



Producer Responsibility

Sustainability
Report
2022
Summary of results

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### **LETTER TO STAKEHOLDERS**

We are pleased to present to you this 2022 Sustainability Report with the confidence that we have kept our promise. We told you that standing still, for us at Erion, was not an option, that we would continue to move forward, staying true to the building blocks of our DNA: concreteness, evolution, authoritativeness and determination. And so it has been.

In our third year of existence we have continued to grow, together, as a System, establishing a new Collective Scheme, strengthening the union of the original ones, employing new professionals, expanding our range of services and network of stakeholders. We have gone beyond what are the tasks of an Extended Producer Responsibility Organization by investing in high quality environmental training, information and awareness initiatives, enthusiastically supported by our 2,505 Member Companies and by an increasingly large public of citizens.

Having achieved these results, and others that you will discover in the following pages, was an important milestone. Having done so in 2022, represented an added value to the commitment with which we do our work. The year that we all expected to be the one of the great recovery after the Covid-19 pandemic, fell short of expectations from its very first months. The outbreak of the Russia-Ukraine conflict and the resulting increase in energy prices, have stifled industries and increased the level of uncertainty in the global economy, already marked by phenomena such as the raw materials crisis, widespread inflation and climate change.

All difficulties that we at Erion have taken up as new challenges, moving with the strength of our experience and the authority of a System capable of looking to the future with vision and constructive spirit. We have never limited ourselves to passively witnessing the transformations of society. Rather, we have chosen to measure ourselves against them, interpret them and try to steer them on the path towards ecological transition and the preservation of resources for the next generations. We have invested time and ideas in this direction, in a year that has seen our participation in various institutional working tables, public events, conventions, meetings in schools and European research projects. We have launched nationwide communication campaigns to spread a culture of sustainability and raise awareness among citizens – especially

the younger ones – about virtuous practices for the protection of the environment and the development of the circular economy, such as the proper disposal and recycling of waste. Together with prestigious consulting firms, we have carried out high-level studies and surveys on challenging issues which have a direct bearing on all production sectors, such as the supply of Critical Raw Materials, the impacts of the new European Regulation on batteries, the level of Italians' knowledge about WEEE and WBA.

A deep understanding of the economic environment in which we found ourselves operating in 2022 enabled us to make strategic choices that led to decidedly positive results for all stakeholders. During the year, we managed 257,705 tonnes of waste, of which 246,246 tonnes was Household WEEE. Their proper management generated considerable environmental benefits, which allowed us to avoid emissions of 1.8 million tonnes of CO2 equivalent (corresponding to those produced by a car that travels about 200 thousand laps around the equator), save more than 380 million kWh of energy (equal to the average electricity consumption of about 140 thousand Italian households in a year), and reintroduce more than 220 thousand tonnes of Secondary Raw Materials (89.4% of Household WEEE managed) into the production cycles. These, as always, are the numbers that we care most about, the result of a year that has made us even more aware that we are a multiple Collective Schemes System capable of creating connections, inspiring people, reflecting on small and big changes. We can do this because we have the opportunity, and the certainty, of being guided by five structured organizations. Five industry Collective Schemes that act and operate on different sectors, but that share, together with ECO, a common goal: to represent excellence in the landscape of Extended Producer Responsibility Organizations for all their stakeholders. That is why, this year, we have chosen to entrust this thought, and this Report, to the theme of constellations, to remind you (and us) how the ideas and actions of individuals gain more strength if placed in a master plan. This is the case for the Erion System and the five Collective Schemes that make it up: Erion WEEE, Erion Professional, Erion Energy, Erion Packaging and Erion Care. In the chapters dedicated to them, you will be able to learn about the operational performance achieved during

the year and the high value of the services and initiatives they have implemented by best interpreting the commitment to sustainability of the Producers they represent. You will discover, in the cases of Erion Packaging and Erion Care, the process that led the first to be officially accredited by the Ministry of the Environment and Energy Security as an autonomous system for the collection, recovery and recycling of Packaging Waste, and the second to become the first EPR Organization in Italy committed to combating the littering of cigarettes butts and the improper disposal of Waste tobacco products in the environment.

These are results we are proud of and that we have achieved thanks to the implementation of a winning and shared strategic vision, which has led us to become a reference player in Italy and an important presence on the European scene.

Strengthened by three years of excellent results, but certain that there is still a long way to go, we will continue to work with the same dedication and passion to improve further and, above all, to continue to do good to the world.



President Erion WEEE



President Erion Professional



President Erion Energy



President Erion Packaging



President Erion Care



President Erion Compliance Organization

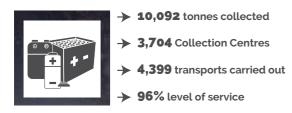


#### **OUR 2022 IN NUMBERS**



5 unique values that unite the Collective Schemes and ECO: quality, efficiency, transparency, social commitment and innovation

#### **Waste Batteries and Accumulators**



Total waste managed by the Erion System in 2022 **257,705 tonnes,** of which:

#### **Household WEEE**



**220,224** tonnes of Household WEEE sent for recycling, about **89,4%** of total Household WEEE managed

#### **Professional WEEE**



#### Thanks to the proper management of Household WEEE



### **125,501** tonnes of ferrous metals recovered

Equivalent to the amount needed to build 17 Eiffel Towers



### **35,571** tonnes of plastic recovered

Equivalent to the amount needed to produce over 13 million garden chairs



#### 1.8 million tCO₂eq avoided

Corresponding to the emissions produced by a car travelling about 200 thousand laps around the equator.



## 1.4 million GJ of energy saved

Corresponding to the average electricity consumption of about 140 thousand Italian households in a year.

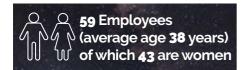


Equivalent to the amount needed to clad 60 Statues of Liberty



**5,164** tonnes of aluminium recovered

Equivalent to the amount needed to produce more than 323 million cans







Economic value directly generated: **106,532,829 €** 

Economic value distributed: 120,428,968 €

Efficiency awards: **15,787,237 €** 



**6** european projects started in 2022



**6** institutional websites



2 websites for informational purposes

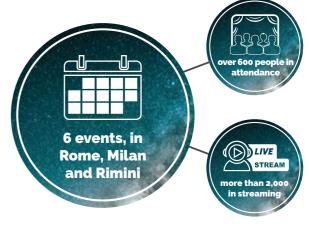


1 online magazine, with over 700,000 users and more than 1 million views



**5** social channels, with over **500,000** views and more than **33,000** interactions







## 1. ERION SYSTEM

A point in the sky is just one among many others until we place it in a constellation turning it into a precise point.

CREATING SYSTEMS IS OUR WAY OF ORIENTING OURSELVES WHEN WE LOOK AT THE STARRY SKY, AND IT IS THE WAY THAT STARS HAVE OF NOT REMAINING, TO OUR EYES, ONE AMONG MANY.

# 1.1 THE ERION SYSTEM

Erion is a System consisting of five sector-specific Collective Schemes (Erion WEEE, Erion Professional, Erion Energy, Erion Packaging, and Erion Care) for the management of Household and Professional Waste Electrical and Electronic Equipment (WEEE), Waste Batteries and Accumulators (WBA), Packaging Waste from EEE and BA, and, from 2022, also tobacco product Waste. The 5 Collective Schemes are supported by the consortium company Erion Compli-

**ance Organization** S.c.a r.l. (ECO), the common platform designed to provide them with shared services by harmonizing operational strategies and coordinating all activities of the Erion System. Erion was created to provide strategic content and operational excellence for effective implementation of Extended Producer Responsibility (EPR), a core value of European environmental policy.

# 1.2 ERION'S MISSION

Every day Erion strives with determination to fulfil its mission: to contribute to the construction of a sustainable future for the Planet through the diffusion and achievement of a sustainable production and consumption model. To do this, Erion can count on a system of Collective Schemes that guarantee the collection, recovery and recycling of Electrical, Electronic, Batteries and Accumulators Waste and their Packaging, as well as the management of tobacco product Waste.

- · quality and efficiency;
- transparency;
- · social commitment;
- · innovation.

Through the operational activities of the Collective Schemes, WEEE, WBA, and Packaging Waste become a real resource that Erion is committed to transform and reintroduce into the supply chain, breaking away from the old 'linear' model, which does not provide for the

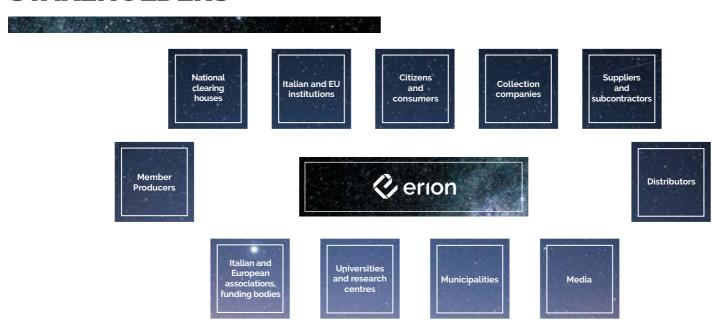
recovery or reuse of goods that have become waste. Instead, the economic and cultural model that Erion pursues is 'circular' and is based on three key concepts such as prevention, recycling and reuse. Erion is committed to ensuring that its Members respect and comply with all EU and national regulations of the sectors in which it is involved. Although it is a non-profit organization, through its Collective Schemes' activities Erion intends to generate value for its Members and all their partners and, in general, for the entire Italian economic system. Erion strives to ensure that all actors involved in waste collection management have an adequate economic return to make the strengthening of existing waste chains and the creation of new value chains attractive. For its employees, Erion ensures an inclusive professional environment based on full respect for gender equality, that fosters concrete opportunities for growth and a good work-life balance



### 1.3 2022 ERION STRUCTURE



### 1.4 STAKEHOLDERS



## 2.1 ERION WEEE

Household and Professional WEEE

A footprint in the sand is just a mark on the ground, but when lined up with others, it becomes a path.

CONNECTING POINTS IS OUR WAY OF FINDING A PATH, AND IT IS THE WAY THAT SIGNS HAVE OF FINDING MEANING.



### 2.1 ERION WEEE

"We want EEE Producers to choose Erion WEEE to manage the end of life of their products. We constantly strive to offer services that best meet our Members' needs and add value to their choice to stay with us."





#### 2.1.1

#### THE ORIGINS AND MISSION OF ERION WEEE

Erion WEEE was established on the 1st of October 2020, as a result of the merger between Ecodom and Remedia, as a national Collective Scheme dedicated to the management of Waste Electrical and Electronic Equipment (WEEE) in accordance with the Extended Producer Responsibility (EPR) requirements described in Legislative

Decree 49/2014 implementing European Directive 2012/19/EU. As at 31 December 2022, the Collective Scheme can count on 2,148 Members, and holds by far the leading WEEE management market share nationwide amounting to 68%.

#### 2.1.2

#### THE FIVE STEPS OF ERION WEEE

### Dialogue with stakeholders in defining the regulatory framework

The Collective Scheme, together with the main players in the WEEE sector in Italy, has drawn up a series of proposals for regulatory and organizational evolution for the development of the

national WEEE sector, which have been collected in a document called "Libro Bianco sui RAEE". described in detail in the dedicated section.

#### **Operational efficiency**

During 2022, Erion WEEE handled 246,246 tonnes of Household WEEE and 60 tonnes of Professional WEEE, with a service level,

relating to household waste alone, of 96.3%.

#### Effective support for quality

Over the past three years, the prolonged Covid-19 health emergency and subsequently the Russian-Ukrainian conflict have severely destabilized all players in the sector, including, in particular, logistics and processing providers. In the face of such critical issues, Erion WEEE responded by strengthening the partnership with its suppliers, not only by taking charge of the strategic and contractual management of the network, but also by developing an economic

support plan which was evaluated as very positive. In this way, the Collective Scheme ensures the satisfaction of suppliers by motivating them to cooperate, and, at the same time, dictates the quality standards for logistics activities by acting directly on the first stages of the processing chain and maximizing the environmental benefits and operational efficiency of the system.

#### **Comparison with Europe and innovation**

Erion WEEE is a member of the **WEEE Forum**, the international association of collective WEEE management systems. The Collective Scheme plays an active role within the WEEE Forum: in addition to being part of the Board, it makes its know-how available by

participating in funded research and innovation projects and sharing initiatives that are followed by the other collective systems members of the association.

#### Support to Members in circular economy initiatives

Erion WEEE does not limit itself to ensuring its Members the proper management of WEEE along the entire chain, but actively

involves them in circular economy projects.

#### 2.1.3

#### PRESENT AND FUTURE CHALLENGES

#### The critical aspects of the collection

Public awareness is the cornerstone of Erion WEEE strategy to improve WEEE collection results. Conscious consumption and disposal are the main lines of action on which a commitment is needed and with respect to which the Collective Scheme intends to make its contribution. The maxi-communication program "DireFareRAEE", launched by Erion WEEE in July 2022 and described in the dedicated section, consists of a series of initiatives that aim to make citizens aware of correct practices and the benefits of proper treatment of WEEE. In addition, there is the problem related to the so-called

"parallel flows" of WEEE with respect to official channels: a large amount of electrical and electronic waste is intercepted by unauthorized parties and disappears without a trace. Erion WEEE condemns the phenomenon of informal WEEE flows, which in the last three years has been emphasised by the exceptional increase in the value of raw materials. Parallel flows of WEEE take away tonnes of secondary raw materials from the market that could instead be recirculated, especially in a time when the supply of raw materials is increasingly difficult and their prices tend to rise daily.

#### Erion WEEE and Epron, one year of partnering

In January 2022, the partnership between Erion WEEE and Epron, the two largest EPR systems for the management of WEEE in Italy and Nigeria, respectively, turned one year old. The partnership was established

as part of the "Twinning Program", promoted by WEEE Forum to foster the exchange of know-how and best practices between the most experienced EPR Systems and newcomers to the sector.



#### **Competition Authority**

The investigation initiated in 2021 by the AGCM (Italian Antitrust Authority) against Erion WEEE was closed in 2022. The Collective Scheme actively cooperated with the Authority to facilitate and

expedite the investigation, submitting a number of commitments and obtaining the closure of the measure without a finding of infringement or imposition of any sanction.

#### Transparency objective

Erion WEEE's financing model provides for equal unit environmental contributions for all Members; in the years in which available economic reserves are to be used, the environmental contributions applied

to Members (who benefit from the reserves) are lower than those intended for Producers who wish to join the Collective Scheme.

#### 2.1.4

#### **INITIATIVES AND PROJECTS**

#### Libro Bianco sui RAEE

On 12 April 2022, Erion WEEE presented in Rome the "Libro Bianco sui RAEE", containing 32 proposals of an organizational and regulatory nature that came about as a result of the constant dialogue among all the actors in the WEEE system: producers, distributors,

urban hygiene companies, and treatment plants. The White Paper is mainly addressed to institutions with the aim of overcoming, through concrete actions, the main obstacles holding back the full development of the Italian WEEE system.

#### **DireFareRAEE**

"DireFareRAEE" is the maxi-communication program launched by Erion WEEE in 2022, and which will continue until 2024, to raise awareness among Italian citizens on the issues of proper WEEE disposal and recycling. An investment of more than four million Euro that the Collective Scheme's Producers deemed necessary to bridge the information gap that especially affects younger people.

In 2022 alone, 'DireFareRAEE' has given rise to five initiatives with a single goal: reach the streets, homes, and schools through dissemination and educational activities to communicate to all consumers, from the youngest to the not so young, good practices for the proper disposal of WEEE.

#### **DireFareRAEE 2022 initiatives**



The "RAEE una volta" campaign



The "Effetto farfalla"

Podcast



"Training for circularity -WEEE Edition"



The "Smaltirli è un gioco da ragazzi" campaign



The "Riciclare i RAEE è una bella storia" campaign

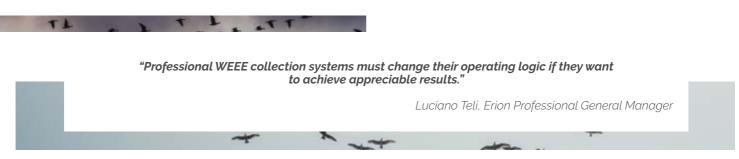


Professional WEEE

JOINING EFFORTS
IS THE WAY
LIVING BEINGS
HAVE TO ACCOMPLISH
GREAT FEATS.



## 2.2 **ERION PROFESSIONAL**



#### 2.2.1

#### THE ORIGINS AND MISSION OF ERION PROFESSIONAL



Erion Professional is the leading national non-profit collective system dedicated solely to the management of Professional Waste Electrical and Electronic Equipment (WEEE). Erion Professional's mission focuses on two key points: ensuring regulatory **compliance for Members and acting as a business partner for Producers.** As at 31 December 2022, the number of Collective Scheme Members stands at 295.

#### 2.2.2

#### THE FIVE STEPS OF ERION PROFESSIONAL



### Dialogue with stakeholders in defining the regulatory framework

Erion Professional hopes that the regulatory framework can evolve considering the complex context of Professional WEEE, dedicating to it a specific legislation that helps to manage streams

**and responsibilities in a more transparent way.** For this reason Erion Professional has implemented an innovative system for managing Professional WEEE, called **Exceed**.

#### Operational efficiency

Erion Professional aims to offer an increasingly specialized service and an optimized operating model capable of generating high levels

of efficiency and contributing to increasing the collection rate of Professional WEEE.

#### **Improving Standards and Quality**

Currently, through the Exceed system, the Collective Scheme manages, on behalf of its Members, relationships with end users and distributors who can directly request from Erion Professional the collection of WEEE, which will then be properly managed in the stages of recovery, treatment.

#### Comparison with Europe and innovation

Erion Professional cooperates with WEEE Europe, a joint venture between the major European WEEE and WBA collective systems, which provides its Members with international expertise capable of guiding along the process to sell products and take back their waste in different countries of the European Union.

#### **Supporting Members with circular economy initiatives**

As part of the Erion System, Erion Professional can count on a dedicated team that is constantly working on innovation projects, including

European and research projects, to identify solutions capable of improving system performance even further.

## 2.2.3 INITIATIVES AND PROJECTS

Erion Professional is innovation, not only in the breadth of services offered, but also in its concrete contribution to the transition to the circular economy. In this context, we find **Exceed, the first voluntary generational system for the collection and recycling of Waste from Professional Electrical and Electronic Equipment, which complements the traditional management based on a "One-to-Zero"** 

logic. The new system provides a different approach to professional waste collection: thanks to Exceed, Producers overcome the old B2B compliance paradigm, voluntarily committing to create value for the environment and for their own sales networks, participating in the achievement of the ambitious European targets.





Is Erion Professional's program designed to offer a more efficient collection system for Professional WEEE from the air conditioning sector. With Exceed Clima, Producers and heating and ventilation installers can enjoy significant administrative simplifications and the benefits deriving from the compliant management of WEEE. Erion Professional's goal is to be a single point of contact for companies, which is why in 2022 it wanted to evolve the Exceed Clima project, guaranteeing among its services also the take-back of household WEEE and F-gas, allowing users to turn to a single service provider.



Is dedicated to Professional WEEE belonging to the Ho.re.ca sector, specifically the one dedicated to the 'Slicers and Similar' segment. In 2022, the scope of Exceed Food, which previously included only non-refrigerated equipment, was extended to include refrigerated equipment.



Offers an efficient collection system for Professional WEEE from the 'Printing' sector. As with the other projects, the advantage factor of Exceed Printing is the expanded management of the service. Erion Professional's strong point has always been bureaucratic simplification for Producers and users, which in this case, for example, translates into Erion Professional's willingness to take back not only printers but also all other office equipment.





# 2.3 **ERION ENERGY**



"Erion Energy is preparing to face, together with its Producers, the challenges arising from the forthcoming European Battery Regulation and posed by the energy revolution we are experiencing."

Laura Castelli, Erion Energy General Manager



#### 2.3.1

#### THE ORIGINS AND MISSION OF ERION ENERGY



Erion Energy is the non-profit Collective Scheme dedicated to the management of Waste Batteries and Accumulators (WBA) from all over Italy. The primary objective of the collective system is to ensure regulatory compliance for member Producers. The proposed European Battery Regulation was adopted In March 2022 with the goal

of comprehensively updating the legislation on the subject with an increasingly systemic approach geared toward the future of mobility, sustainability and competitiveness of the sector.

#### 2.3.2

#### THE FIVE STEPS OF ERION ENERGY



### Dialogue with stakeholders in defining the regulatory framework

During 2022, in support of the preparatory activity in view of the approval of the new European Regulation, Erion Energy initiated a dialogue with the other collective systems in order to open a

discussion on the challenges of regulatory change and the new needs it entails with the goal of developing a functional collaboration for the entire WBA collection system on the Italian territory.

#### **Operational efficiency**

Erion Energy aims to coordinate WBA management activities, carrying out many different activities to support Producers' needs including through services tailored to their needs. **During 2022, Erion Energy** 

### collected more than 10 thousand tonnes of Waste Batteries and Accumulators throughout Italy.

#### **Improving Standards and Quality**

As of 1 January 2022, the rules of the CDCNPA have been changed. The quotas of responsibility for collection and treatment are now calculated differently, while the process of allocating areas in which to carry out the collection and transportation of batteries from Collecting

# Points to facilities has remained unchanged. This change allows for greater accountability of Producers on the types of batteries they put on the market. Portable Batteries and Accumulators handled by Erion Energy in 2022 totalled 1,438 tonnes.

#### Comparison with Europe and innovation

The proposal for a new European Regulation covering the entire Batteries and Accumulators sector has accelerated discussions between European industry associations (EUCOBAT first and foremost) and the collective systems. Like the entire Erion multiple Collective

Schemes System, Erion Energy is active as a partner in many projects funded by European Union programmes involving international institutes and companies for the continuous development of research and innovation.

#### **Supporting Members with circular economy initiatives**

The forthcoming European Regulation is strongly oriented towards the circular economy and has already stimulated and will continue to stimulate discussions, comparisons and collaborations among Producers, collective systems and recyclers. Indeed, the proposal sets challenging targets for recycling rates and for the use of secondary raw materials within the production processes of new batteries.



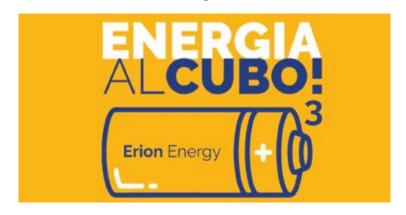


#### 2.3.3

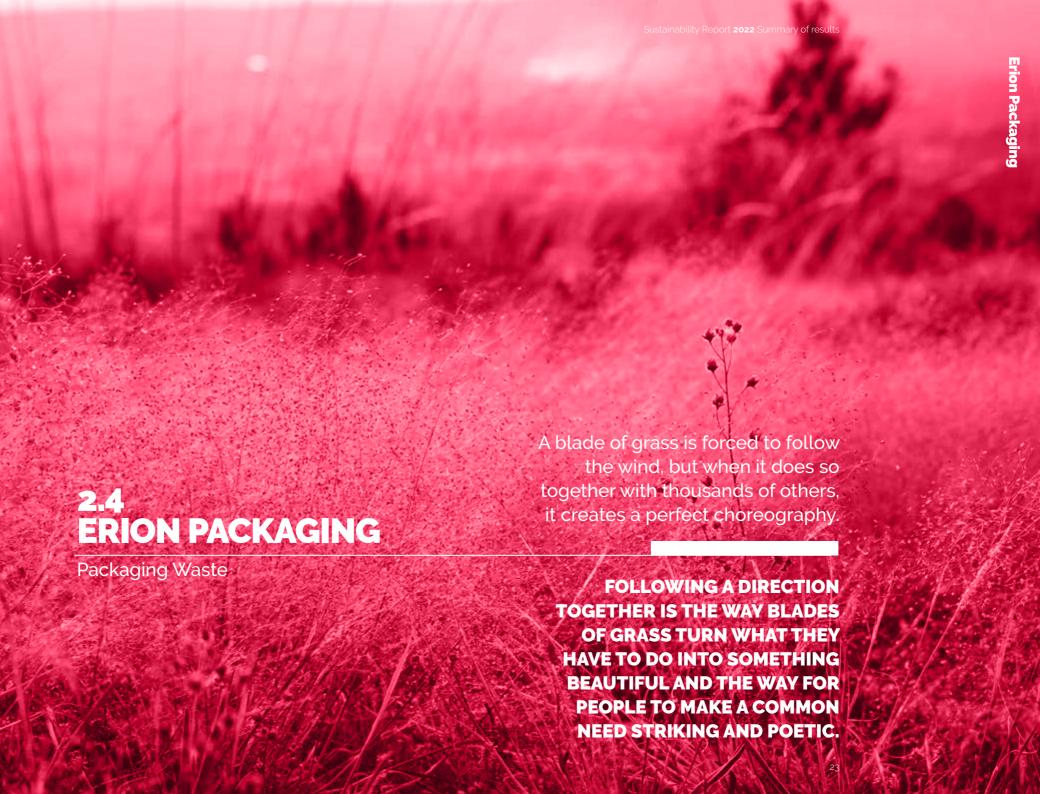
#### **INITIATIVES AND PROJECTS**

In 2022, the communication initiative "Energia al Cubo" was launched with the aim of raising awareness, informing and educating citizens, especially the very young, about the importance of proper WBA disposal and increase the collection of spent portable batteries. The initiative included the distribution of small boxes to facilitate collection inside the home. In addition, in the territory of the municipalities involved, small columns were placed inside stores, electrical appliance retailers and schools for delivering batteries collected from homes.

This activity was complemented by an educational campaign in the schools of the municipalities involved with moments of meeting, training, game playing and prize challenges among institutions to promote collection. October 2022 saw the launch of "Ecodesign the Future: Batteries Edition", the advanced training course sponsored by Erion Energy in collaboration with Economiacircular.com and aimed at promoting the practice and culture of battery eco-design.









## 2.4 ERION PACKAGING



"Erion Packaging stands by its Producers to achieve their goals in the packaging sector with a focus on circular economy development and environmental sustainability."

Roberto Magnaghi, Erion Packaging General Manager



#### 2.4.1

#### THE ORIGIN AND MISSION OF ERION PACKAGING



Since its inception in July 2020, Erion Packaging intended to qualify as a national Collective Scheme specialized in the management of Packaging Waste for Producers and Importers of Electrical and Electronic Equipment (EEE) and Batteries and Accumulators (BA) and their accessories and spare parts. Erion Packaging's mission is to support its Members in achieving regulatory compliance

and, at the same time, offer high quality and efficient services

in line with their needs by introducing innovative collection and

recycling models, simplifying the management of legal requirements and contributing to the achievement of European and national recovery and recycling targets. With Ministerial Decree No. 547 of 29 December 2022, Erion Packaging has been recognized by the Ministry of Environment and Energy Security (MASE) as an Autonomous System for the collection, recovery and recycling of Packaging Waste.

#### 2.4.2

#### THE FIVE STEPS OF ERION PACKAGING



#### Recycling and recovery targets

In the coming years, Erion Packaging will be committed to achieving the recycling and recovery targets, in terms of weight, Specifically, with regard to recovery and recycling targets, national and EU regulations on Packaging Waste provide both an overall target and targets for each type of material.

#### **Improving Standards and Quality**

Erion Packaging will aim to constantly optimize its organizational and operational model, with the goal of ensuring compliance with high

levels of quality, efficiency and generating value for all partners in the

#### **Innovation**

Erion Packaging makes organizational and technological innovation its strong point. One of the examples in this area is the initiative, already launched in previous years, to implement a semi-automatic conversion mechanism between EEE product and its packaging.

#### Supporting Members with circular economy initiatives

Erion Packaging intends to represent for its Members a qualified and attentive partner able to provide expertise and assistance not only on regulatory compliance issues but also in the planning and implementation of scientific research activities applied to ecodesign, with a

focus on packaging sustainability, as well as in the study of innovative waste management systems.

#### Dialogue with stakeholders

During 2022, Erion Packaging established an intensive dialogue with the Ministry of Environment and Energy Security (MASE) as part of the process for obtaining accreditation as an autonomous system for the management of Packaging Waste. Over the next two years,

the Collective Scheme will be subject to audit by ISPRA (Higher Institute for Environmental Protection and Research) as a support to MASE, in checking compliance with the requirements established in the Decree.





#### 2.4.3

#### **TOOLS FOR PRESENT AND FUTURE CHALLENGES**



In late 2021, the Collective Scheme published the "Sectoral Guidelines for the Environmental Labelling of Packaging of Electrical and Electronic Equipment (EEE)", updated in December 2022.





The Collective Scheme attention to issues related to eco-sustainability also continued in 2022 with the completion of the project "Ecodesign the Future: Packaging Edition", a high-level training

course aimed at the practice and culture of eco-design from a circular economy perspective with a focus on packaging.

## 2.5 ERION CARE

Tobacco product Waste

The continuous movement of water transforms, breaks and releases energy.

THUS OUR ACTIONS BECOME
MEANINGFUL WHEN THEY ARE
FOLLOWED BY THOSE OF OTHERS
IN A CONTINUOUS STRIVING
TOWARD IMPROVEMENT.



### 2.5 ERION CARE

"It is important to start leading by example, consistently demonstrating that small gesture, if repeated indefinitely, can save the Planet."

Letizia Nepi, Erion Care General Manager

#### FIGURES ON THE LITTERING AND DISPERSION OF CIGARETTE BUTTS IN THE ENVIRONMENT







## 2.5.1 THE ORIGINS AND MISSION OF ERION CARE

In 2022, Legislative Decree 196/2021 came into force, implementing European Directive 2019/904, known as the Single Use Plastics (SUP) Directive, on reducing the impact of certain plastic products on the environment. Within this Directive, great attention is also given to filters of tobacco products containing plastic, listed as the second most frequently found single-use plastic item on Union beaches. The Directive calls on member states to promote a wide range of measures aimed at reducing their dispersion in the environment. It is in this context that British American Tobacco, Imperial Brands, JT International and Philip Morris established Erion Care,

the fifth Collective Scheme of the Erion System and the first Italian Extended Producer Responsibility organization dedicated to combating the abandonment of tobacco product Waste in the environment and ensuring its proper management. In addition, Erion Care will contribute to the costs of removal, transportation and treatment of tobacco product Waste incurred by Local Authorities, and will develop a system that allows transparency and control both from an administrative and data perspective and on the effectiveness of the results achieved.

#### 2.5.2

#### THE FIVE STEPS OF ERION CARE

#### Dialogue with stakeholders

a negotiating table was set up in November 2022 for establishing a Program Agreement that will define how the new system, as a whole and each actor according to its tasks, should attain the objectives described. The working group involves Erion Care together with the National Association of Italian Municipalities (ANCI) and representatives of environmental service managers (Assoambiente and Utilitalia).

#### **Operative efficiency**

Through the Program Agreement, which will see work continue through much of 2023, the application terms of Producer Responsibility and thus the operational model to be implemented will be defined. Within this framework, Erion Care plans to participate in the process towards

sustainability by focusing in particular on prevention and the collecting phase, contributing financially, upstream, to awareness-raising initiatives and, downstream, to the reduction of dispersed butts and the increase in the quantities of butts collected.

#### **Improving Standards and Quality**

Erion Care will aim to develop an optimized operating model that can ensure that the desired levels of quality, compliance and efficiency

are met and generate value for all partners in the chain.

#### **Comparison with Europe and innovation**

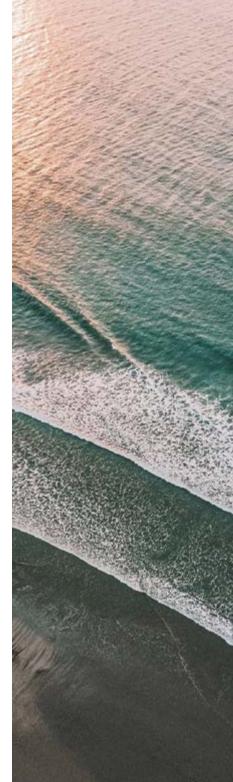
At present, there is no separate collection for tobacco product Waste since, as the European Directive points out, this is not necessary to ensure proper treatment In fact, large-scale technologies and an

industrial chain are not currently available to produce from such waste a material for reuse in production processes, which would justify its recycling and, therefore, the need for separate collection.

### Supporting members with initiatives aimed at greater sustainability

In addition to the primary activities provided by the Collective Scheme, Erion Care will thus be able to support its Members in fulfilling specific regulatory obligations through the production of information materials, meetings and webinars, as well as the creation

and development of communication projects aimed at enhancing the environmental commitment of Producers towards their reference stakeholders and the community.





# 2.5.3 INITIATIVES AND PROJECTS

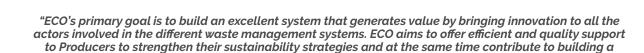
The Collective Scheme has already started during 2022 the planning of an information campaign on the effects of littering and scheduled an event with the aim of presenting the Collective Scheme to

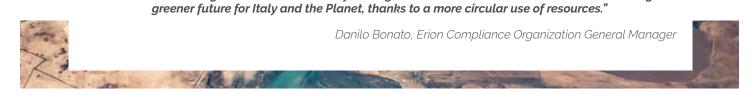
the public and stakeholders and telling them about its commitment.





# 2.6 ERION COMPLIANCE ORGANIZATION (ECO)





## 2.6.1 MISSION AND OBJECTIVES



single group direction. Since its inception in 2020, ECO has defined

its strategic objectives that describe the company's mission in the medium term, which can be grouped into 4 thematic areas.

#### **ECO'S STRATEGIC OBJECTIVES**









## 2.6.2 CHANGES AND CHALLENGES FACED IN 2022

#### **ECO'S CHALLENGES IN 2022**

#### Organizational strengthening

As of the end of 2022, ECO's Operations Team took over the direct management of logistics and treatment providers on behalf of the Erion WEEE and Erion Energy Collective Schemes.

#### Strategic development

ECO has created a team specialized in researching innovative waste management solutions and defining green strategies. The Strategic Development and Innovation Team.

#### Corporate welfare

The 'Agile Future' project, launched in 2022, is part of ECO's overall strategy to improve the ability to achieve goals by increasing employee satisfaction through greater empowerment.

## 2.6.3 ECO'S GOALS

#### Certifications

ECO oversaw the renewal of the integrated quality and environmental management system certification in accordance

#### Regulatory compliance

ECO supported the Erion Packaging Collective Scheme in the accreditation process as an autonomous Packaging Waste

with ISO 9001 and 14001 for the 'Erion WEEE', 'Erion Energy' and 'Erion Professional' Collective Schemes.

management system with the Ministry of Environment and Energy Security, and also supported it in ongoing dialogue with institutions





#### **Member satisfaction**

According to a survey conducted in 2022, more than 90% of Members are satisfied with ECO's operations and the services

it offers through sector-specific Collective Schemes.

#### Image and positioning

ECO has consolidated the image and positioning of the Erion System nationally and internationally through an integrated

multi-level communication plan, the organization of events and other local visibility initiatives.

#### **Research and innovation projects**

In 2022, the Strategic Development and Innovation (SDI) Team participated in several European research projects.

These are projects centred on eco-innovation of products and production processes from a circular economy perspective

#### **Development of new EPR systems**

The establishment of the Erion Care Collective Scheme in June 2022 confirmed ECO's key role in the study and implementation of new EPR systems for proper waste management.

By developing surveys and feasibility studies together with Producers for the identification and emergence of new sector systems.

