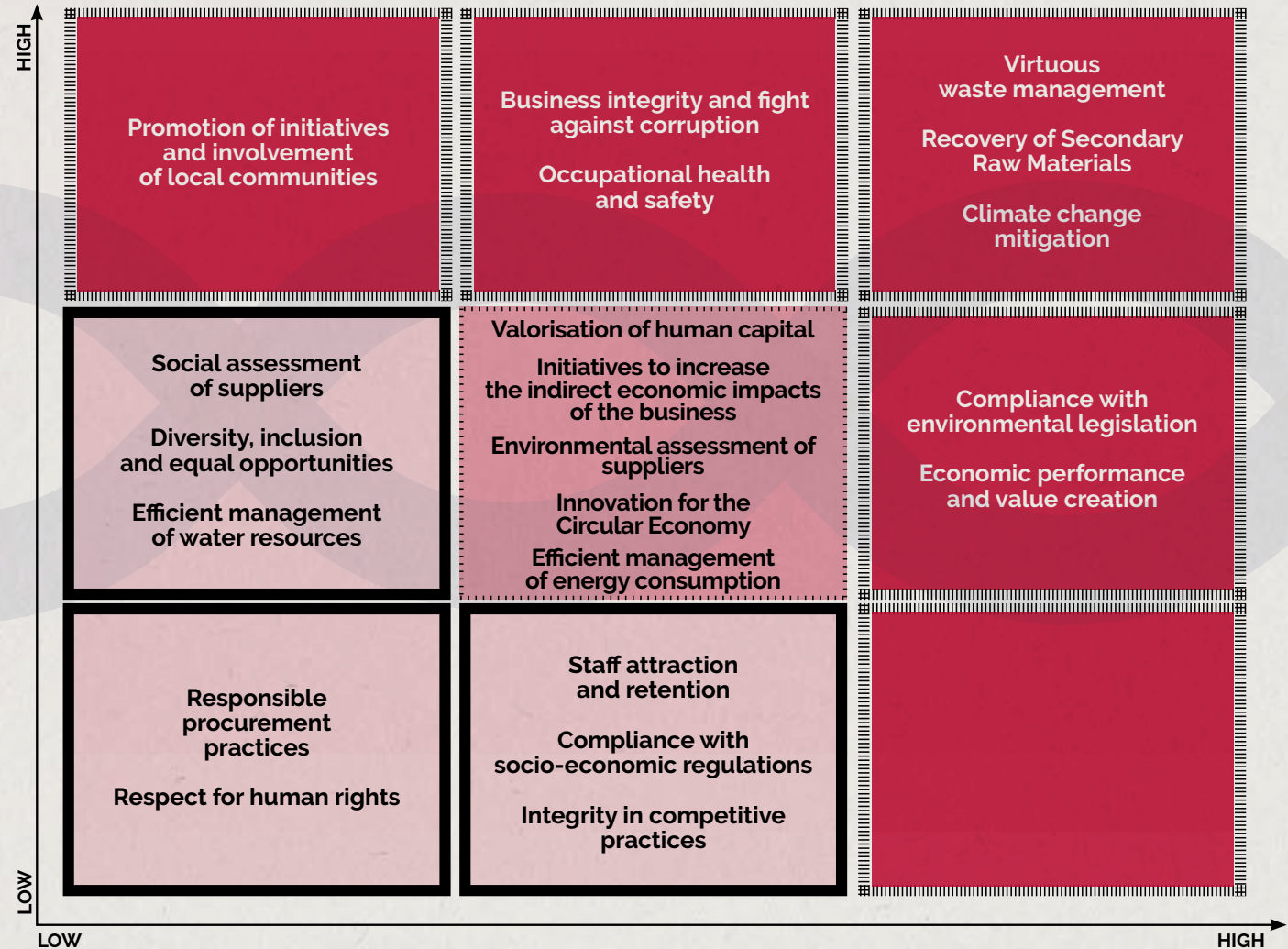
1.4 ERION'S STAKEHOLDERS

Erion operates in a global context and deals with different national and international entities. Below is an overview of the network of stakeholders with whom Erion maintains a solid and lasting relationship, based on dialogue and trust.



1.5 THE MATERIALITY MATRIX

Based on the experience gained in Erion's first year of activity, the focus areas covered in this Sustainability Report have been updated. Through a materiality analysis, the positioning of the issues relevant to Erion was highlighted in relation to their economic, social and environmental impacts and to the importance they assume for stakeholders in terms of perception and decisions towards the Erion System. The result of this process is the materiality matrix.



2. ERION IS POSITIVE AMBITION

Great ambitions make spirits great wrote Tito Livio. The important thing is that ambition itself is a driver for growth and progress and a bridge to a

future that is better than the present. A commitment which finds concrete expression in Erion, the most important Extended Producer Responsibility Organization

operating in Italy, not only in the operational activity of waste management and maximization of the value of Secondary Raw Materials, but also in the role of support to

its Members and to the WEEE and WBA chains for a real transition to the circular economy.

2.1 ERION, THE PRODUCER SYSTEM

In the panorama of EPR systems, Erion is unique considering it is characterized by a multi-collective scheme, owned only by Producers, supported by a platform capable of providing its Members with cross-sector and extensive assistance on several waste chains. A model that, due to its size and capillarity, guarantees the management of high volumes of waste and generates economies of scale by reducing the logistics and treatment operating costs. A System that is easy to access thanks to a "Plug & Play" model,

which allows new Producers to join the Collective Schemes by providing data on their volumes of EEE and B&A placed on the market in a single process. Another distinctive element is represented by the relevant and active role entrusted to the Members in the governance of Erion. In fact, a cascading system allows the General Assemblies of each Collective Scheme to define their own policies and guidelines, which are harmonized by the Board of Directors of ECO and, finally, made operational by its

General Managers. Erion's mission is also ambitious and unique, since it does not confine itself to providing Members with assistance for the purposes of regulatory compliance but accompanies them towards sustainable and circular solutions for the management of WEEE, WBA and Packaging Waste, involving all actors in the value chain. A guiding role that Members recognize and value, increasingly requesting support for the planning, design and implementation of innovative and more eco-friendly solutions

for waste management. Erion's authoritativeness is confirmed by the result of its annual survey, which measures the level of satisfaction and trust of Members and allows to identify new needs and important ideas for continuous operational improvement. Finally, it is worth noting the valuable support that Erion reserves to its Members in the development of communication strategies, aimed at integrating ESG accounting and reporting standards with the benefits linked to proper waste management.

2.2 INNOVATION AND RESEARCH

By virtue of its role and with a view to innovation and continuous improvement, Erion has decided to invest in the future, creating opportunities for dialogue with institutions and the various actors in the WEEE and WBA chains and contributing to innovation and research projects in collaboration with prestigious organizations and universities.

WHITE PAPER ON WEEE

Started from an activity of comparison between the stakeholders of the chain, it collects many proposals for the improvement of the system and for a sustainable evolution of our economy, with the aim of encouraging dialogue with the institutions.

SECURITY OF STRATEGIC RAW MATERIALS

Erion has developed a National Plan for the recovery of Critical Raw Materials (CRMs) from WEEE, aimed at reducing the dependence of the Italian economy on global markets. By optimizing the recovery and recycling practices of CRMs contained in WEEE and representing a real urban mine, it would be possible, in fact, to base their provision on models of circular economy and absolute decoupling. In order to implement the Plan, Erion has calculated an overall financial requirement of EUR 100 million, with an average payback period of 4 years, which can be met by drawing on the funds set out in the PNRR Measure 2.

EPR SYSTEMS FOR EEE SELLERS ON ONLINE MARKETPLACES

A program agreement was signed in 2020 with the Ministry of Ecological Transition and became operational in 2021 in order to extend, on an experimental basis, the end-of-life responsibility of EEE and B&A also to online marketplaces. With the aim of filling a significant gap in the WEEE and WBA chains, the relevant legislation has also been fully implemented and EPR requirements for e-commerce have been simplified.

EPR SYSTEMS AND THEIR STRATEGIC ROLE FOR PRODUCERS

Produced by Erion in collaboration with Sofies – an international sustainability project management and consulting firm – the report compares WEEE, WBA and Packaging Waste streams in France, Germany, Spain, Italy and the UK. In addition to offering an overview of commonalities and practices of note among the EPR systems of these countries, the study also analyzes best practices of EPR systems of different chains (such as the textile sector) with respect to the WEEE and WBA management system with a view to suggesting ideas for improvement.

**WEEE, CIRCULAR ECONOMY
AND CLIMATE CHANGE**

"Survey on citizens' knowledge levels, opinions and behaviours" is the subtitle of the research carried out by IPSOS on behalf of Erion and presented on 14 October 2021 (International E-Waste Day) during the event "L'economia circolare non è un circo". Conducted on a sample of 1,000 Italian citizens, aged 18 to 75 years, through the CAWI (Computer Assisted Web Interview) methodology, it has highlighted that Italians are not very familiar with environmental issues, especially with respect to circular economy and electronic waste. One Italian out of two does not know the word WEEE and two out of three do not know how to act in a sustainable way. Only 36% make use of the collection and disposal services and 55% do not know about the one-to-zero take-back system.

**SECTORAL GUIDELINES
FOR ENVIRONMENTAL
LABELLING**

The guidelines dedicated to the packaging of Electrical and Electronic Equipment (EEE) have been prepared by Erion pending the accreditation of Erion Packaging and in view of the introduction of the mandatory environmental labelling of packaging released for consumption in Italy. The document was drafted in collaboration with Interseroh TSR Italia and provides a general overview of the new obligation, as well as insights of specific interest for the EEE Producers sector and practical examples of possible solutions.

2.3 CIRCULAR ECONOMY, A MODEL TO BE STUDIED AND PRACTICED

Erion bases its commitment on a model of circular economy promoted also through intensive research and development activities aimed at implementing innovative solutions and business models for the sector. As part of these projects, Erion makes its knowledge of the WEEE, WBA and Packaging Waste sectors available to Producers, startups, research organizations, universities and

institutions on several levels by:

- operating as a link between the actors upstream and downstream of each chain, with an end to better understand their needs and identify the operators that can meet them according to the highest efficiency levels. This is the case, for example, of solutions for the use of Secondary Raw Materials
- by EEE Producers, designed in synergy with those involved in recycling activities;
- exploiting its technical know-how by supporting researchers, Producers and startups in conducting feasibility analyzes of innovative projects for the value chain and their correct implementation, carrying out pilot tests to validate them on the field;
- carrying out training activities aimed at students to raise their awareness on issues such as proper waste management, Critical Raw Materials and climate change;
- dialoguing with all actors in the chain in order to collect, evaluate and summarize proposals for changes in regulatory models.

EUROPEAN RESEARCH PROJECTS

Erion's field of expertise is evidenced by the prestigious research projects in which it participates, financed by EIT RawMaterials, EIT Climate-KIC and Horizon 2020. In 2021 alone, Erion was involved in 12 projects, which can be traced back to 3 main areas.

EDUCATIONAL PROJECTS

- projects aimed at I and II grade school students to raise their awareness and educate them on the correct way to dispose of electronic waste;
- projects aimed at university students to raise awareness of the professional skills required in the WEEE and WBA sectors and the challenges of the future.

RAISE (EIT RawMaterials - concluded)	CIRCUCITY (EIT RawMaterials - concluded)	RM@SCHOOLS 4.0 (EIT RawMaterials - ongoing)
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TECHNOLOGICAL INNOVATION PROJECTS

Erion supports companies that intend to develop technological innovation projects on the end-of-life management of EEE and Batteries and Accumulators, putting them in contact with players in the chain with specific know-how and knowledge of the sector to help them understand the feasibility of the ideas and create useful synergies between the actors involved.

PolyCE (Horizon 2020 - concluded)	NONTOX (Horizon 2020 - ongoing)
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SYSTEM INNOVATION PROJECTS

Erion participates in projects aimed at the evolution and improvement of the WEEE and WBA chains, making its in-depth knowledge of the sector available to parties with technological know-how. These projects also include initiatives aimed at collecting legislative proposals.

CEWASTE (Horizon 2020 - concluded)	InnoWEEE (EIT Climate-KIC - concluded)	BELT (Horizon 2020 - ongoing)	Lions2Life (EIT Climate-KIC - concluded)	C-SERVEES (Horizon 2020 - ongoing)	CircThread (Horizon 2020 - ongoing)	Circular Housing (EIT Climate-KIC - concluded)
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CIRCULAR BUSINESS MODELS FOR MEMBERS

Erion supports Producers Members and start-ups in a number of innovative initiatives involving:

- **the development of business models oriented towards the**

circular economy, for which it makes available its expertise on the complex WEEE and WBA sectors and on the current legislation, carries out feasibility studies of the projects and contributes to their

implementation, encourages the creation of synergies with other actors in the chain;

- **the redefinition of operational models** for the more efficient management of waste by Members, also through the

training of employees, sales and supply networks;

- **the development of eco-design solutions** that make the end-of-life management of products more circular or that encourage their reuse.

2.4 COMMUNICATING THE SYSTEM, PROMOTING THE SECTOR

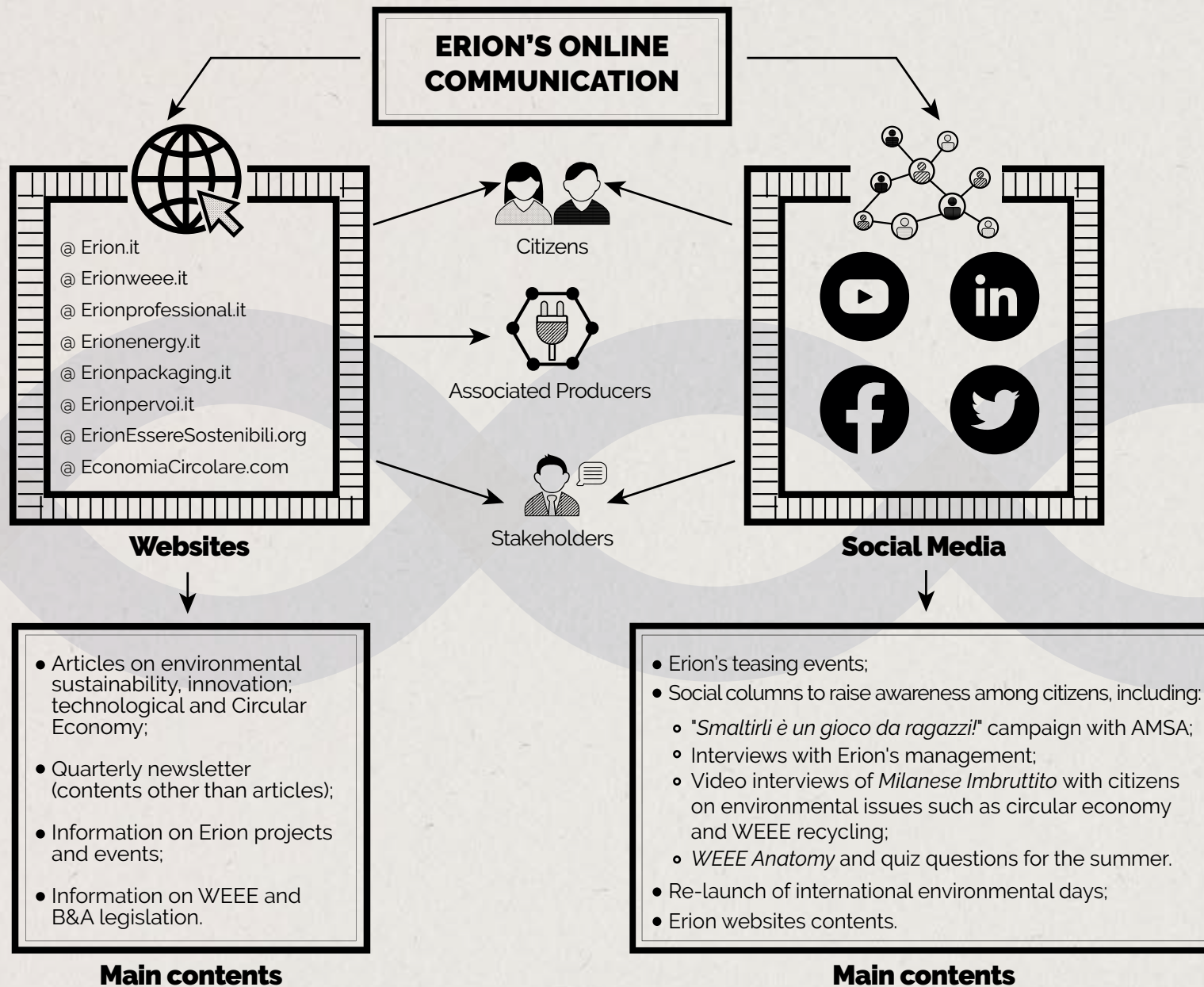
Erion constantly communicates with its Members, the media, Institutions, citizens and the different stakeholders in the chain to achieve five main objectives:

- contribute to the improvement of the sectors in which it operates;
- promote the initiatives carried out by the Erion System;
- inform about the most important issues related to its activity

(e.g. regulatory evolution, technological innovation, circular economy);

- raise awareness on proper waste management;
- spread knowledge about circular economy.

To this end, Erion deals with the creation of digital content that it disseminates through its websites and social channels.



SOCIAL COLUMNS

- # ***"Smaltirli è un gioco da ragazzi!"*** is a campaign aimed at citizens to raise awareness on the proper management of WEEE and WBA. Launched in collaboration with Amsa and Aprica through the use of various tools (social networks, mini-videos, informational material, insights and much more), the initiative focuses on some specific categories of waste: e-cigarettes, electronic toys and musical instruments, battery-powered watches, smartbands and smartwatches and portable end-of-life batteries.
- # ***"Le Interviste Imbruttite"*** is a communication experiment that, through the playful approach of the videos produced in collaboration with *"Il Milanese Imbruttito"*, aims to raise awareness among citizens on the correct disposal of WEEE.

DIGITAL FOCUS

- @ **EconomiaCircolare.com** is the first e-magazine entirely dedicated to the circular economy, combining contents of analysis and in-depth insights aimed at professionals and enthusiasts of environmental issues. Created together with the Centro Documentazione Conflitti Ambientali (CDCA), the magazine boasts scientific partnerships with the major Italian institutions in the field of innovation and research – ENEA, ISPRA, UNI, C.N.R., POLIEDRA (Consortium of environmental research of the Politecnico di Milano) and the Scuola Superiore Sant'Anna of Pisa – and intends to represent a space for accredited information and extended discussion.
- @ **Erionpervoi.it** is a website of the Erion System dedicated to citizen with the aim of spreading a culture based on the correct and virtuous recycling of waste associated with electronic products, also through an "educational" section full of games and quizzes.
- @ **ErionEssereSostenibili.org** is the portal dedicated to Erion's operational, social, economic and environmental performance.

2021 EVENTS

- # ***"Circular Economy and ecological transition, the strategic role of EPR Organizations in Europe"*** is the presentation event of Erion's 2021 Sustainability Report which took place on 7 July 2021 at Palazzo Colonna - Galleria del Cardinale. The event also offered the opportunity to discuss issues related to the management of WEEE in Italy and share the study *"The Strategic Role of Extended Producer Responsibility Organizations"*.
- # ***"L'economia circolare non è un circo"*** is the event that took place on 14 October 2021, in conjunction with the International E-Waste Day promoted by the WEEE Forum at the Piccola Scuola di Circo in Milan. Accompanied by shows with flying trapeze artists and circus acrobats, it was the occasion to present the results of the first year of activity of the Erion System and the EconomiaCircolare.com magazine; to discuss with politicians and researchers on the PNRR, WEEE management and Packaging Waste with the presentation of the project "Ecodesign the future: packaging edition"; to assess the knowledge and opinions of citizens on issues such as circular economy, WEEE and climate change. To this end, it was firstly presented the research carried out by IPSOS on behalf of Erion, *"WEEE, Circular Economy and Climate Change. A survey of the levels of knowledge of citizens, their opinions and behaviours"*, which was followed by the sharing with the public of the *"Le interviste Imbruttite"* format, created in collaboration with *"Il Milanese Imbruttito"*.

COMMUNICATION 2021 IN NUMBERS



7 websites:
273,576 views
154,889 total users



1,305 press releases
(of which 24 on Radio and TV)
and **22 news**



2,360,000 views
produced by Google Ads, leading to more
than 63,000 users on Erion sites



1 Newsletter
5 mailings
18,442 views
5,408 clicks



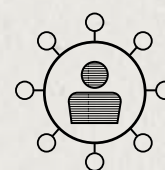
2 events in Rome and Milan
About 200 people met in person
and about 500 in streaming



Over 300 news published
on Erion sites



EconomiaCircolare.com:
566,244 views
304,478 users



317,610 views and
58,412 total interactions
on **social networks**



2.5 A VISION PROJECTED INTO THE FUTURE

Erion's vision is expressed in high and ambitious goals shared with all member Producers, namely:

- represent a leading System in Italy and in Europe in the waste management sector, which contributes to affirming effective models of "Extended Producer Responsibility" (EPR), representing for its Associates the best example of efficiency, quality and innovation;
- stand out for the ethics and transparency of its work, from the respect and care for the environment to attention to the quality of treatment, from high standards of behaviour to rigorous reporting of all aspects of its activities, from fairness in relations with suppliers to the timely and absolute compliance with all regulations;
- position itself in the national panorama of Collective Schemes as the main non-profit entity entirely controlled by Producers, capable of bringing positive discontinuity, creating value for its Members and for the chain of stakeholders and innovating the current management models in a circular economy key;
- set the highest standard in terms of quality and breadth of services offered to Producers and a point of reference both for the management of WEEE, WBA and Packaging Waste and for circular economy projects, able to offer its Members a one-stop-shop solution;
- make the entire value chain in the management of WEEE and WBA more stable and strong, through fair compensation policies for treatment operators that will allow the sector to maintain a high level of quality, leveraging the economies of scale available to the System to develop with the collaboration of Interseroh TSR Italia an optimized operating model capable of generating high levels of efficiency;
- engage in continuous innovation by investing in technological and organizational solutions in order to make an effective contribution to the circular economy and increase the performance of the System, also through participation in European research projects.

3. ERION, A VIRTUOUS WASTE MANAGEMENT

In 2021, Erion managed a total of 290,880 tons of waste associated with electronic products throughout Italy, divided between **Household WEEE**, **Professional**

WEEE and **Waste Batteries and Accumulators**. The following info-graphic shows in detail the volumes, broken down by category.

Total waste managed in 2021:

290,880 tons



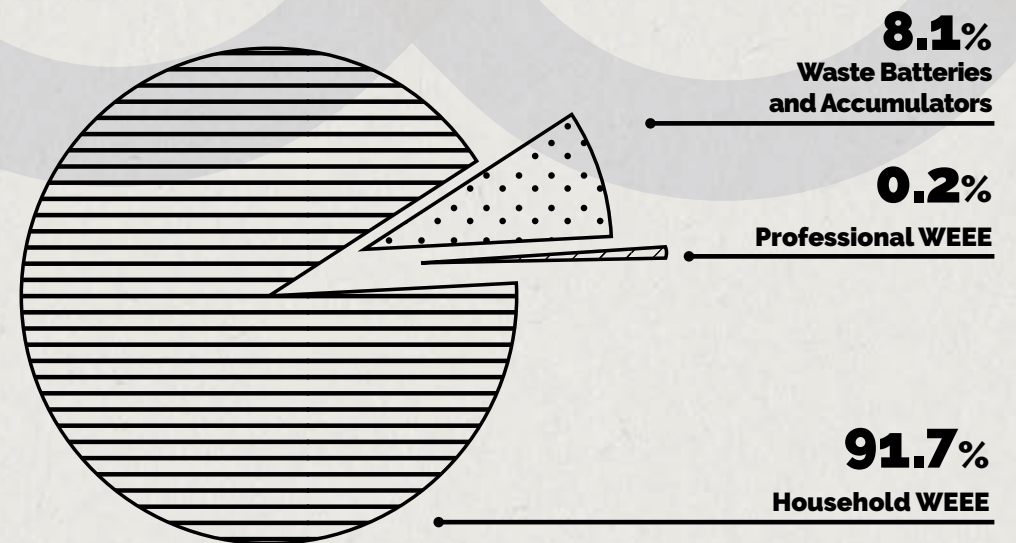
266,614 t



705 t



23,561 t

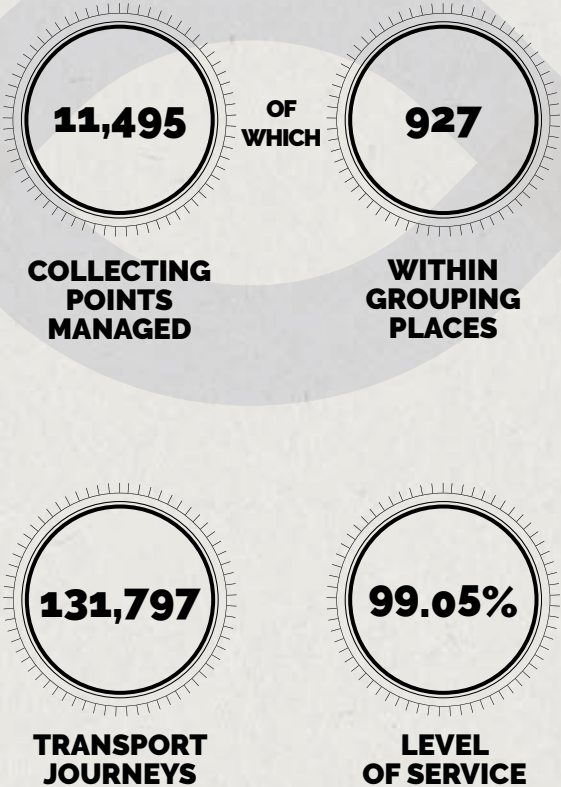


A FOCUS ON HOUSEHOLD WEEE

Total Household WEEE managed in 2021

266,614 tons

		2021
GROUP	R1	78,688 t
	R2	114,721 t
	R3	49,662 t
	R4	23,357 t
	R5	186 t
Total		266,614 t



A FOCUS ON PROFESSIONAL WEEE

**TOTAL PROFESSIONAL
WEEE MANAGED IN 2021**

705 tons



**TRANSPORT
JOURNEYS**

1,450



A FOCUS ON WASTE BATTERIES AND ACCUMULATORS

Total WBA managed in 2021

23,561 tons



1,325 t Portable Batteries and Accumulators

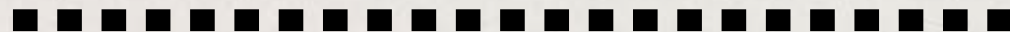
11 t Industrial Accumulators

22,225 t Automotive Accumulators

3,377 Collecting Points managed

4,465 Transport journeys

95.07 % Level of service



4. BENEFITS GENERATED BY THE SYSTEM

4.1 ERION IS ENVIRONMENTAL BENEFITS

Hereditry is nothing but stored environment – wrote Luther Burbank. The conscious management of environmental resources is the first step we must take in our commitment towards future generations. One of Erion's main objectives is to ensure environmental

benefits through proper and efficient waste management. The System's environmental performance is measured on Household WEEE, the most relevant in terms of volumes, which is managed by Erion WEEE. This analysis is carried out on the entire value chain to obtain

a true and complete overview of all services, and it reveals that the main environmental impacts concern the logistics and treatment activities performed by Erion's suppliers. Although not directly responsible for these operations, the System promotes their mitiga-

tion by encouraging its partners to adopt virtuous measures to reduce energy consumption and related emissions. Below are the main benefits deriving from Erion's management of Household WEEE.

4.1.1 NEW LIFE FOR SECONDARY RAW MATERIALS

As mentioned above, the proper management of WEEE allows to mitigate the risks related to the dispersion of pollutants into the environment and the recovery of Secondary Raw Materials that can be used in new production cycles. For this reason, Erion WEEE delivers waste only to treatment plants accredited with the Centro di

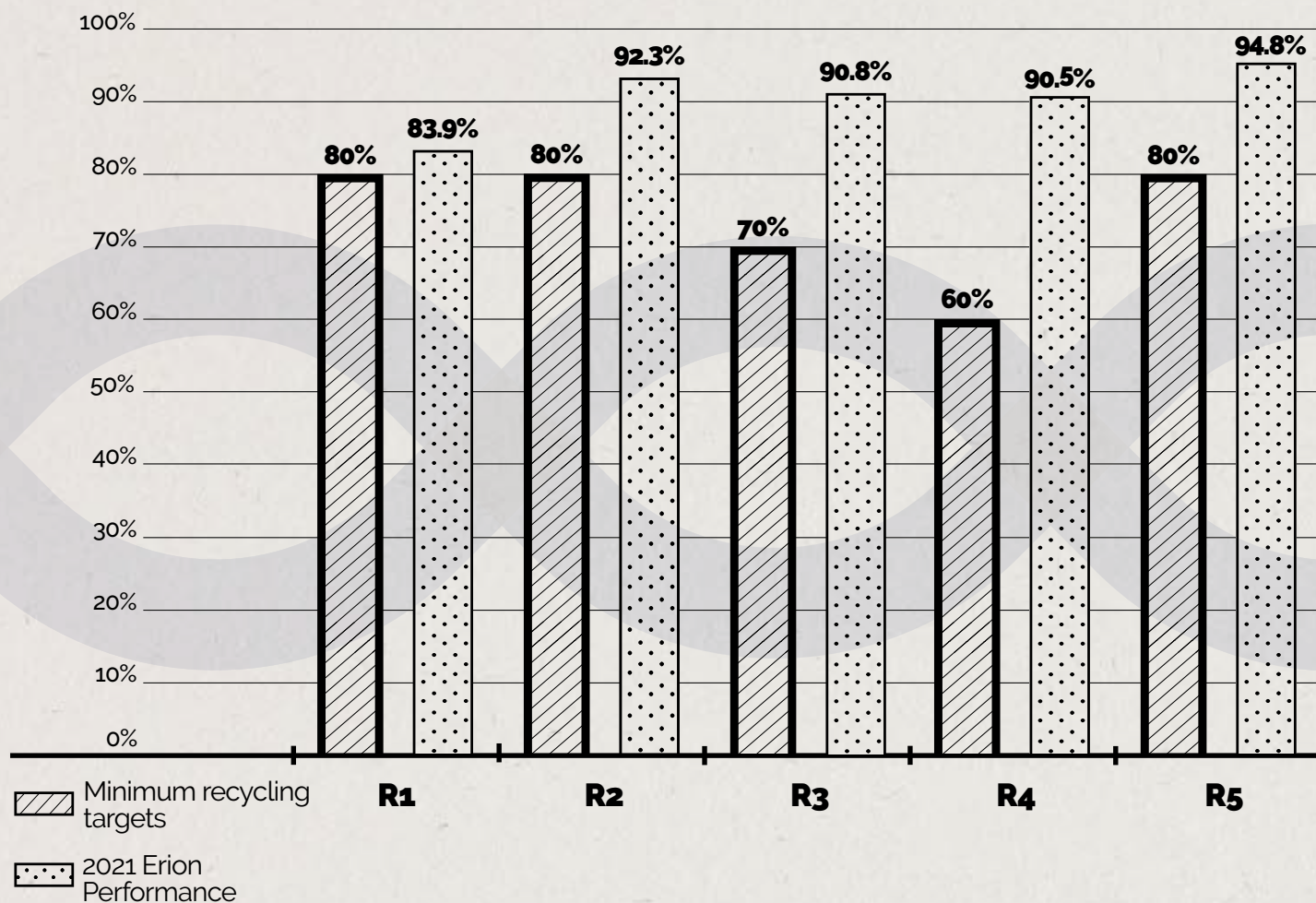
Coordinamento RAEE (CdCRAEE) and which are subject to an audit conducted by qualified third-party verifiers. These are plants that meet such high technical requirements² as to ensure the quality of treatment and improve recycling rates, thus increasing material recovery opportunities and mitigating the environmental risks deriving from inadequate

waste treatment, i.e. benefits that the "parallel system", namely those entities that manage WEEE outside the system coordinated by the CdCRAEE, does not guarantee in not being obliged to abide by the rules. In addition, Erion WEEE constantly verifies that its suppliers act in compliance with regulatory requirements and monitors the WEEE streams along the entire

chain, verifying the destination of the fractions leaving the treatment plants it relies on. Thanks to these stringent controls, Erion WEEE has in recent years always managed to meet and exceed the minimum recycling and recovery targets set by law. The following graph shows the results achieved by Erion's management in the recovery of Secondary Raw Materials.

2. The requirements are identified on the basis of current legislation and internationally recognized technical standards.

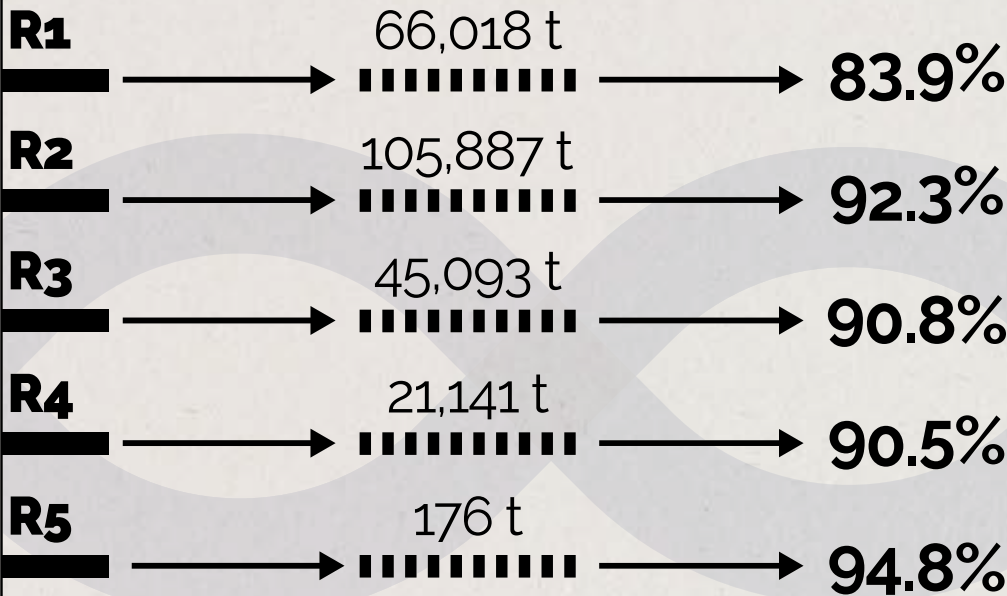
GRAPH 4.1.1
COMPARISON OF THE RECYCLING PERFORMANCE OF HOUSEHOLD WEEE BY GROUP
AND MINIMUM RECYCLING TARGETS SET BY LEGISLATIVE DECREE 49/2014³



³The minimum targets for the quantities destined for recycling are defined by current legislation (Legislative Decree 49/2014) for each category of Electrical and Electronic Equipment: this graph represents a transposition of these targets for each Group.

Second Raw Materials recycled

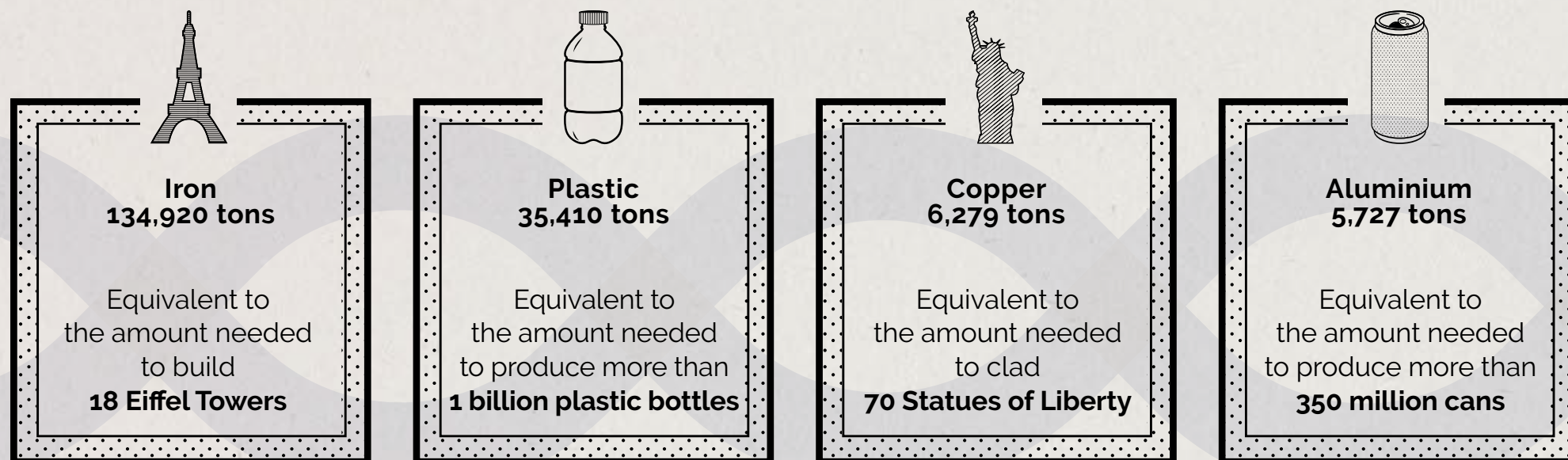
238,315 tons → 89.4% of the total tons of Household WEEE managed



11,992 t sent for energy recovery **4.5%**

16,307 t sent to thermal disposal and landfill **6.1%**

The main Secondary Raw Materials recovered are:



4.1.2 CONCRETELY AGAINST CLIMATE CHANGE

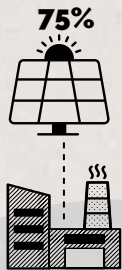
In waste management, Erion does not directly carry out operational activities, which are entrusted to logistics and treatment providers. For this reason,

the direct environmental impacts (i.e. caused by Erion) are negligible, while the indirect ones are much greater: Erion is committed to reducing also these impacts

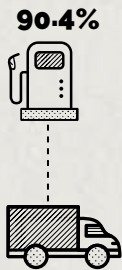
by encouraging its partners to limit energy consumption and climate-changing gas emissions. Thanks to specific contractual agreements, Erion rewards the

use of less polluting vehicles and the provision of renewable sources.

2021 results achieved thanks to Erion effort for tackling climate change



75% The **treatment plants** relied on by Erion WEEE are **75% supplied by renewable energy sources**. Out of 27,240,020 kWh consumed, 20,317,246 kWh come from renewable sources.



The **logistics suppliers** that Erion WEEE relies on have covered **90.4% of their routes with vehicles of class higher than Euro 4** (an increase compared to 2020).

Scope 1: the direct GHG emissions generated during the year by logistics providers and treatment plants amounted to **122,620 tons of CO₂eq**, an increase of approximately **17%** compared to 2020 and in line with the higher collection volumes recorded and the greater distances covered.

Scope 2: the indirect GHG emissions generated during the year by the treatment plants Erion relies on amount to **2,307 tons of CO₂eq** (calculated using the market-based method*), compared to **7,537 tons of CO₂eq**, calculated using the location-based method.

The GHG emissions of the plants have been calculated using both **location-based and **market-based methods**. The first calculates emissions by applying the average emission factor associated with the national energy mix of the countries where consumption takes place. The second considers the use of contractual instruments aimed at purchasing energy from renewable sources (e.g. Guarantees of Origin), which are calculated as having zero GHG emissions. If the organization does not fully cover its needs with such certificates, an emission factor associated with energy production from thermal power plants alone is used for the remainder.*

Erion constantly monitors the effectiveness of its environmental protection activities, comparing the resulting consumption and emissions with those of a

hypothetical scenario in which the management of Household WEEE takes place without Erion WEEE. Such monitoring is interesting because it allows to compare real

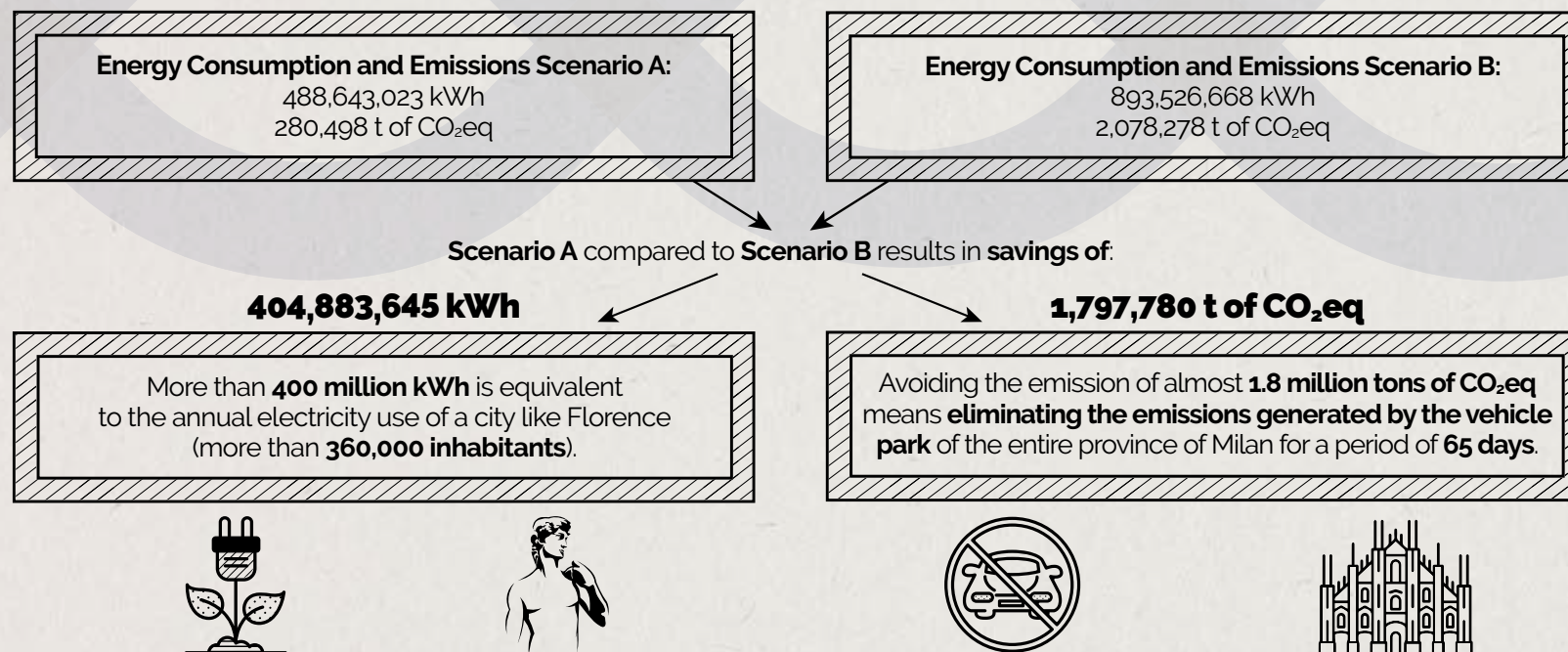
data on Erion's indirect environmental impacts with hypothetical ones caused by the "parallel system", i.e. by entities who intercept WEEE in order to exploit the

easier-to-extract Secondary Raw Materials without worrying about proper treatment from an ecological point of view.

Comparison between scenarios in the management of Household WEEE

In order to fully understand the environmental benefits of proper management of Household WEEE, the *WEEE Forum* has developed a tool that compares the energy **consumption** and **emissions** of two scenarios:

- **Scenario A - "Proper management of WEEE"**, which calculates the consumption and emissions resulting from a compliant management of WEEE such as that provided by Erion;
- **Scenario B - "Partial management of WEEE"**, which calculates the consumption and emissions generated by a mixed management system: 50% of WEEE is treated by entities such as Erion, but which however operate with a very low recovery rate of ozone-depleting gases (CFC/HCFC), equal to that measured in the first year of operation of the Collective Systems (2008), while the remaining 50% is treated by parallel market entities that aim solely at maximizing profit without taking the necessary measures for proper treatment.



4.2 SOCIAL BENEFITS

Creating value and generating a positive impact on society means promoting a change that can bring benefit to

people both in their daily activities and in the most important aspects of their lives, in terms of health, cultural growth and

personal fulfilment. It is for this reason that in a year still greatly affected by the pandemic, Erion not only recruited new staff, but

also increased the training and personal development initiatives for its people.

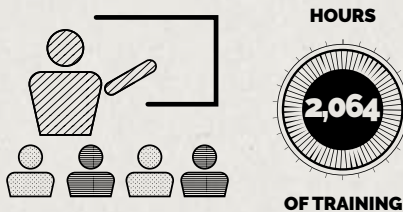
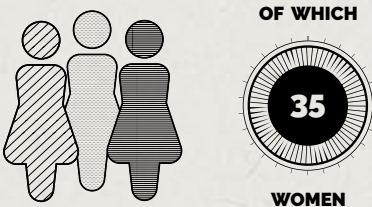
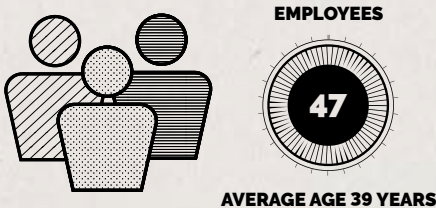
4.2.1 EMPLOYEES' PERSONAL GROWTH AND WELL-BEING

People represent the most valuable resource for Erion, which has managed to keep intact the wealth of experience and skills of its employees, despite the historical period still strongly characterised by great uncertainty and instability. The merger between Ecodom and Remedia Consortia, which led to the creation of the Erion System, did not result in any redundancies. Instead, a

choice was made to promote human capital development by providing contractual stability to its resources and continuing to ensure a correct work-life balance and fair treatment, without distinction of age, gender, political, religious and sexual orientation, allowing Erion to rely on a dynamic, young and predominantly female team. For Erion, constant investment in the training and development of

staff skills is the most effective way of ensuring the quality of its work and a stimulating working environment. In order to promote dialogue and attentive listening, an analysis of the climate among employees was carried out during the year, which showed that most people feel involved in their work and by shared projects, have good relations with colleagues and senior staff, are generally

satisfied with the context in which they operate and are able to effectively manage work pressure. For employees, according to the analysis, priorities focus on work-life balance and opportunities for professional growth. With this in mind, Erion has decided to increase internal initiatives dedicated to these issues with an action plan that will be further developed in 2022.



4.2.2 PROTECTING WORKERS' HEALTH AND SAFETY

Erion devotes particular effort to ensuring full compliance with occupational health and safety regulations, recognising the importance of this aspect in guaranteeing the well-being of its workers. Erion strictly complies with the provisions of Legislative Decree 81/2008 and has adopted virtuous practices to protect its employees.

4.3 A SYSTEM THAT GENERATES VALUE

The Erion System is entirely controlled by the Producer Members who pay an eco-contribution to cover its costs. Given the non-profit nature of the organization, any surplus due to a more efficient management is not redistributed to the Members, but contributes to the reduction of the contribution in the following financial year. The activity of the System involves other economic impacts, from which several actors in the chain benefit, including, above all, the logistics and treatment suppliers and the Public Administration. In addition to the remuneration for their services, suppliers receive economic incentives for adopting sustainable solutions, such as low-emission means of transport for logistics providers and the use of energy derived from renewable sources for treatment plants.

Furthermore, through compensation mechanisms based on positive performance of Secondary Raw Materials, Erion contributes to the economic and financial stability of the formal system. With regard to the Public Administration, the indirect economic impacts from which it benefits include the reduction in charges for local authorities (because it is Erion who takes care of the management of WEEE and

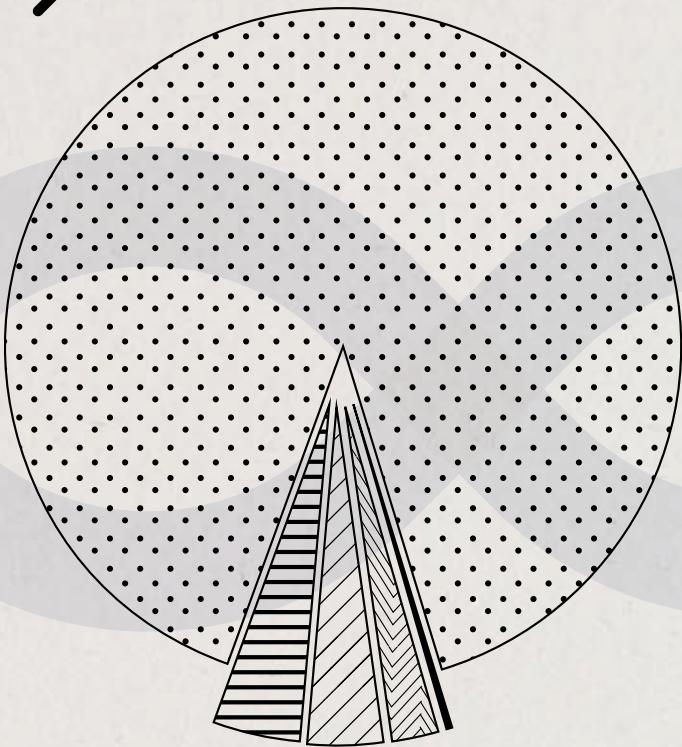
WBA) and the efficiency bonuses paid to municipal Collection Centres and to the distribution's Grouping Places, upon the occurrence of conditions of good operation of the collection activities. In order to gain a better understanding of the scale of the direct and indirect economic benefits deriving from Erion's activities, some **key figures** are provided below.



EUR 146,819,534
**Economic Value
Generated by Erion**



Breakdown of Distributed Economic Value (year 2021)



89.8%	Logistics,treatment: EUR 101,933,835
4.1%	Other operating costs: EUR 4,660,592
3.7%	Personnel remuneration: EUR 4,200,031
2.0%	Public Administration payments: EUR 2,215,915
0.4%	Communication: EUR 476,939

Indirect economic impacts on Public Administration



EUR 16,320,672
**Efficiency
bonuses**



EUR 24,562,272
**Reduction
of charges**





Ecodom. Remedia.
Producer Responsibility

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Design: Ma&Mi Srl
www.maemi-adv.com
Methodological support:
EY - Climate Change and
Sustainability Services