



# Environmental, Social and Governance (ESG) & Data Security Report

*For Fiscal Year 2021*



**ERI**<sup>®</sup>

People. Planet. Privacy.<sup>™</sup>



ERI is the largest fully integrated electronics and IT asset disposition provider and cybersecurity-focused hardware destruction company in the United States and, with our global infrastructure, one of the largest in the world.

ERI holds the highest level of certifications available for both data destruction and responsible recycling, being the only provider to have all 9 U.S. facilities certified by NAID, e-Stewards, and R2. In addition, ERI is the first e-waste recycler in the world to hold SOC 2 certification, stating that we have the strictest procedures for data handling and data policies.

This report represents ERI’s commitment to sustainability and data security and has been prepared in accordance with the GRI Standards: Core option. Unless otherwise stated, data in this report represents the calendar year 2021 and can be used to assess ERI’s performance and commitment to our people, the planet, and your privacy.

This report will be updated annually and distributed to all ERI stakeholders and customers as part of our commitment to excellence and transparency.

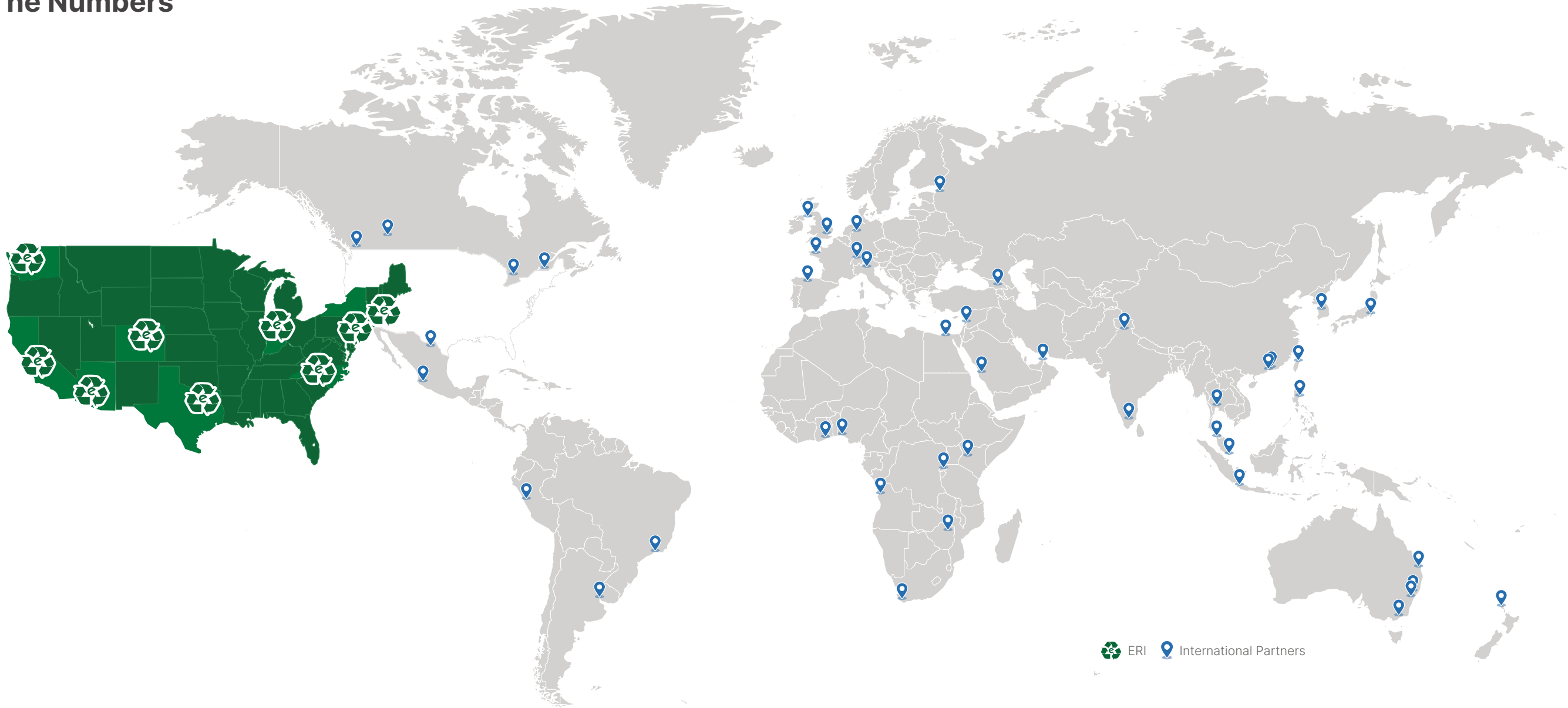
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INTRODUCTION

# 2021 By The Numbers



ERI's Footprint



Countries Served:  
**130**



US Facility Locations: **9**  
International Partners: **42**

We Are ERI



Number of Employees:  
**790+**



Hours of Training Undergone:  
**4,000+**

Commitment to Excellence




Environmental & Compliance Violations: **0**




Data Security Compliance Breaches: **0**


Innovation



First US E-Waste Company to Deploy **2** Robots Utilizing Artificial Intelligence (AI)




**25+** Circular Innovative Initiatives




**Industry Leading & Proprietary** OCR Software Utilized for Accurate ITAD Processing


The Environment



Over **126 million lbs.** of Equipment Collected




Nearly **4 million lbs.** for Beneficial Reuse




Over **122 million lbs.** of Commodities Reintroduced into the Economy

Carbon Impact



Less Than **45 million lbs.** of CO<sub>2</sub>e Emissions



**763 million lbs.** of CO<sub>2</sub>e Prevented

Dear Stakeholders, Friends, Family, and Supporters of the Planet,

Looking back at 2021, it was truly a year of recovery, resilience and rebirth. Despite a variety of health, social and environmental challenges that we all faced, 2021 was a year where forward-thinking businesses and people rolled up their collective sleeves and got creative – with technological and scientific innovation, with newfound collaboration and with solution-driven focus to make our planet a better place.

ERI was no exception to the above. We doubled down on our commitment to protecting people, the planet and privacy and continued to build upon our partnerships with many of the world's largest brands who turn to ERI to help them achieve their Environmental, Social and Governance (ESG) initiatives as well as sustainable, circular economy and cybersecurity/data destruction goals. We also continued to enhance and increase our own efforts toward our industry leading ESG DNA.

Our proprietary ESG Impact Report and Calculator, which is driven by ERI's Optech software, launched in 2021. We understood that this tool is critically needed right now, and we are excited to be the first in our industry to provide it. With ERI's ESG Impact Report and Calculator, our customers and partners can demonstrate what we call “radical transparency” on how the electronics they bring to ERI are positively impacting the environment – and how their actions are helping them to achieve their own ESG goals. From pickup to final disposition, we track each device that comes through ERI with our proprietary Optech software. We then transparently display all the relevant offsets that our clients have earned, achieved and now can report on.

ESG is What We Do

Each month, we recycle about 20 million pounds of electronic waste. In our nine facilities and 11 buildings across America, we have over a thousand employees, and we're the largest e-waste recycling company in North America.

We are also the leaders in acknowledging that e-waste is more than a sustainability issue; it's a data security and cybersecurity issue as well.

We weren't using the term “ESG” back when we launched ERI in 2005, but it has always been part of our DNA. We were – and continue to be – on a mission to make the world a better place by keeping hazardous toxins out of landfills, keeping people's data private and safe, and doing everything in a zero waste, zero landfill, and zero emissions way.

The company's core values remain on the wall at ERI headquarters and in the signature blocks at the bottom of every email that every employee sends out:

- We Are Customer Obsessed.
- We Are Innovators.
- We Are Accountable.
- We Are Diverse and Inclusive.
- We Are One Team.
- Speed Matters. Every Second Counts.
- See Something. Do Something.

ESG is inextricably linked to each of these tenets, and I believe it has been a key to our year-over year growth and success as an organization and as an environmental and social steward.

Leading by Example

Our leadership team at ERI understands that whatever we accomplish is made possible by our talented, dedicated people. Fulfilling our “protecting the planet, people and privacy” mission requires highly skilled employees to be fully engaged in solving some of the world's toughest environmental challenges. It should be noted first that our operational mantra and DNA is *Safety First* for all our employees. We protect and provide support for our workforce through

wide-ranging opportunities for training, leadership development and well-being.

We work every day to build a diverse, equitable and inclusive culture where everyone is valued and heard, and we continue to make steady and measurable progress across our workforce, management, corporate leadership and board of directors.

Our company's commitment to diversity and inclusion goes well beyond traditional definitions of this critical social construct. It can be seen in our richly diverse overall team, as well as in the number of women who have advanced into C-level leadership positions.

At ERI, some of our most valued positions, such as President & Chief Revenue Officer, Senior Vice President of Human Relations, VP of Finance, and Chief of Staff all have been held in a long-term basis by very talented and seasoned women. These positions are a direct result of our unwavering and long-standing commitment to diversity and is a remarkable achievement in our industry. ERI also embraces important principles of social equality, including gender pay equity, and wages above the industry statutory standards.

Strategic Partnerships as a Competitive Advantage

In March of 2021, JB Straubel, the co-founder of Tesla and Founder of Redwood Materials, committed Redwood Materials to invest millions of dollars into ERI and joined our Board. Subsequent to this investment, Redwood has received all our lithium-ion batteries and solar shred materials, which has taken us to the next level of radical transparency as we collaborate with Redwood to conquer this important last mile of electronic waste recycling.

Such strategic partnerships are not a new concept for ERI. Back in 2009 ERI embarked on a revolutionary strategic partnership with LS Metals and Materials (LS M&M) of South Korea, the second largest copper and precious metal smelter in the world. LS M&M invested millions of dollars into ERI and has sat on our Board of Directors since 2009. And ERI sends them all our printed circuit boards (PCBs) and precious metals. In March 2011 Alcoa replicated this unique strategic partnership with ERI and invested millions of dollars and has also sat on our Board since then as well. And now, with Redwood Materials we have closed yet another circular economy loop.

These types of strategic partnerships are unique to ERI as no other recycler on the planet has the expertise on their Board or the downstream radical transparency that ERI now possesses. It is a huge competitive advantage that we leverage to our advantage every day. We are planning on more unique strategic partnerships in the months and years ahead that will further empower ERI to help close the circular economy loop in new and innovative ways while propelling both our revenue and profit growth targets.

Resilience through Innovation

The hardware hacking of people's and businesses' private data is a problem of epic proportions. In 2015 the cybercriminals successfully stole 3 trillion dollars. In 2021 that number had risen to 6 trillion dollars. So, the old adage of “crime doesn't pay” obviously doesn't hold up in the cybercrime business. ERI destroys all the data that lurks within all electronic hardware devices, and we are currently leading the nation in cybersecurity-focused hardware and data destruction.

The 4G to 5G switchover will render millions of devices instantly obsolete. We've been planning for this “digital tsunami” for years and are already seeing our volumes grow. And 5G to 6G is not far behind.



INTRODUCTION

# From the Chairman & CEO

We will be prepared for that too.

We often see and hear media reports about the looming problem of recycling lithium-ion batteries and how batteries have been an “unsolvable” problem in the e-waste recycling space.

As previously mentioned, ERI has embraced, with Redwood Materials, the battery recycling challenges as well.

The “last mile” of e-waste recycling – lithium-ion batteries and solar panels – once considered impossible to recycle – are now a part of ERI’s suite of day-to-day offered service, thanks to the above-mentioned radically transparent partnership with Redwood Materials that was forged in 2021.

Meanwhile, in the face of a pandemic crisis that shut down companies from every industry, ERI soldiered forward with steady growth in 2020 and 2021, never stopping our critical work diverting e-waste from landfills, never losing a single employee’s life to COVID, and doubling down on our commitments to planet, people and privacy by enhancing our popular box program.

The box program protects data, is fully trackable, and is a safe, contactless and sustainable service that allows businesses and consumers to easily recycle their electronics from their homes or offices fast, safely and easily without the inconvenience of ever leaving. At the peak of the pandemic, our box program grew exponentially as we met a critical need – and helped businesses achieve their ESG objectives even during one of the most unpredictable global crises that we have ever endured.

These are just a few of the hundreds of examples of how we have harnessed and embraced innovation to bring ESG success into businesses and homes across every state and zip code in our beautiful country.

Next Steps

2021 was truly a banner year for ERI in terms of innovation, collaboration and ESG. It was also our biggest year of gross revenues and profits. Our ESG Report and Calculator which was described earlier in this letter has been a genuine game changer.

Developed using our proprietary Optech tracking system in conjunction with the Electronics Environmental Benefits Calculator (EEBC), our system tracks every component processed by ERI at the individual client level, including what material was sent for reuse and what was processed and recycled. The EEBC software uses life cycle analysis to calculate the impact on greenhouse gas emissions and energy usage for recycling or reuse of various product types and commodities. ERI is able to map received products to this system and determine the benefits of recycling or reusing these items.

In short, we are providing our customers and partners with hard statistical evidence of their ESG efforts and giving them something to truly be proud of. It’s transparent, traceable and transactional. A triple threat that is unbeatable.

The facts and science point to a bright future for our industry and ERI specifically.

Electronic waste is no longer just the fastest growing solid waste stream in the world. It is now the fastest growing solid waste stream by a 2-4 times margin over the second fastest growing solid waste stream. Many people ask me why is this true. Because electronics have become ubiquitous to all of our lives. New automobiles are now computers on wheels, the internet of things such as Ring, Echo, Nest and wearables now make us hyper connected. All these gadgets and items need to be responsibly recycled when they come to their end of use or life. And that is why ERI truly exists.

Last but not least, we are living through a generational and monumental shift on a worldwide basis from a linear to a circular economy. And it just makes sense that the if we want to expedite this shift to better serve the planet, electronic waste must be responsibly and successfully recycled on a widespread basis.

2021 was also an amazing year in that many of our new and existing partners and customers approached us directly to help them achieve their own circular economy, ESG and zero waste, zero emissions, and zero landfill goals.

Together, we are challenging the status quo and taking decisive action now to create a sustainable future where communities can thrive, where equality is foundational, and where the environment is protected for future generations.

It’s this type of passion, purpose and willingness to collaborate that sets ERI apart from all of its competitors. We’ve helped create this entirely new industry. And now, working with our customers, partners, colleagues and stakeholders (government entities, OEMs, NGOs), we look forward to continuing to achieve a sustainable and consistent profit and growing our shareholders’ value. All while making the world a greener, cleaner, and ultimately better place.

We are grateful for your loyalty and support over the years,



**John S. Shegerian**  
Chairman and CEO  
ERI  
Fresno, California

“The quest to get people to save the planet has to include the promise they are also saving themselves. And that is why the growing trends of ESG and Cybersecurity have created a massive opportunity for ERI in the years ahead.”





INTRODUCTION

# About ERI

Only 17% of the world's electronic waste is properly managed and recycled.

E-waste remains the fastest growing solid waste stream globally. And there is no slow down in sight.

Due to a number of societal factors including new and improved technologies being introduced faster than ever, electronics are becoming obsolete at a much faster rate than ever before. This results in approximately **100 billion pounds of e-waste generated each year**, a metric which is growing at a staggering rate.

Estimates say that only 17% of electronic waste is responsibly recycled globally. While there is no reliable data explaining what happens to the remaining 83%, it is either landfilled, stockpiled or exported to developing countries where it is improperly processed posing environmental, humanitarian and data privacy concerns.

Since 2002, ERI has been a leader in the e-waste recycling services industry. ERI's core services include e-waste recycling, IT asset disposition (ITAD), data destruction, legislative compliance, data center services, battery management, and PV / solar panel management.

In addition, ERI offers a host of ancillary services including on-site solutions, logistics services, mail back programs, remarketing, redeployment and lease return programs. ERI also offers specialty programs to fit nearly any company's electronic device management needs.

Our services touch every major sector of the economy. We are proud of our role leading the way in circular economy initiatives through responsible reuse and recycling of electronic devices. Our work provides key services to support social, environmental and economic initiatives while also ensuring data privacy and compliance with all applicable laws.

ERI serves businesses large and small, from start-ups to the Fortune 100, as well as local, state, and federal government agencies around the globe.



ERI services a wide array of industries with their unique challenges. Some of the industries we service include:

|                        |                    |
|------------------------|--------------------|
| Aerospace              | Healthcare         |
| Automotive             | Hospitality        |
| Aviation               | Insurance          |
| Banking                | Manufacturing      |
| Computers              | Media              |
| Defense                | Pharmaceutical     |
| Education              | Retail             |
| Electronics            | Sports             |
| Energy                 | Technology         |
| Entertainment          | Telecommunications |
| Environmental Services | Transportation     |
| Financial Services     | Utilities          |
| Government             |                    |

## ERI’s Core Values

- We Are Customer Obsessed.
- We Are Innovators.
- We Are Accountable.
- We Are Diverse and Inclusive.
- We Are One Team.
- Speed Matters. Every Second Counts.
- See Something, Do Something.

ERI's driving mission is to make the world a better place by protecting people, the planet and their privacy.

ERI is certified at the highest level by the leading environmental and data security oversight organizations to de-manufacture, recycle, refurbish, and resell every type of electronic device in an environmentally responsible manner while also ensuring 100% destruction of the data contained within any type of electronic device.

Through groundbreaking innovation, strategic partnerships, radical transparency and a steadfast commitment to the circular economy, ERI works every day to keep toxins out of landfills, keep data private and safe, and do everything with a vision for zero waste, zero landfill, and zero emissions.




INTRODUCTION

# Leadership


ERI was founded in 2002 in Fresno, California and has since built a first class leadership team.

We have built an Executive Team and Board of Directors with diverse backgrounds and extraordinary experience. It is not an easy path to develop and grow a successful electronics recycling company, however, we have continued to expand operations year over year, innovating and evolving to provide critical services, led by an accomplished and seasoned executive team.


## Executive Team




**Aaron Blum**  
Co-Founder, Chief Operating and Compliance Officer, Author




**Anthony Borges**  
Vice President of Operational Revenue




**Tyler Browning**  
General Counsel



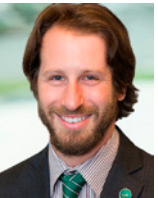
**Rich Calzada**  
Chief Technology Officer




**Carol DeBellis**  
Senior Vice President of Human Resources




**Kevin J. Dillon**  
Co-Founder, Chief Marketing Officer, Chief Sales Officer, Board of Director, Author




**David Hirschler**  
Senior Director of Sustainability and Legislative Compliance



**Linda Ramos**  
Chief of Staff




**John S. Shegerian**  
Co-Founder, Chairman, CEO, Chairman of the Board, Author




**Tammy Shegerian**  
Co-Founder, President & Chief Revenue Officer, Board of Director, Author


## Board of Directors




**Tae Sun Choi**  
Representative of LS MnM




**Kevin J. Dillon**  
Co-Founder, Chief Marketing Officer, Chief Sales Officer, Board of Director, Author



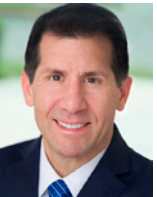
**Brendan M. Egan**  
Founder and CEO of Simple SEO Group, Co-Founder & CMO of Engage, Author




**Kate Fazzini**  
CEO of Flore Albo Cybersecurity




**Ron Gonen**  
Founder and CEO of Closed Loop Partners




**John S. Shegerian**  
Co-Founder, Chairman, CEO, Author




**Tammy Shegerian**  
Co-Founder, President & Chief Revenue Officer, Board of Director, Author



**Mark Stiffler**  
Vice President of the Asset Management Group for Alcoa



**JB Straubel**  
Founder of Redwood Materials, former Co-Founder and CTO at Tesla



**David Wang**  
Managing Director with TCW's Direct Lending and Alternative Products Groups



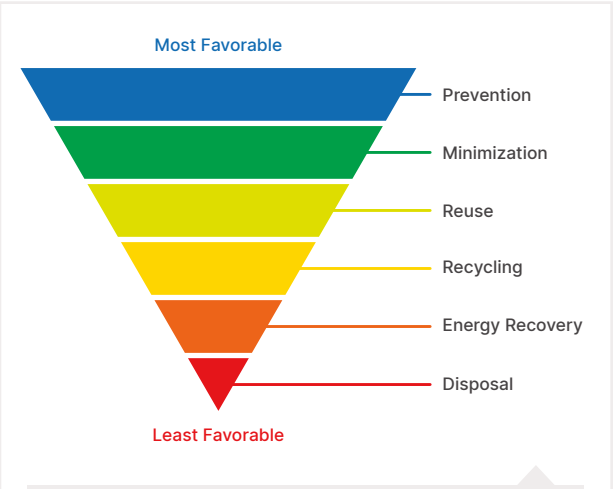


Devices deemed 'recycle-only' by ERI's customer contracts or are considered to no longer be economically viable for repairs or reuse are recycled by being broken down into raw commodities.

ERI's facilities hold the highest certifications for sustainable recycling, including e-Stewards, NAID AAA, R2, SOC 2, ISO 9001, ISO 14001, and ISO 45001.

On average, ERI produces over 100 million pounds of raw commodities every year. These commodities help prevent natural resource depletion, labor exploitation, and deforestation across the globe. Through ERI's downstream partners, these commodities enter back into the supply chain to produce new electronics and other devices.

ERI is the only e-waste recycler with three integrated downstream partners. LS MnM, Alcoa, and Redwood Materials. These partners help ERI ensure raw commodities are safely transported, further processed, and refined to make their way back into the marketplace.



Whenever possible, ERI strives to follow the device hierarchy as shown above and prevent electronics from becoming obsolete, minimize the amount of electronics that are obsolete, reuse whole or parts of devices, properly recycle those at end of life, recover energy from devices, and as a last resort, dispose of any lingering parts which cannot be recycled. ERI facilities are zero landfill, which means we rarely have to resort to disposing of anything.

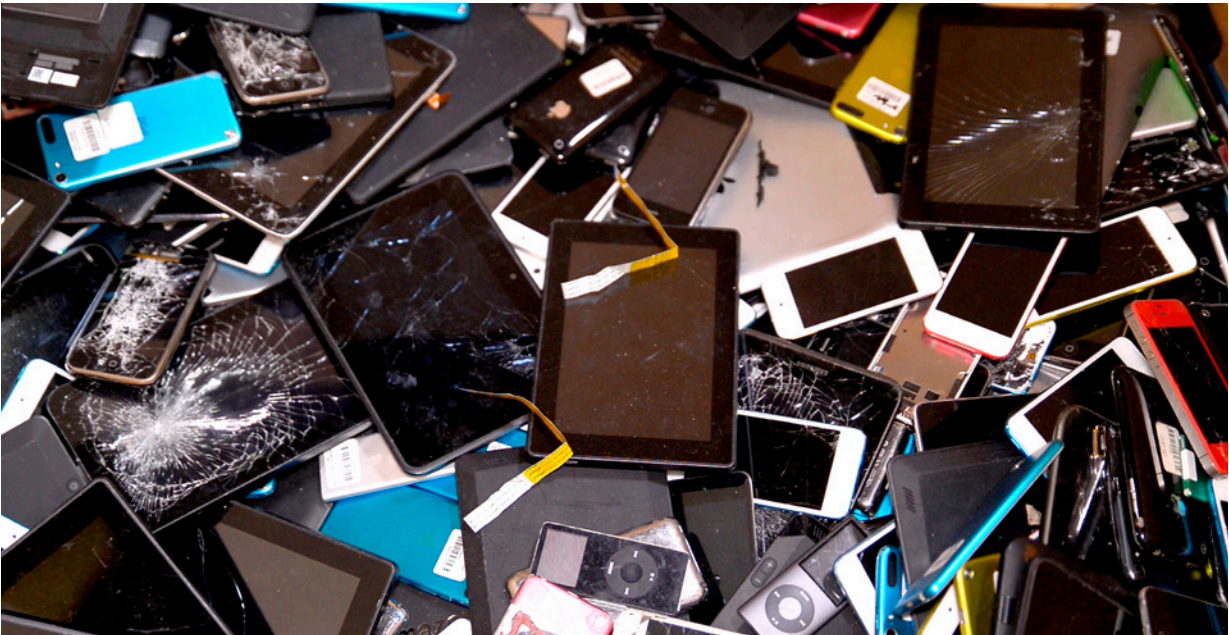
2021 was a record year for ERI, servicing customers in 130 countries and collecting over 125 million pounds of electronic devices. This resulted in over 3.8 million pounds of electronics re-entering the economy for beneficial reuse, and over 122 million pounds of commodities responsibly recycled and reintroduced into the economy to create new devices.

ERI's zero waste policy continues to act as a guiding star, ensuring devices that enter ERI are either fully recycled into raw commodities or, when possible, returned to the economy for use.

ERI always encourages companies to participate in ERI's reuse program, which allows for an expanded lifespan of electronic devices while also economically benefiting ERI's customers.

This helps reduce greenhouse gas emissions by keeping electronics in the ecosystem rather than simply recycling them.

All ERI facilities are AAA-certified by the National Association for Information Destruction (NAID), the gold standard for data destruction and security. ERI destroys all data on any devices which are resold or repurposed.



An example of the type of devices ERI processes. ERI's proprietary technologies produce resources from used electronics to help shift us from a linear to circular economy.



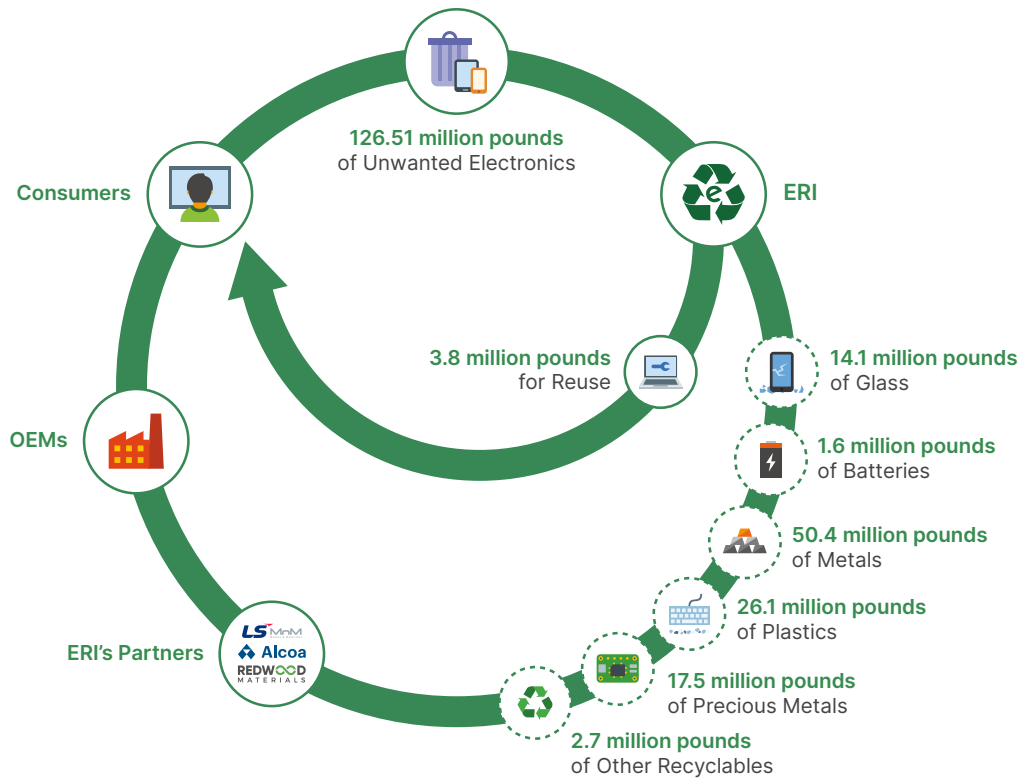
ENVIRONMENT

# Carbon Footprint

GHG Savings by Reuse/Recycling

ERI is in the business of extending the lifetimes of products and parts to reduce the need for new material extraction. We are here to do more with less, which is a core principle of sustaining human life within our planetary boundaries. ERI leverages its robust global collection network to increase the rate at which electronics are recycled, promote the circular economy, and increase consumer, business, and government electronic recycling rates to protect the environment.

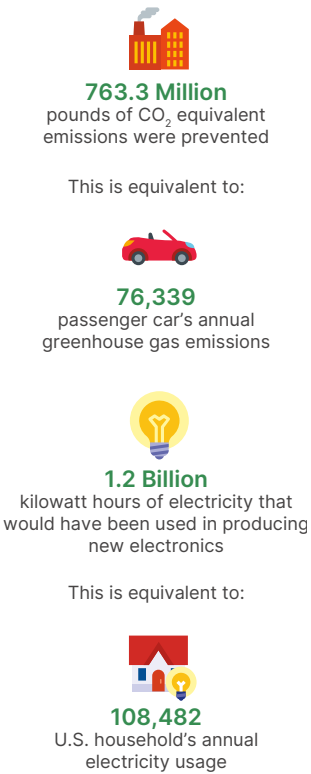
*In 2021, ERI recycled and reused 126.51 million pounds of electronics, equivalent to the annual garbage generation of 143,333 U.S. households. 763.3 million pounds of CO<sub>2</sub>e were prevented through ERI's recycling and reuse, which is 18 times our estimated Scope 1-3 carbon footprint.*



Greenhouse Gas Emissions (GHG) Inventory

While ERI's recycling and reuse dramatically reduces the carbon footprint of our clients, ERI's operations do have their own carbon footprint. We've conducted second formal quantification and captured more data points to understand greenhouse gas emission hot spots in our operations. This setup is part of ERI's corporate commitment to hold ourselves accountable for our footprint and encourage low-carbon innovations throughout our entire operations and supply chain.

We recognize that creating a more sustainable planet is a key interest of ERI as well as our customers. We are committed to doing our part in reducing our footprint so we can not only provide our customers with the carbon-friendly service they are seeking, but do so while having the smallest possible impact on the environment.

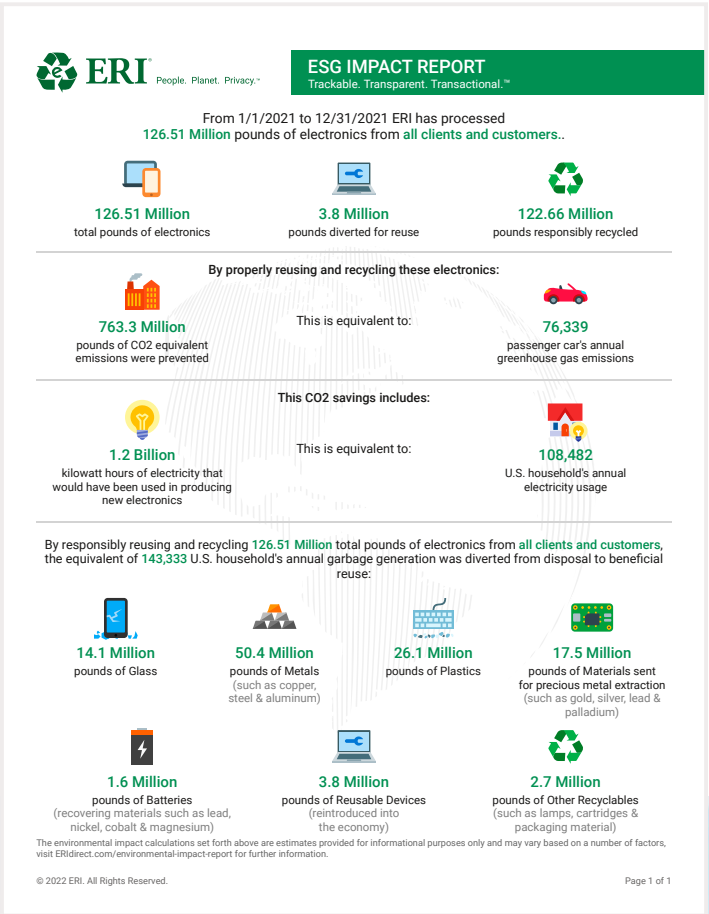


ESG Environmental Impact Report

ERI launched the industry's first ESG Impact Report in 2021. This proprietary technology allows ERI customers to see the impact their recycling efforts are having on the environment and calculate their carbon offsets.

ERI's ESG Impact Report is integrated into Optech™, which allows customers to view real-time carbon emissions, savings, and landfill diversion. The information can also be exported into a one-page PDF report.

These metrics help not only ERI, but also ERI's customers to better understand how recycling and reusing electronics can have tremendous environmental impacts. For the first time ever, all this data is now fully trackable, transparent, and transactional.



ERI supports its customers to estimate their environmental impacts by reusing and recycling with ERI. We've incorporated the calculator into ERI's proprietary system Optech™ to provide easy access to this service. For more information, please see Page 34.







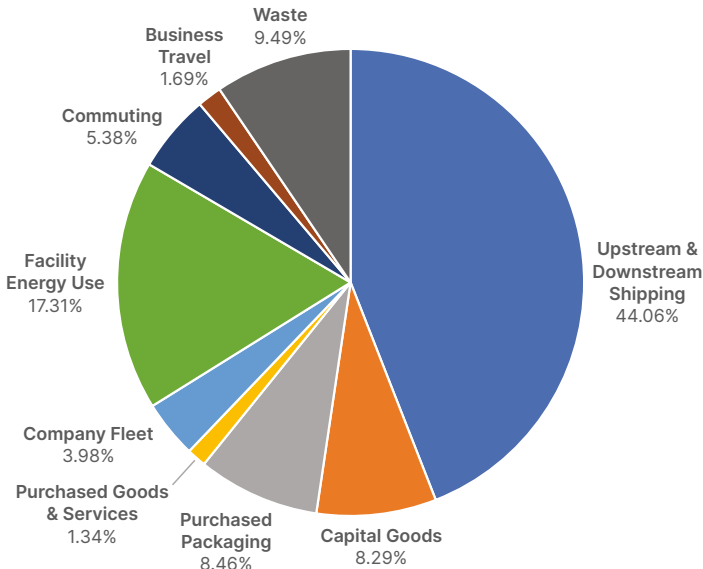
COVID-19 has acted as a catalyst pushing society to adapt to a new view of the environment. While recognizing the importance of reducing carbon emissions is nothing new to ERI, we have made great strides in better measurement and reporting on the environmental impacts of properly recycling electronic devices.

In 2021, we were able to capture more logistics data than ever before to estimate GHG emissions from our upstream and downstream logistics operations. With this expanded carbon footprint data, we've found that nearly 80% of ERI's GHG emissions resulted from shipments and purchased packaging. Exploring and identifying hot spots in ERI's GHG emissions inventory has become one of the critical indicators for ERI to take initiatives to reduce environmental impacts.

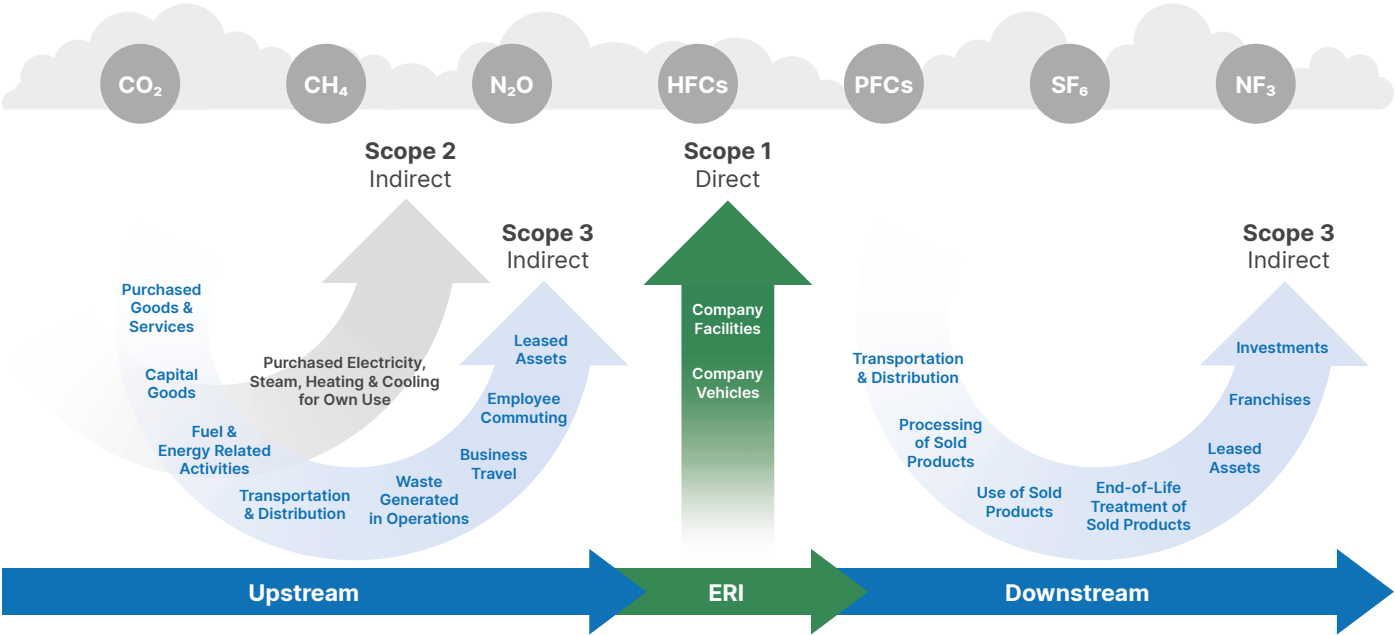
We've continued to increase our efforts on collecting and responsibly processing more materials, our goal of adding one billion pounds of electronics is still on track and will largely help in reducing raw commodity mining from the earth and hence improve GHG emissions and ecological impacts to the environment.

By learning and identifying our Scope 1 to 3 GHG emissions, we've continued to make the planet a better place. Our goal of zero operational carbon emissions by 2030 has brought up more ideas that can help ERI and our partners improve together. Please see page 22, *Innovation in the Circular Economy*, of this report for more information.

ERI's Estimated Emission Distribution



|                  | CO2e Lbs.     | %       |
|------------------|---------------|---------|
| Adjusted Scope 1 | 3,335,724.00  | 7.67%   |
| Adjusted Scope 2 | 5,630,767.60  | 12.94%  |
| Adjusted Scope 3 | 34,535,473.92 | 79.39%  |
| Total            | 43,501,965.52 | 100.00% |





Innovation & Improvements



Lighting Retrofits

It all started when ERI's North Carolina Operations Manager, Trey Gibson, brought up the idea of replacing metal-halide light fixtures with LED fixtures. This multi-year project was completed in 2021, resulting in better lighting for our employees and site visitors, but also resulting in a dramatic reduction in electricity use and the need to constantly replace bulbs. We have continued rolling out projects to install more LED lighting for other facilities.

Electric Forklifts

ERI continues to transition propane-powered forklifts to fully electric models. Out of ERI's 77 total forklifts, 66 units are electric. The remaining 11 propane units are nearing end of lease and will be switched out to electric by the end of 2022, resulting in 100% electric forklifts in all of ERI's nine facilities.

Internal Waste Reduction

While the company is based on a circular economy model to generate secondary material back to the loop, we are also striving to improve internal operations to minimize waste. ERI utilizes vendors that supply reused supplies and recycled content. However, ERI also focuses on internal operational reuse.

Our circular economy plan has implemented a variety of programs including reusing 70% of pallets; reusing 65% of the Gaylord cardboard containers; reusing 95% of plastic bags from the electronics for battery packaging to send to downstream partners; reusing 100% of our drums and vermiculites if the quality still meets the standards from Department of Transportation; 100% of our supersacks and pallets are purchased used. Nationwide reuse rate in average for the boxes is about 54%.

We strive to use recycled content in our corrugated containers and continue to explore more options to prolong the lifespan of the goods within our system and engage with our clients for a reuse system for facility supplies.

Logistics

ERI's 9 facility locations nationwide have been carefully selected to both improve efficiency in logistics and in trucking. ERI is within 500 miles of almost every zip code in the United States. Our facilities, especially in Indiana, California, and Texas, are within common freight routes to increase our ability to efficiently use reverse logistics providers. With the advantage of these locations, ERI has been able to ensure that an estimated 70% of our third-party shipments are backhaul shipments which utilizes empty trucks returning from other shipments.

In addition, ERI has 3 facilities on the east coast of the U.S. and 3 facilities on the west coast to efficiently service high population centers. Therefore, ERI's fleet travels an average of under 130 miles per shipment. ERI also has a strong focus on ensuring efficient movement of goods on the fleet. While we understand that not all of our clients can fill a truck to its maximum capacity, our goal is always to efficiently load material in and out of our facilities.

As a result of these efforts, ERI's non-courier shipments exceed an average of 14,000 lbs. per load (including all truck sizes). ERI understands that the more efficiently a truck can be loaded, the less trucks are needed.

Fleet Fuel Management

ERI uses its fleet of 25 vehicles to move products which includes a combination of semi-trucks, box trucks, and passenger vehicles. As part of our continued effort to support the sharing economy, ERI leases all of its fleet vehicles to ensure that we are not creating unnecessary waste as our business grows and our fleet needs change. As an additional benefit, by leasing our vehicles we tend to replace older, less efficient vehicles with newer models more regularly, so we can count on our fleet being as fuel efficient as possible.

We hope that by participating in this sharing economy we are sending market signals that encourage reuse and sharing business models over traditional cradle-to-grave models. ERI is also considering utilization of alternative fuel sources in the future as technologies improve.

**Total Gallons of Fuel Consumed by ERI's Fleet**  
76,850.17, a 5% reduction versus 2020

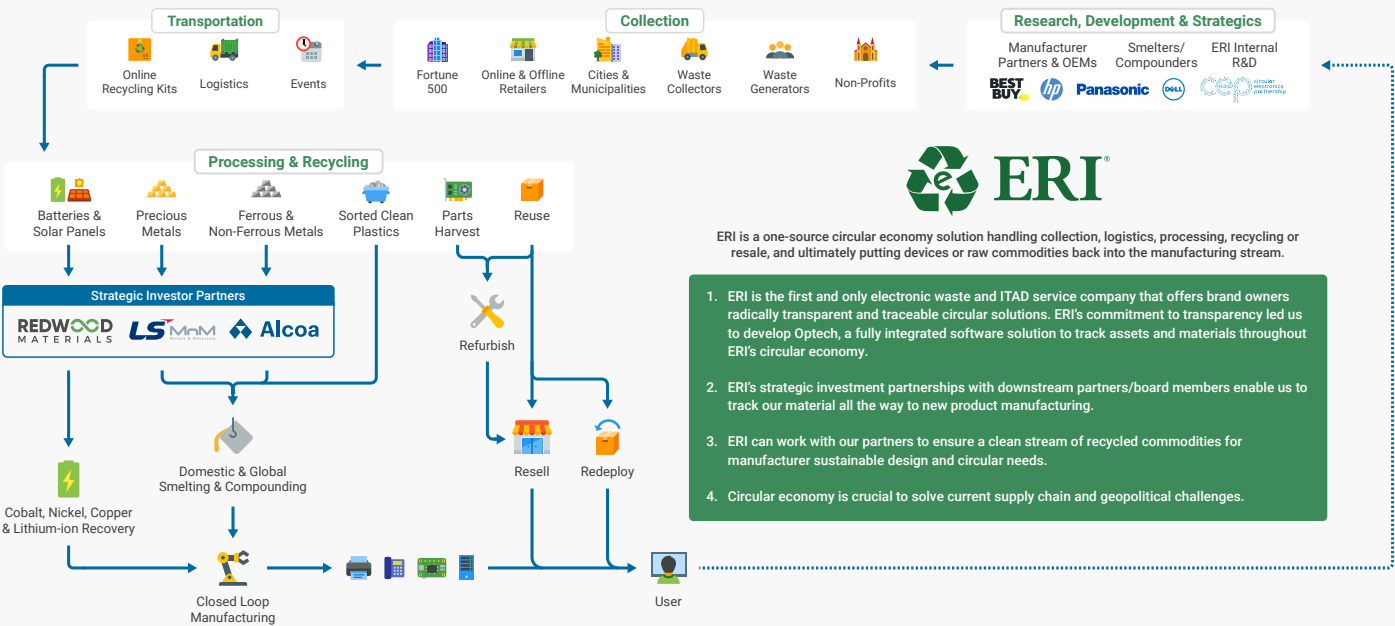
**Average Miles Per Shipment**  
128.01 Miles Round Trip

**Average Weight Per Truck**  
Non-Courier: 14,490.93 lbs.

- 100% of ERI's fleet are leased which enables us to use the most efficient freight technology
- ERI has converted 75% of the warehouse forklifts into electric
- 97% of the warehouse lighting has been replaced with energy-efficient LEDs
- 100% of ERI leadership has focused on building a circular economy
- 100% of the supersacks and pallets we have purchased are used
- With strategic reverse logistics, 70% of our shipments are backhauled
- We have reused at least 65% of our corrugated boxes



Innovation in the Circular Economy



Since ERI's inception nearly 20 years ago, we've valued and followed best practices of collecting and processing electronics in a responsible way. Even before the countless industry certifications and audits which exist today, ERI was doing things the *right* way. Our standards for data destruction and electronics recycling have always been the strictest in the industry.

With the concept of circular economy becoming commonplace in the last few years, we found that building a circular system for materials is one of our many core strengths and an area we will continue to expand upon this year and in the years to come.

The mounting glut of e-waste, the need to protect private data, and the move by more and more businesses away from a linear and toward a circular economy are among the most critical and pressing issues in society today.

ERI has made it a priority to share best practices and a real-time example of how through innovation and collaboration, we can empower businesses to achieve their ESG and sustainability goals, protect people and the planet and grow our profits all at the same time.

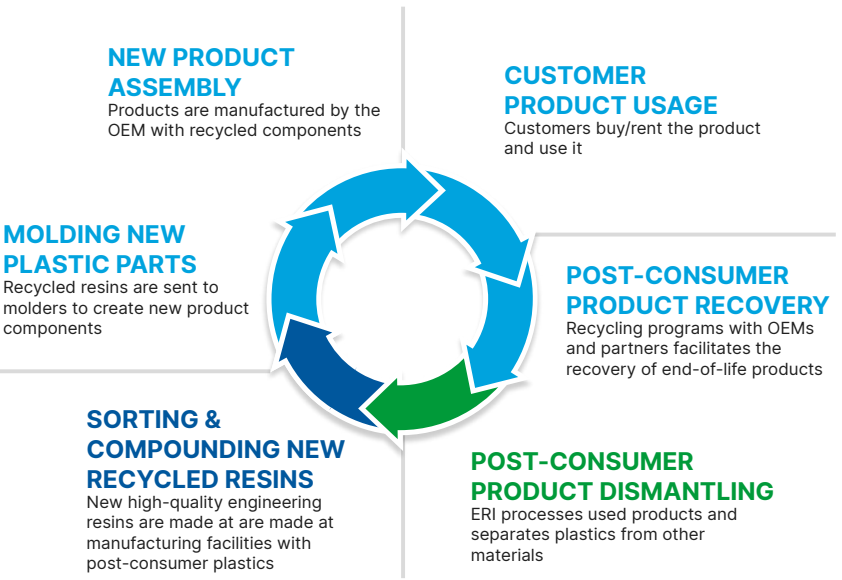
John S. Shegerian  
Chairman and CEO

| Category                | Circular Measure  |
|-------------------------|---|
| Innovation and Strategy | <ul style="list-style-type: none"><li>Purposely select processing location and collection networking partners</li><li>Co-design robotics and machine learning to protect front-line operators and increase the material's recovery rate</li><li>Strategically partner with upstream and downstream organizations to secure the valued materials within the loop</li><li>Increase and expand recycling technology and capacity to capture emerging electronic waste</li><li>Support advanced training to obtain the most up-to-date knowledge and experience that directly relates to ERI's development</li></ul>  |
| Service                 | <ul style="list-style-type: none"><li>Collaborate with local government, business, NGOs, schools to collect and process the materials</li><li>Refurbish the reusable electronics to extend their lifecycle based on service contract and share revenue with source clients</li><li>Provide Leasing Program for organizations to promote shared economy which they can utilize the technologies without owning the actual object</li><li>Support corporates to donate refurbished electronics to the groups in need</li><li>Ensure original equipment manufacturers (OEMs) clients to comply with regulations in all states, assist OEMs to increase products' reusability and recyclability</li></ul>   |
| Operation               | <ul style="list-style-type: none"><li>Strictly comply with highest electronics recycling standards, information destruction criteria, and other environmental management certificates</li><li>Reduce dependance on finite energy resources</li><li>Reuse facility supplies wherever economic feasible and applicable</li><li>Selectively work with vendors that provide service as products to reduce dependency on single-used materials</li><li>Regular training for emergency occasions to ensure staff's safety</li></ul>   |
| Engagement              | <ul style="list-style-type: none"><li>Weekly internal newsletters to promote news on circular business, upcoming sustainability events, and educational materials</li><li>Communicate with vendors and associations that support facility supply reuse program</li><li>Encourage clients to reuse and refurbish the products that still present value</li><li>Constantly explore potential partners that support material recovery system</li><li>Vigorously attending conferences in different scales to stimulate circular economy discussion</li><li>Dedicated in conversations with ERI investors to discover the opportunities of circular system</li><li>Interview independent thinkers and thought leaders to identify societal issues and solutions</li></ul> |

Closed Loop Supply Chain for Plastics

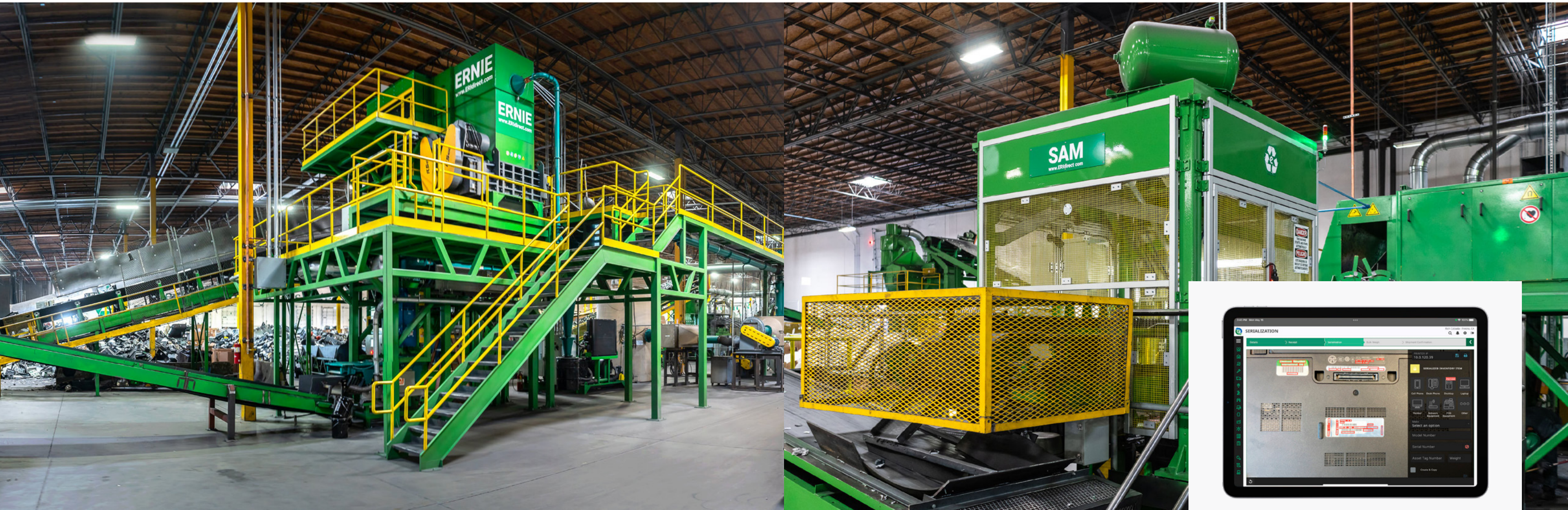
At ERI, we know that our clients have the same vision as we do to continue building a circular economy. It's been obvious in light of COVID-19 and other supply chain disruptions that establishing a closed-loop supply chain system is critical to avoid business disruptions. Innovative and responsible waste management is not only diverting waste away from landfills, it also helps dramatically increase the feedstock for manufacturing new products.

Last year, there were more than 822,000 lbs of plastics recovered through electronic recycling from ERI and our partners. These plastics include polypropylene (PP), polystyrene (PS), and polyethylene terephthalate (PET). We continue to explore new opportunities with our downstream partners in order to continue to upcycle these materials and sell them back into the manufacturing loop.





# Using Artificial Intelligence & Robotics to Improve Safety & Efficiency



## ERNIE

One of ERI's many proprietary innovations in recycling brings us a new world class, state-of-the-art proprietary flat screen dismantling system, allowing for safe and efficient recycling of flat panel televisions.

In August 2020, we installed Electronic Recyclers Next Innovative Efficiency, nicknamed ERNIE, in Plainfield, Indiana.

It can automatically handle all the hazards of flat screens, further protecting our on-site staff and the environment while reducing costs to process the material. ERNIE is just one example of ERI's drive to process electronics in a safe and efficient matter while preserving the environment.

Through this groundbreaking innovation, ERI is able to protect its employees from injuries while improving flat-screen monitor dismantling efficiency. The entire operation is self-contained which minimizes dust and prevents any environmental contamination. Through more effective dismantling, ERI is also able to produce higher quality, better sorted raw commodities.

Employees who previously dismantled flat panels were retrained to work on other tasks such as parts harvesting, device sorting and repair, and data destruction.

[Watch a video of ERI's two robots, SAM and ERNIE, in action by visiting \[ERIdirect.com/sam-and-ernie\]\(http://ERIdirect.com/sam-and-ernie\)](#)

## SAM

ERI's Super Automated Machine, nicknamed SAM, is our newest robot which incorporates artificial intelligence (AI) to automate the process of material separation and produce cleaner commodity streams than if processed by hand.

SAM uses optical AI to constantly learn about materials on a conveyor belt which come from ERI's shredders. SAM is able to then pick and sort the materials into plastics, metals, glass, and other commodity streams and further liberate the commodities from their debris.

SAM's constant learning gets better and better with time and is currently being deployed in additional ERI facilities across the nation.

## SOAR

ERI's proprietary new Systematic Optical Asset Recognition (SOAR) is a technology conceptualized and developed completely in-house to help improve efficiency and accuracy of asset inventories, all the while helping employees automate an otherwise mundane task.

Prior to SOAR, ERI asset management employees had to manually enter asset tags, serial numbers, and other asset data. With SOAR, this information is automatically captured into Optech, saving time, money and letting employees focus on more important tasks. ERI plans to continue to improve SOAR in 2022 and beyond to help further automate tasks for employees.



# Downstream Management for Responsible Recycling

## Supporting the Circular Economy

In order to truly support the circular economy, ERI carefully tracks the movement of materials and commodities once they leave our facilities. ERI only utilizes recycling services and downstream partners certified by specific organizations that meet or exceed our own rigorous requirements, audits, and approval processes.

This ensures compliance with all relevant health, safety, security, and environmental legislation. ERI maintains a register of permits and license details for all our waste carriers, processors, recyclers, and commodity companies that we work with.

While ERI is a zero landfill company, it is inevitable to generate some waste during the sorting and recycling process. ERI reduces waste generation in every way possible by reusing facility supplies and working with our downstream partners to process materials like cardboard boxes and pallets to properly recycle any waste generated into a new material stream of paper products.

## Partner Management Program

ERI's Partner Management Program includes internal and independent third party audits to ensure compliance with all local, state, federal, and international laws and regulations, as well as compliance with e-Stewards, R2, NAID, and ERI's own internal standards.

These extremely thorough audits encompass reviews of our partners' and vendors' recycling processes, their downstream partners, regulatory compliance, liability, and finances in order to verify full compliance and competency.

These audits have the dual purpose of meeting our own certification requirements as well as guaranteeing processing and downstream compliance to reduce any potential liability for both ERI and its customers.

**ERI is the only electronic recycling & ITAD company to have three strategic downstream partners invested in ERI and sitting on our board.**



## Redwood Materials & ERI

In March 2021, Redwood Materials, a company inventing sustainable materials by creating circular supply chains co-founded by former Tesla co-founder & CEO JB Straubel, made a significant investment in ERI along with a partnership agreement in battery recycling.

“Redwood is focused on steadily and relentlessly improving recycling economics with technology to reduce the cost of materials and create a circular supply chain to power a sustainable future,” said JB Straubel, Redwood Materials Co-Founder and CEO. “By partnering with ERI, we'll be able to ensure the largest supply of e-waste batteries in the US is recycled into materials to build new EVs and clean energy products.”

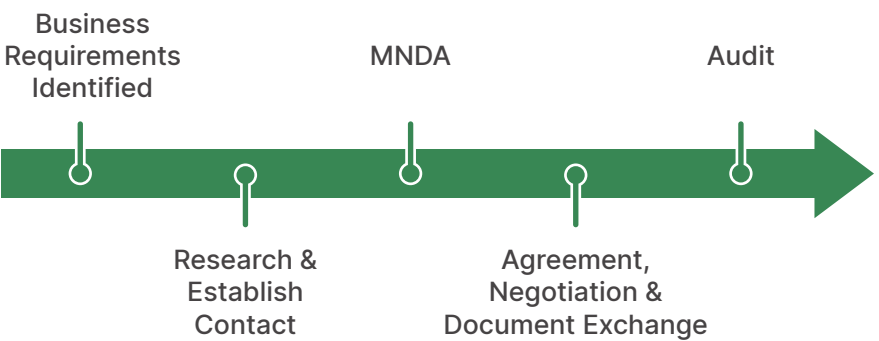
As part of the investment, Redwood Materials Founder & CEO JB Straubel was named to ERI's Board of Directors.

## Closed Loop Partners & ERI

In July 2021, Closed Loop Partners, an investment firm focused on circular economy and ESG investments, made a significant investment in ERI.

“There are synergies across the network,” said Martin Aares, managing director of Closed Loop's private equity platform. What's more, the firm will focus on helping ERI grow its asset management services for its corporate partners, which include the likes of Microsoft, Nestle and Unilever. “There is a huge market in being able to divert these materials from landfills, and in being able to extend the asset life of products or the individual components within,” Aares said.

As part of the investment, Closed Loop Partners Founder and CEO Ron Gonen was named to ERI's Board of Directors.



## Internal Audits

- Annual audits
- Continuous internal audits to improve upon operational practices
- Preparation for audits to certification standards

## International Partner Audits

- Compliance with industry recycling standards
- Compliance with all relevant electronic waste laws and regulations
- Compliance with all ERI's standards (security, asset management, environmental safety, NIST 800-88-R1 guidelines)
- Compliance with ERI's Service Level Agreements
- Downstream management and reporting
- Annual desk audits and physical audits every 3 years

## Downstream Vendor Audits

- Documented Downstream Vendor Management Program
- Pre-audit evaluation and documentation (e.g., permits, insurance, etc.) gathering in compliance with e-Stewards and R2 standards
- First-tier, high-risk or hazardous e-waste vendors (e.g., CRTs, batteries, mercury-containing devices) are audited annually
- Medium-risk vendors (e.g., ink/toner, metals and plastics) are audited every 3-5 years
- For low-risk vendors (non-hazardous material, solid waste, wood), desk audits are performed at a minimum
- Increase expectations



MANAGING RISK

# Data & Privacy

Due to the Internet of Things (IoT), there are more data bearing devices in use than ever before including wearables, smart watches, smart phones, compact media storage devices, smart cars, smart homes, and much more. Because of this ever growing trend of being more connected, it is critical that individuals and organizations alike take data security and destruction seriously.

Research released by Javelin Strategy & Research found that there was more than \$50 billion lost in 2020 through identity fraud from the increased societal dependency of video calls, email, and social media. This risk continues to increase as we are more connected and have data stored on more and more devices.

Across all the facilities in the U.S., we provide secure data destruction through our network of certified ERI facilities.

ERI holds the highest level of certifications available for both data destruction and responsible recycling, being the only provider to have all nine U.S. facilities certified by NAID, e-Stewards, and R2.

In 2021, ERI became the first ITAD and electronic recycling company in the United States to become SOC 2 compliant.



SOC 2 compliance certification is recognized globally for its rigor in the review of organizations' systems and controls. It affirms that ERI's practices, policies, procedures and operations meet the SOC 2 standards for security and data protection.

SOC 2 independent audits are conducted to review companies' effective implementation of employee controls and training, IT systems and risk management control, product discipline, and vendor selection. ERI's SOC 2 examinations for Type I compliance testing were conducted in accordance with standards from the American Institute of Certified Public Accountants (AICPA). Type I testing confirms that the company's systems and controls meet SOC 2 audit standards.

ERI will always remain at the forefront of information and data security, and becoming the first to achieve SOC 2 certification in our industry further demonstrates this commitment to excellence.

All ERI facilities are secured with state-of-the-art CCTV camera systems which include artificial intelligence to aid in monitoring, alarm systems, identification card access control, and physical on-site security. All ERI employees, staff, and vendors are vetted and checked prior to being hired by ERI. Each ERI facility also features an Asset Management (AM) area which is separate from the primary facility processing floor and guarded by a dedicated security guard and metal detector as well as electronic access control to limit only authorized personnel into this area.

At ERI, we continue maintaining the highest certifications and are setting the industry's best practices when it comes to data security and privacy.

All data containing devices at ERI are processed by an asset management employee who is specially trained in hard drive wiping. ERI follows all NAID standards and data security processes to ensure 100% of data is destroyed every time. Hard drives are processed pursuant to the National Institute of Standards and Technology (NIST) overwrite procedures and are immediately fully scanned to verify that all data was destroyed. If the drive is either unable to be scanned or we cannot verify that data was wiped, ERI will then destroy the drive by shredding it to physically ensure 100% data destruction.

Within ERI's AM areas, data bearing devices are wiped in accordance with NIST standards and are compliant:

- Fair and Accurate Credit & Transaction Act (FACTA)
- The Fair Credit Reporting Act (FCRA)
- Gramm-Leach-Bliley (GLB)
- Health Insurance Portability and Accountability Act (HIPAA)
- Sarbanes-Oxley Act (SOX)
- The Payment Card Industry Data Security Standard (PCIDSS) regulations

Data breaches can inflict permanent damage to brands. ERI has never experienced any sort of data breach, however, we have also developed a Data Security and Breach Program in accordance with DoD 5220 22-M and NIST 800-88 for all ERI employees to follow, which successfully prevents any risk of releasing ERI customer data and ensures in the event of a breach a plan is in place. We maintain accurate records of all data destruction to ensure the highest levels of compliance and security.

ERI employees who handle data bearing media are required to receive training along with mandatory new hire training. Refresher training courses are taken on a regular basis by any ERI employees who handle data bearing devices.

Other security measures at ERI's facilities include annual and random audits, employee background re-checks, and third party security personnel.



ERI became the first e-waste and ITAD provider to be SOC 2 certified at all of our US facilities



Being a NAID AAA Certified company ensures operational data security and compliance procedures are documented and followed



All data destroyed in accordance with NIST SP 800-53 security controls and NIST SP 800-88 Guidelines for Media Sanitization



Destruction of all types of data bearing devices including printers, projection equipment, and all forms of electronic media storage



On-site destruction is available for drives, magnetic tape, and mobile devices



Four levels of data destruction services, including witnessed destruction through video feeds or in-person for high security data destruction services and de-mil destruction services

ERI has developed internal data security policies that not only protect our operations but further strengthen our promise to our customers. In 2020, ERI implemented the following new security procedures:

1. Monthly phishing tests for ERI employees since 91% of all breaches start with a phishing email.
2. A new highly available cloud SaaS solution for emails to help employees identify phishing attempts and other email security breaches.
3. An email restriction framework which removed over 65% of ERI employees from having access to external emails as their communications were deemed necessary internally only.
4. Two-factor authentication for all ERI employees to access ERI systems. This prevents unauthorized devices from logging into ERI accounts.
5. Additional software and hardware security to prevent attacks, email scams, and other cybersecurity concerns.





ERI always follows OSHA regulations and standards and has scheduled over 40 different EHS related training events in the corporate office and our facilities. We conduct monthly EHS trainings that cover not only work specific refresher courses but also include waste management procedures, security protocols, and quarterly safety committee meetings.

Natural Disasters

Natural disasters have become more and more common across all regions of the world. Destructive wildfire events and excessive ice storms in 2020 caused billions of dollars in losses in the United States alone.

ERI has prepared and trained personnel to respond when an emergency or interruption to normal business functions occurs. ERI will utilize our national network of facilities until the recovery efforts conclude. ERI's goal is to minimize the impact a disruption might have on business processing and ERI's customers.

Each ERI facility has in place a Business Continuity and Disaster Recovery Plan designed to guide ERI through a recovery effort at each level of the organization. At the

onset of an emergency condition, ERI employees and resources will respond quickly to any condition or disaster, which could impact ERI's ability to perform its critical functions.

ERI has assigned members to crisis management teams to ensure the safety of all ERI employees throughout the emergency condition, disaster declaration, and recovery process.

The crisis management teams consist of an Emergency Management Team (EMT), Location Response Coordinators (LRC) and Local Response Team (LRT), to ensure that each team member contributes the skills used in everyday work to the overall response process.

Hazardous Materials Management

Industrial Hygiene (IH) Monitoring

Engineering and administrative controls at our facilities is crucial for us to provide a safe and healthy workplace for our employees in order to continue to advance our mission.

A critical step in recovering the value of the materials from e-waste requires necessary sorting and dismantling tasks. ERI provides and requires individuals in this certain area within each facility to wear Personal Protective Equipment (PPE) such as:

| Classification   | Item  |
|--|---|
| <ul style="list-style-type: none"><li>• Eye Wear/Face Protection</li><li>• Head Protection</li><li>• Hearing Protection</li><li>• Respiratory Protection</li></ul> | <ul style="list-style-type: none"><li>• Hard Hat</li><li>• Ear Plugs/Muffs</li><li>• Dust Masks</li><li>• Face Shields</li><li>• Full-Face/Half-Face Respirator</li><li>• Welding Helmets</li><li>• Safety Glasses/Side-Shields</li></ul>                           |
| <ul style="list-style-type: none"><li>• Arm Protection</li><li>• Hand Protection</li></ul>   | <ul style="list-style-type: none"><li>• Atlas Re-Grip Gloves</li><li>• Atlas Kevlar Gloves</li><li>• Kevlar Glove Liners</li><li>• Mesh Arm Guards</li><li>• Kevlar Sleeves</li><li>• Leather Guantlets/Gloves</li><li>• Chemical Resistant Aprons/Gloves</li></ul> |
| <ul style="list-style-type: none"><li>• Foot Protection</li></ul>  | <ul style="list-style-type: none"><li>• Steel Toe Boots</li></ul>   |
| <ul style="list-style-type: none"><li>• Body Protection</li></ul>  | <ul style="list-style-type: none"><li>• Hi-Visibility Safety Vests</li><li>• Uniforms</li><li>• Leather Aprons</li></ul>  |

ERI complies with e-Stewards requirements to monitor and identify operational risk and hazards along ERI's Potentially Hazardous Processing Technologies (PHPTs) to ensure all employees are well-protected.

We are required to conduct industrial hygiene monitoring at least every two years for areas that handle all dismantling, shredding, and equipment operations that generate noise and potential airborne hazards. Any changes to our processing technology also requires additional air and noise monitoring.

Sampling procedures are conducted and directed by a Certified Industrial Hygienist and laboratory analyses are performed by an ISO 17025 accredited laboratory.



Air Quality

ERI's core operations do not emit any significant air emissions such as NOx or SOx, however indoor air quality is monitored and managed in each of our facilities to ensure safe working conditions for our staff.

For example, ERI installed Donaldson air filtration systems at ERI's Massachusetts, Indiana, and California facilities which are equipped with a shredding system.

High Efficiency Particulate Air (HEPA) filters and carbon filters are utilized and checked weekly to guarantee indoor air quality is within healthy ranges.



MANAGING RISK

# Environmental Health & Safety

Hazardous Materials Management (Cont.)

Operational Risk Management

Lithium-ion batteries with increased energy densities have revolutionized nearly all our electronic devices. However, they also come with increased risks. These batteries are very easily ignited and can result in fire incidents if improperly stored or packaged.

From cell phones to scooters, electric vehicles to smartphones, nearly all new electronics contain some form of lithium-ion batteries. When they are being discarded, they pose a large risk to waste processing and recycling facilities such as ERI.

There were hundreds of incidents in the recycling industry in 2021 with one of the main causes being fires from lithium-ion batteries. ERI has seen this firsthand and fortunately, been proactive in both technology as well as processes to minimize the risks associated with storing, processing and handling lithium-ion batteries.

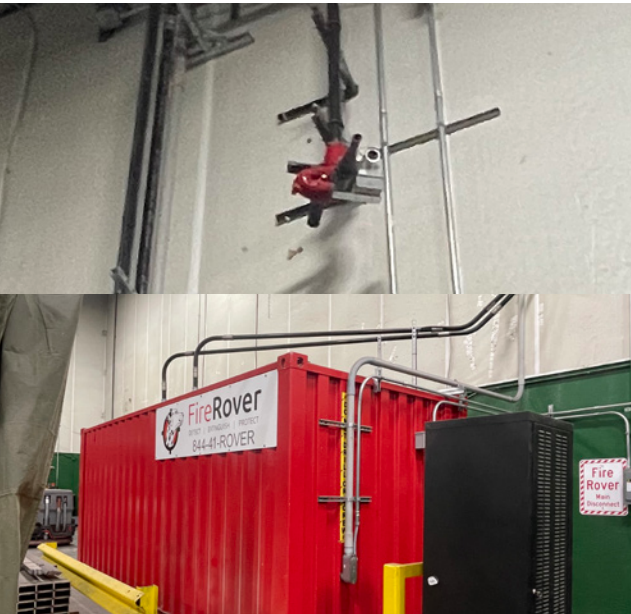
ERI provides educational materials to our customers which can help prevent lithium-ion incidents during the transportation of electronic devices.

ERI is invested in batteries, which means ERI is invested in safety to continue to ensure batteries are safely transported to our facilities and handled by experts once inside our doors.

In 2021, ERI launched an industry-first battery collection solution in partnership with Call2Recycle and CellBlock, the industry's leaders in batteries and battery safety.

OneDrum, the first mixed consumer battery collection product in the market, adds a new layer of safety in transporting lithium-ion and mixed use batteries.

This program is another way ERI is dedicated to helping our customers have first-in-class solutions not just for sustainability and data security, but for safety as well.



Pictured: Fire Rover's military-grade thermal cameras pinpoints hotspots often before a fire flares-up. Instantly alerted of a heat increase, the live-monitoring team engages Fire Rover's automated suppression system.

|                                 |           |  |                 |
|---------------------------------|-----------|--|-----------------|
| Number of Work Stoppages:       | Zero      | Average Idle Time Per Day:                                 | 28.5 Minutes    |
| Total Case Incident Rate (TCIR) |           | Days Away, Restricted, or Transferred (DART)               |                 |
| Average Across 12 Buildings:    | 3.62      | Average Across 12 Buildings:                               | 2.74            |
| 6 Buildings:                    | Zero TCIR | 6 Facilities Recorded:                                     | Zero DART       |
|                                 |           | Fatality Rate:   | Zero            |
|                                 |           | Safety Measurement System BASIC Percentiles (Last 2 Years) |                 |
|                                 |           | Unsafe Driving:  | 3 Violations    |
|                                 |           | Hours-of-Service Compliance:                               | 2 Violations    |
|                                 |           | Driver Fitness:  | 1 Violation     |
|                                 |           | Controlled Substances:                                     | Zero Violations |
|                                 |           | Vehicle Maintenance:                                       | 5 Violations    |
|                                 |           | Hazardous Materials Compliance:                            | Not Public      |

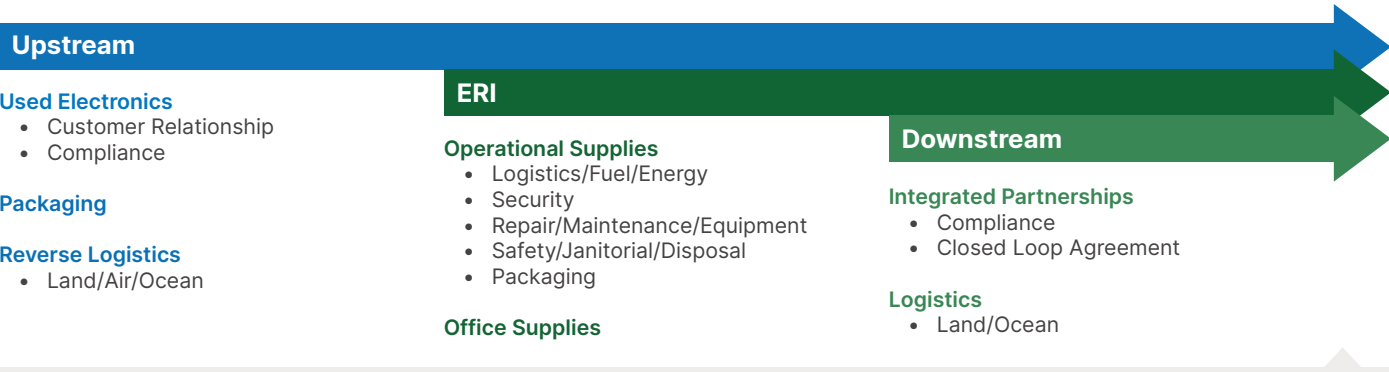
Supply Chain - ERI

Another potential risk that could affect operational activities is supply chain disruption. Every facility and office requires a wide range of supplies coming from different vendors all around the world, from packaging materials to repair and maintenance tools and even janitorial and PPE supplies.

ERI evaluates all vendors against a predetermined set of performance standards to ensure that our partners share the same values and priorities that we do.

These standards include industry leading commitments to sustainability, data privacy, working conditions, and more.

Over the next several years, we hope to expand our engagement with our vendors all across our supply chain to further our efforts towards circularity. We know we cannot fully achieve our vision for circularity without the partnership of every one of our vendors.



While ERI was fortunate to have navigated the supply impacts due to COVID-19, it is important for us to prepare for any potential emergencies in our supply chain and remain committed to also reduce Scope 3 Emissions in the process.

COVID-19 Pandemic Response

COVID-19 has acted as a wake up call for the entire world demonstrating how a pandemic can disrupt the entire global economy. ERI was deemed an essential business during the pandemic, which has allowed ERI to continue operating essential cybersecurity, hardware destruction, ITAD, and electronic recycling services all across the country and abroad.

ERI collaborated with Rite-Aid to provide an on-site clinic at our Fresno location to provide COVID-19 vaccinations to any employees who wished to participate.

Despite the outbreak of COVID-19, ERI has followed all CDC guidelines and recommendations and has taken additional precautions to minimize infections. In fact, across all ERI facilities and offices, there was only a 2% infection rate.

Any ERI employee who tested positive was quarantined for 10 days from the first symptoms or test date with paid leave.

We ensured the highest level of safety to protect our employees and their families which includes:

- ERI introduced robust protocols for temperature checks, offered hand sanitizer throughout our facilities, implemented social distancing, and installed partitions in the breakrooms.
- ERI invested in electrostatic sanitizing sprayers to ensure that we can quickly and effectively sanitize our entire facilities.
- ERI worked to coordinate vaccinations for our employees by helping streamline the registration process and enrolled interested employees in a vaccination clinic at our corporate office.



# TRANSPARENCY

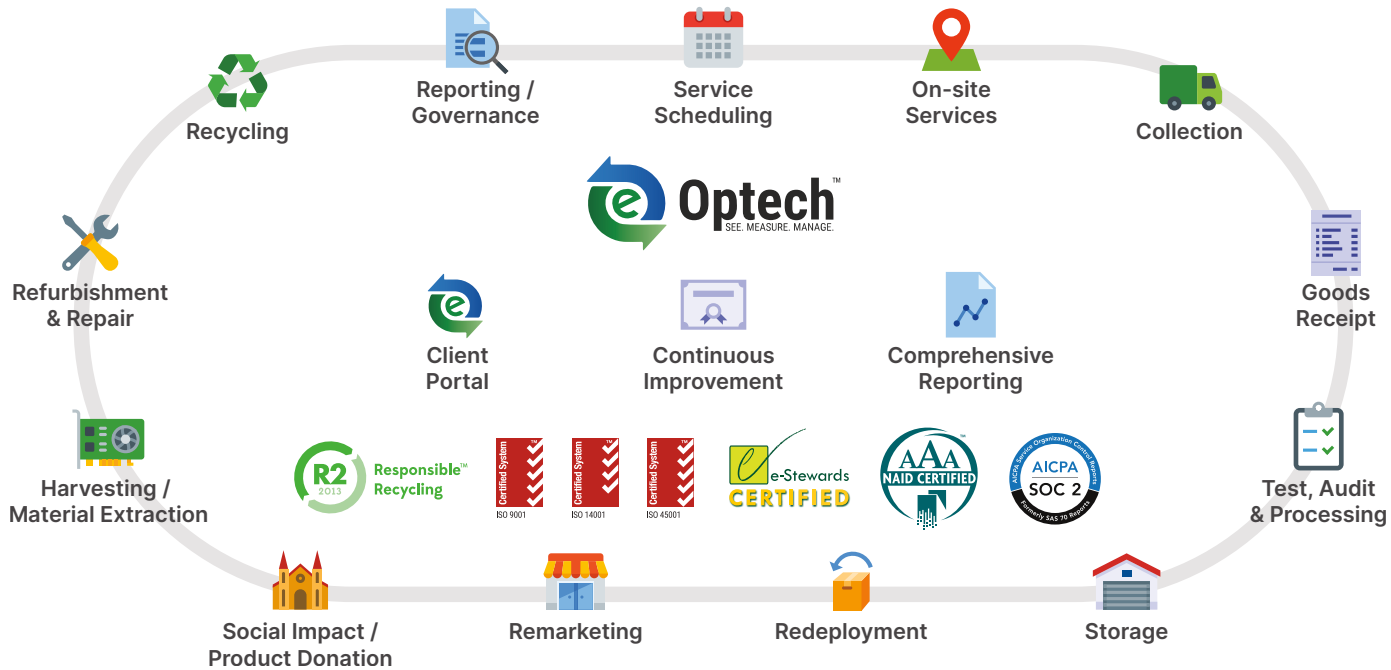
## Technology

In 2006, ERI developed TrackTech, an internal proprietary software which became the hub of all ERI operations. In 2020, ERI retired TrackTech and launched Optech™ as part of ERI's commitment to technical excellence.

Optech™ is an industry leading internal and customer facing management system which allows ERI employees and customers to interact with all ERI services and gather reporting and key information on critical ESG and data security metrics.

Optech™ provides users with real-time account activity, sharing asset details from time of pickup through final disposition.

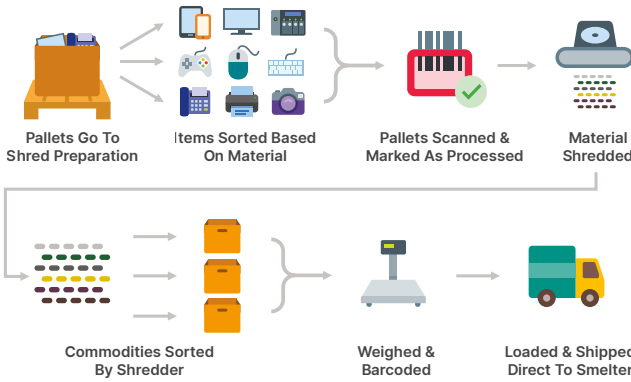
Currently, over 90% of active users are utilizing real-time account activity, sharing asset details from receipt through final disposition. We will continue improve the accessibility of our system for ERI's customer to track the entire material supply chain and advance the environmental performance.



### Reporting Integration

The Optech™ API capabilities allow for an endless amount of custom integration options with customer's existing reporting and management software. In addition to dozens of reports within Optech™, this allows customers access to their raw data where they can import it into their systems to report and analyze as necessary.

This enhanced reporting provides full transparency and data into how electronic recycling is impacting a customer's data security and ESG requirements, all the while knowing that their devices are being handled in a sustainable and secure manner.



In 2021, ERI doubled down on its commitment to technology. Technology is the way forward both for our industry as a whole as well as ERI and our customers individually. ERI upgraded our entire network infrastructure to state-of-the-art Cisco Meraki devices, modernizing our firewalls, security, and network speeds. ERI of course responsibly recycled our old networking equipment.

In 2021, ERI began rolling out several logistics software updates for internal ERI employees which will help improve efficiency in logistics resulting in less green house emissions through ERI's logistical operations.

As part of this project, ERI rolled out a 100% cloud based VoIP phone solution through 8x8.

As part of our software upgrades, in 2021 ERI launched customer-generated ESG Impact Reports, allowing ERI customers to generate on-demand reports outlining how their responsible recycling has reduced carbon emissions.

In 2021, ERI began a two year long project upgrading every ERI facility to high definition Verkada cameras. These new cameras utilize Artificial Intelligence (AI) to better keep track of security in all ERI facilities.

ERI also began a two year project to be a 100% cloud based company by 2023. This will help improve efficiency and security, while also making ERI a greener company with less on-site resources and power consumption.





COMMUNITY OUTREACH & EDUCATION

# The ERI Family

At ERI, our people are our most important asset, and we invest in their growth and development. We are proud to offer competitive benefits and excellent working conditions for all our employees.

Not only are 100% of our employees paid a competitive wage above the local minimum wage, but our FTEs are also provided with robust health and wellness benefits such as:

- Medical, dental, vision, disability, and life insurance
- Ability to contribute to a 401(k) along with a matching contribution by ERI
- Employee assistance program in partnership with local organizations
- Support for individuals recovering from substance abuse
- Employee mental health resources
- Ability to take time off and receive reasonable accommodations for victims of domestic violence or sexual assault
- Robust on-site health and safety precautions, including investment in training, certifications, extensive audit preparations, and access to technical programming to support workplace safety



We also believe strongly in empowering and upskilling our employees through training. In 2021 managers and supervisors received at least 20 hours of training. Upon entry, new hires are offered enhanced training as well as continued career development and promotion opportunities.

100% of full-time employees who have worked at least six months receive annual performance appraisals and professional development reviews to help encourage healthy career paths.

We are proud to say that several members of our leadership team started at an entry level position at ERI and have grown in their responsibilities and capabilities to achieve leadership roles.

Additionally, all leaders, from Plant Managers to Corporate Executives, were hired directly out of their respective local communities rather than relocating anyone to fill a position. We will provide 100% of employees and senior management training on diversity and inclusion to further strengthen the ERI family.

Our employees enable ERI to do what we do, and we are always looking for ways to celebrate and support them, whether it is through our various wellness and rewards programs, investing in diversity, equity, and inclusion, celebrating high safety performance on a regular basis, or simply by granting every employee their birthday off as a paid holiday.



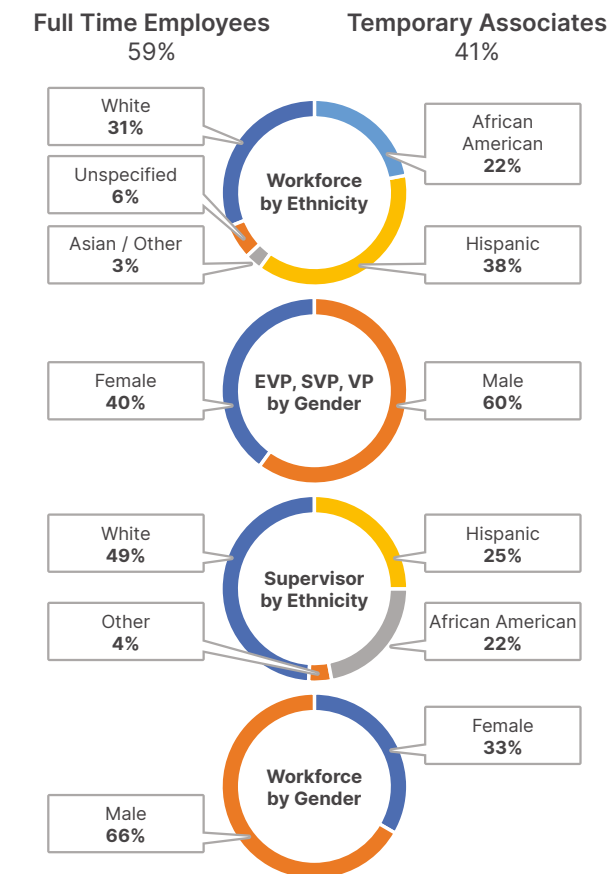




Diversity, equity, and inclusion are a core part of who we are - we go so far as to include it as one of our core values: *We Are Inclusive*.

We maintain strict expectations to prevent discrimination and harassment throughout our workplace. Our diverse recruiting program includes:

- Working with a staffing agency to ensure our recruiting reaches underrepresented groups, even partnering with refugee groups to offer employment
- Ensuring 100% gender pay equity at all levels of the organization
- Introducing harassment and bullying training for all leads and supervisors to prepare them for managing complex situations
- Hosting a series of open conversations on racial equality called Together Forward to create a safe space for employees to share their experiences and connect
- ERI has engaged a third-party to provide a safe and secure space for all employees to report workplace incidents



### Women in Leadership

ERI is committed to increasing the representation of women throughout our entire workforce, and we are particularly proud of the progress we have made to date by surpassing 50% women representation in VP, SVP, and EVP roles at ERI.



“The culture at ERI is such that any employee regardless of their gender, ethnicity, or job role can voice ideas for improvements, suggestions, and enhancements to make ERI a better place. In my 15+ years at ERI, I believe that is one of the many things that makes ERI the company it is today.

Linda Ramos  
Chief of Staff



COMMUNITY OUTREACH & EDUCATION

# Accessible E-Waste Services for Everyone

It is impossible to achieve a sustainable future without collaborating with other like-minded organizations.

ERI partners with retailers such as Best Buy and Staples among many others to provide easy recycling solutions for a variety of electronic devices. By working with retailers, ERI has expanded its recycling network to help consumers recycle in every zip code across the United States and has collected over 72 million pounds of electronics from retailers in 2021 alone.

ERI is also dedicated to supporting municipalities to divert their resident's electronic waste from landfills. Large cities such as The City of New York and Los Angeles, suburban counties such as Cabarrus County, North Carolina, rural counties such as Monroe County, Pennsylvania, and beach communities such as Newport Beach, California are all ERI customers helping their residents responsibly recycle.

Over 50% of New Yorkers do not have a personal vehicle. Since 2013, ERI has provided a unique recycling bin solution for The City of New York to serve their highly dense population.

Recycling bins are placed in common areas within 100+ unit residential buildings, allowing residents with a simple solution for recycling their electronic devices.

In 2007, ERI secured a recycling service contract with the City of Los Angeles S.A.F.E Centers. S.A.F.E Centers are designed to collect and process hard to recycle goods with specialized recyclers.

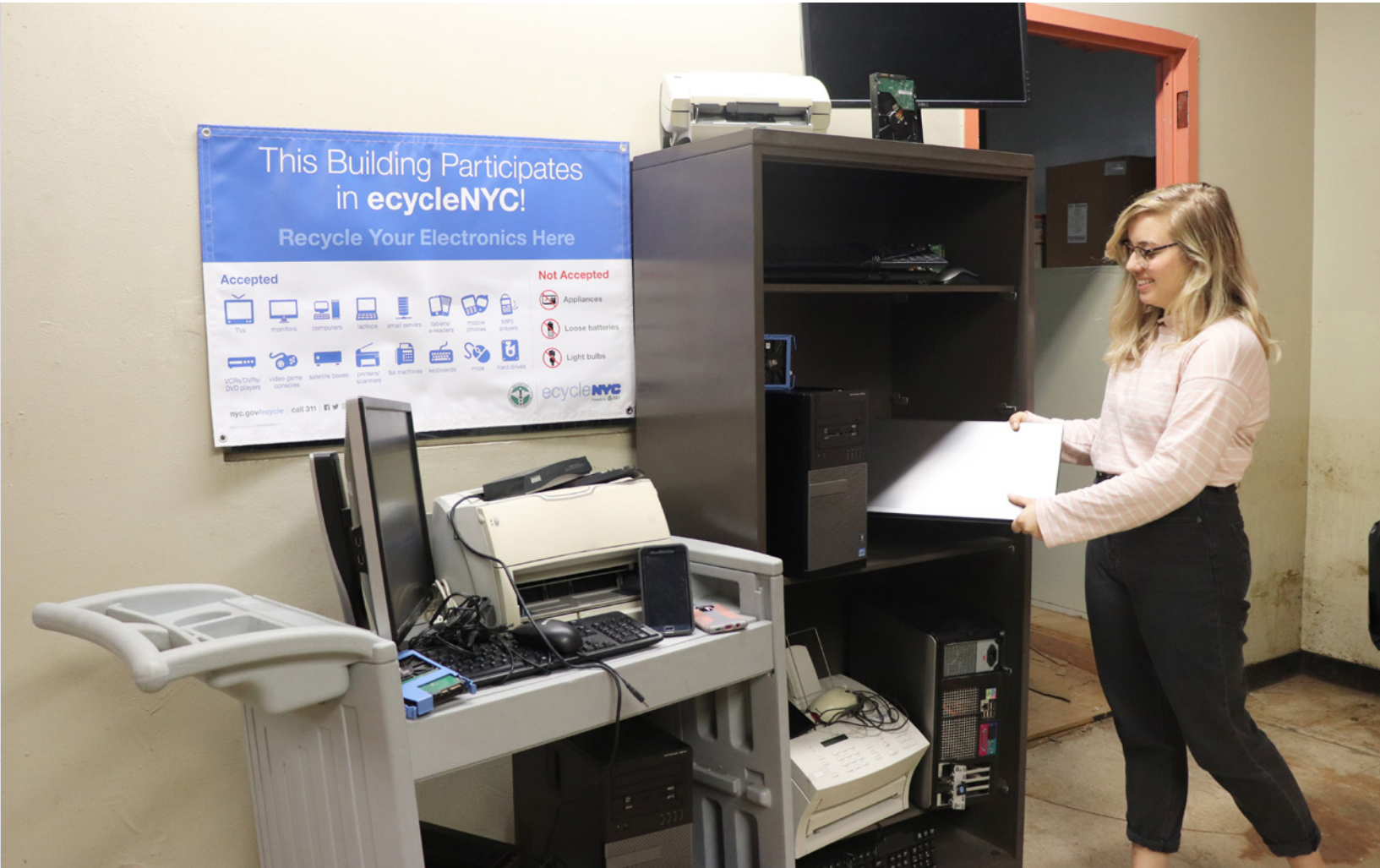
ERI receives over 200,000 pounds of electronics per month through this program.

ERI is proud to support these diverse entities by designing and creating convenient recycling solutions that benefit society as a whole.



Powered by  ERI

- ✓ In 2020, **1.9 million** people had direct access to electronics recycling services in NYC
- ✓ Almost **15,000 buildings** were enrolled in the ecycleNYC program
- ✓ ERI supports the city's curbside program
- ✓ Added **2.8 million** people in NYC to be covered under the recycling program
- ✓ Collectively, there were more than **2.4 million** pounds of electronics that were processed and recycled securely





COMMUNITY OUTREACH & EDUCATION

# Accessible E-Waste Services for Everyone

## Online Consumer Recycling Platform

In order to allow equipment manufacturers to offer recycling services to all of their customers. ERI has launched a tailored-made online Recycling Platform that enables all of their end-consumers to use ERI's logistics for responsible recycling. Up to this date, there have been thousands of orders submitted from various locations to utilize this service.

To overcome the limitation of in-person drop-off recycling services, ERI partnered with UPS and launched a mail-in program. In 2021, we had received over 33 thousand pounds of mixed electronics for recycling through this program alone.

## In-Person Recycling Events

2021 began the return of in-person recycling events following the onset of the COVID-19 pandemic. ERI was able to restart many events throughout the country, particularly in the fall season.

Collection events help provide consumers with an easy and free option to recycle their unwanted devices and know that the data which they contain is properly destroyed.

We're proud to work with our customers and partners to help communities provide collection events all across America.

Following collection of electronics at a collection event, all the electronics are sorted, data destroyed, and the devices are either recycled or destroyed following all ERI protocols.



**Small Box**  
9" x 5" x 3"  
Up to 6 lbs.



**Medium Box**  
18" x 14" x 4"  
Up to 15 lbs.



**Large Box**  
20" x 20" x 20"  
Up to 70 lbs.



**Half Pallet**  
34" x 24" x 32"  
Up to 360 lbs.



**Full Pallet**  
41" x 33" x 32"  
Up to 600 lbs.

ERI offers the only NAID, R2 and e-Stewards certified secure at home box program with contactless delivery and pickup.

ERI also works with various non-profit organizations to help support their missions by helping them manage their electronics recycling programs across the country.

ERI's partnership with organizations such as The Salvation Army has helped them continue to fulfill their mission by providing electronic recycling for various locations in multiple different states.

ERI assisted The Salvation Army in the collection of almost 20 million pounds of electronics in 2021.

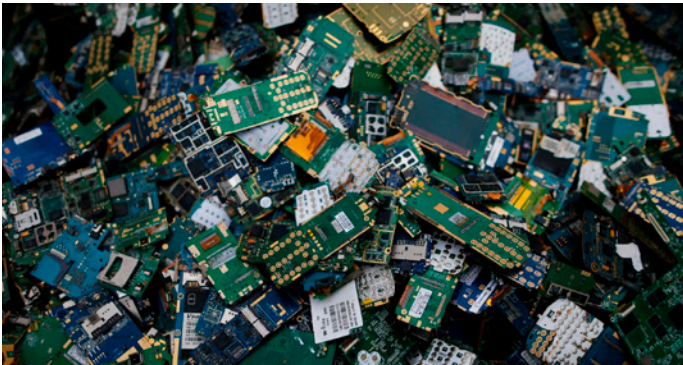




Education

ERI believes education is critical in teaching individuals and organizations about the circular economy, sustainability, and hardware cybersecurity. Our leadership team is often invited to share and engage in conversations at conferences and on major media outlets.

ERI continues to be a thought leader, speaking at over 30 conferences both in-person and virtual, appearing on dozens of podcasts, and publishing thought leadership pieces in some of the nation's leading press publications.



Newsweek

John Shegerian authored an incredibly well read and syndicated opinion piece in Newsweek titled "2022 Needs to Be the Year that Technology Recycling Goes Mainstream".

The piece focused on the various gaps that still exist in the technology recycling space, including a lack of attention around data security and the circular economy.

Shegerian pointed out that still only 17% of a growing mass of electronic waste is properly recycled. In 2019 alone, he pointed out that 53.6 million tons of e-waste was generated, which comes down to about 16 pounds per person.

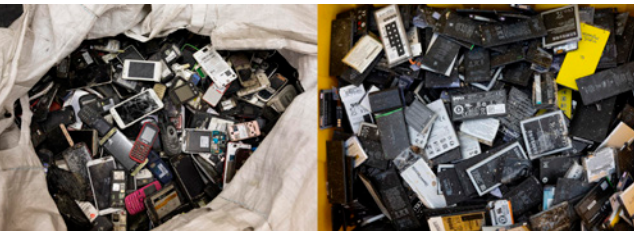
The full article can be read at: <https://eridirect.com/go/newsweek-recycling-goes-mainstream>

The Washington Post

John Shegerian was quoted in The Washington Post in an article focusing on the importance of electronic device recycling.

The article explains a variety of ways for consumers to help battle the e-waste crisis.

The full article can be read at: <https://eridirect.com/go/washington-post-unwanted-electronic-devices>



Forbes

John Shegerian was also quoted in Forbes in an article focusing on ERI partner Redwood Materials mining riches from batteries.

The article talks about ERI's role in the battery circular economy and the growing amounts of batteries, especially lithium ion, being created from recycled electronic devices.

The full article can be read at: <https://eridirect.com/go/forbes-mining-riches-from-old-batteries>

Business Journal's "Virtual Business Series"

John Shegerian was invited to deliver a presentation about the circular economy as part of the local Fresno Business Journal's "Virtual Business Series." He shared some of the latest information about the exponential growth of electronic waste and how e-waste, the fastest growing waste stream in the world today by exponential numbers, is continuing to boom. He also shared how businesses can contribute to the solution by contributing to circular economy initiatives, set their own ESG and sustainability goals, and how there are countless benefits to being "green".

The presentation was aired live as well as in the Business Journal, and included a live Q&A session.

To view the interview, visit the link below: [youtube.com/watch?v=wbc9aZJ2IW0](https://youtube.com/watch?v=wbc9aZJ2IW0)



Book: The Insecurity of Everything

With data bearing electronics having a role in every part of our daily lives, we are living in a day and age where our cybersecurity risks increase literally every second.

The ERI Executive Team published *The Insecurity of Everything* as an educational tool to explain this trend and how everyday devices which are often thought of as harmless contain more personal information about us than ever. The book can be accessed as a hardcover, paperback, audio book, or digital book on Amazon.

RECYCLE NATION

RecycleNation is a free online platform built by ERI which provides information on how to recycle over 100 different items at over 150,000 locations nationwide.

In 2021, RecycleNation assisted over 2.5 million consumers with their recycling needs. ERI will continue to invest resources in RecycleNation with a goal of helping over 5 million consumers per year with their recycling needs by 2025.



Impact with John Shegerian is a weekly podcast which interviews high profile thought leaders who are working to make the world a better place. Guests in 2021 included ESG thought leaders from dozens of fortune 500 companies and other business leaders all around the globe. The podcast features over 50,000 hours of content related to ESG and sustainability with hundreds of thousands of listeners every year.





Giving Back

ERI helps our customers address their unique philanthropic, community relations, and employee involvement goals through our charitable donation program. We assist with multiple facets of the process, including selecting appropriate charities, structuring the legal transfer of ownership of electronic devices, and developing customer-branded and customizable charitable campaigns.

Prior to the donation of electronic devices, all devices go through ERI's asset management program which data sanitizes the devices to remove any data or information they may contain.



ERI Supports Toys for Tots

This year, ERI kicked off the holiday season announcing the company's support for Toys for Tots, a program to collect new toys and distribute those as Christmas gifts to less fortunate children in the community.

ERI announced that every toy donated by the ERI team would be matched with a toy donation by ERI. In the weeks leading up to Christmas, ERI's lobby was flodded with toys donated by our employees.



ERI Supports Evangel Crisis Home

ERI employees supported Evangel Crisis Home in 2021 with donations of supplies to help this important organization continue running. Evangel Crisis Home is a home where the cycle of crisis ends. The organization primarily helps women in need and acts as an emergency crisis shelter.



External Engagement

Since ERI was founded in 2002, we have been dedicated to being the best and most responsible company in our industry. We were the first to be dually certified by both e-Stewards and R2, the first to have 9 facilities NAID AAA certified in the United States, the first to incorporate AI & robotics into our operations, and one of the first to bring up the issue of data security in electronic recycling. ERI has established itself as a leader in our industry. Being an innovator is built into our DNA as a company.

We want to be part of the solution in every way possible and be engaged in committees, organizations, workshops, and certification bodies which enable us to push industry standards to be more transparent and better for the environment as a whole.

Our Chief Executive Officer John Shegerian speaks at over 50 conferences annually around the world to help spread the message of the importance of ESG and data security. Our Chief Operating and Compliance Officer Aaron Blum has been one of the e-Stewards Leadership Committee leaders and is now engaged as an Alumni Leadership Committee Member. Our Vice President of Digital Marketing and Board Member Brendan Egan and Vice President of Communications Paul Williams both serve on ISRI's Communications Board to assist in messaging across the entire industry. And the list goes on and on as ERI employees are continuously tapped on the shoulder to assist in the overall direction of our industry.

As we continue to grow, we've explored nearly every certification or membership available to ensure that ERI is taking proper care of the environment and data to ensure that we are doing so with good partners along the way.

Just some of the partners ERI works with and certifications we hold include the following:



Aaron Blum, Co-Founder, Chief Operating Officer and Chief Compliance Officer of ERI, was named to the Coalition for American Electronics Recycling (CAER) Executive Committee in April, 2021.

ERI has been a long-time CAER member and with Blum on the Executive Committee, will now play an important role in guiding the organization's efforts to support responsible recycling.

"It is an honor and privilege to be able to share our insights with CAER and its constituents as we work toward the common goal of responsible electronic recycling standards nationwide," said Blum. "I look forward to working alongside my prestigious industry colleagues on the committee as we make an impact together."

"Aaron Blum and ERI are important additions to our Executive Committee as we work to promote responsible recycling," CAER said in a statement. "Aaron's experience and expertise will be invaluable in guiding our efforts to ensure electronics recycling is performed securely and sustainably to protect national security and the environment while benefiting the American economy."





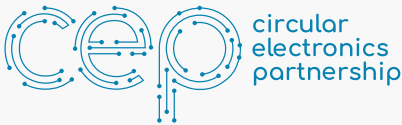
FUTURE DIRECTION & GOALS

# Continued Engagement

ERI understands that in order to continue to reduce the global footprint of e-waste we have to continue to improve the industry as a whole and not just ourselves as a company.

ERI is actively looking for opportunities to enhance the quality of material circularity. We deeply understand the complexity of achieving a complete circular economy which requires continuous learning and cooperation with other stakeholders. In August 2021, ERI joined Circular Electronics Partnership (CEP) along with other important players in the electronics supply chain as part of a task force to increase the value of materials throughout their life cycle. ERI brings its experience and operational scale to enrich various circular production and design activities for electronics and to create a positive value chain that helps our society and the environment.

Utilizing solar panels, otherwise known as photovoltaic (PV) modules, to harvest electricity from the sun has been extremely popular in the 21st century. ERI is positioned as one of the only and the largest PV module and battery recycling companies in the United States. ERI joined the Solar Energy Industries Association (SEIA) in 2021 to engage in improving the solar industry and explore new ways to recycle what is going to be one of the largest e-waste challenges going forward.



In addition to joining this critical solar organization, ERI also participates in the REMADE Institute which gathers groups from academics, industry experts, and national laboratories to pursue the future of the circular economy by reducing embodied energy and decreasing emissions during manufacturing processes. ERI has been invited to a special research project alongside seven other organizations to assist in designing new solar panel recycling technology at industrial scale.

Most recently, with all the efforts that ERI's leadership has committed to, we will be part of the Critical Manufacturing Sector Coordination Council (CM SCC) to contribute our high-level data destruction abilities for the Nation's core manufacturers and critical infrastructure. CM SCC is an official group that operates under the Federal Cybersecurity & Infrastructure Security Agency and focuses on the overall physical security, cyber security, and emergency preparedness posture of the Nation. ERI as an integral component of the Nation's manufacturing sector, and we are thrilled to participate in the CM SCC to ensure a safe and sustainable future.

ERI believes that sustainability efforts are more powerful with data and analytics behind them. For a second consecutive year, ERI chose to share our data with the Ellen MacArthur Foundation's Circulytics program to truly measure our progress towards the circular economy. The Ellen MacArthur Foundation is considered a global authority in advising organizations as they strive to transition to a more circular economy. ERI is honored to have obtained an overall A score with an A in the "Enablers" category and an A- in "Outcomes" category. The scores in each section we have received are exceptional and industry-leading in the material recirculation industry, yet we are always striving for improvement. At ERI, we continue to work with all of our partners to increase the volume of material captured within a closed loop. In addition, we continue to pursue options to adopt renewable energy for all ERI facilities, increase training, and continue to communicate and educate our partners. All of ERI's leadership team members have committed to support the realization of a sustainable future.





# Conclusion/Remarks

While ERI has made strides in both internal ESG & data security efforts as well as helping our customers with their own ESG & data security goals, there is still a significant amount of work to be done.

In a world with a finite number of resources, ERI is working endlessly to improve electronic recycling rates around the world. As more and more companies wake up to the grim reality facing our planet and their customers and stakeholders demand better, ERI is standing by to answer the call.

This report serves as a collection of ERI's ESG & data security activities to date and has helped uncover several opportunities for 2022 and beyond, including:

- Continued improvements in ERI's technology to become more transparent, provide better services for our customers and continue to push sustainability and data security forward through innovation.
- Working with customers, partners and utilizing technology to continue to improve efficiency in logistics.
- Continuing to promote from within, creating a diverse workplace and rewarding employees with unique ideas to continue to move ERI and the industry at large forward.

We recognize that being the largest brand in our industry brings with it special responsibilities to be a leader in both ESG and data security. We will not only continue to make progress on our current goals, but establish new goals and standards each year that will help us achieve our mission while setting the bar for the industry as a whole.

Should you have any questions, comments, concerns or contributions, please email [info@ERIdirect.com](mailto:info@ERIdirect.com)



APPENDIX

GRI Index

| Disclosure ID                | Disclosure Title   | Response   | Ref. Page |
|------------------------------|--|--|-----------|
| GRI 102: General Disclosures |  |  |           |
| Organizational Profile       |  |  |           |
| 102-1                        | Name of the organization                                     | Electronic Recyclers International, Inc. DBA ERI   | N/A       |
| 102-2                        | Activities, brands, products, and services                   | ERI is the largest fully integrated IT and electronics asset disposition provider and cybersecurity-focused hardware destruction company.              | N/A       |
| 102-3                        | Location of headquarters                                     | Fresno, California   | N/A       |
| 102-4                        | Location of operations                                       | See Highlights.  | 4-5       |
| 102-5                        | Ownership and legal form                                     | Privately held. Limited liability company.   | N/A       |
| 102-6                        | Markets served   | See Highlights.  | 4-5       |
| 102-7                        | Scale of the organization                                    | See Highlights.  | 4-5       |
| 102-8                        | Information on employees and other works                     | FTE Count: 457. Temp Count 322. See ERI Employees.   | 4-5       |
| 102-9                        | Supply chain   | ERI's supply chain is made up of a network of transport providers. See Easy Recycling.   | 40-43     |
| 102-10                       | Significant changes to the organization and its supply chain | None.  | N/A       |
| 102-11                       | Precautionary Principle or approach                          | ERI's environmental impact strategy is informed by the precautionary principle.  | N/A       |
| 102-12                       | External initiatives   | See Innovation in the Circular Economy.  | 22-23     |
| 102-13                       | Membership of associations                                   | See Innovation in the Circular Economy.  | 22-23     |
| Strategy                     |  |  |           |
| 102-14                       | Statement from senior decision-maker                         | See From the Chairman & CEO.   | 6-9       |
| Ethics and Integrity         |  |  |           |
| 102-16                       | Values, principles, standards, and norms of behavior         | See ERI Core Values.   | 10        |
| Governance                   |  |  |           |
| 102-18                       | Governance structure   | The CEO is ultimately responsible for decision-making on economic, environmental, and social topics.   | N/A       |
| Stakeholder Engagement       |  |  |           |
| 102-40                       | List of stakeholder groups                                   | ERI occasionally engages its customers, suppliers, and employees on ESG topics.  | N/A       |
| 102-41                       | Collective bargaining agreements                             | All employees have a right to unionize, though no employees have exercised this right to date and therefore no collective bargaining agreements exist. | N/A       |
| 102-42                       | Identifying and selecting stakeholders                       | ERI could not achieve its goals without the successful relationships it has with customers, suppliers, and employees.                                  | N/A       |
| 102-43                       | Approach to stakeholder engagement                           | No stakeholder engagement was conducted as part of the report process.   | N/A       |
| 102-44                       | Key topics and concerns raised                               | Key topics were determined by ERI and are reflected in the contents of this report.  | N/A       |
| Reporting Practice           |  |  |           |
| 102-45                       | Entities included in the consolidated financial statements   | Privately-held, this information is not disclosed.   | N/A       |
| 102-46                       | Defining report content and topic boundaries                 | ERI utilized the Reporting Principles to define report content and determined key topics based on information that was relevant, balanced, and timely. | N/A       |
| 102-47                       | List of material topics                                      | Emissions; Energy; Employee Training & Education; Diversity and Inclusion; Customer Privacy; Market Presence   | N/A       |
| 102-48                       | Restatements of information                                  | None.  | N/A       |
| 102-49                       | Changes in reporting   | None. This is ERI's second GRI-compliant report.   | N/A       |

| Disclosure ID                            | Disclosure Title   | Response  | Ref. Page |
|--|--|---|-----------|
| 102-50                                   | Reporting period   | January 1, 2021 – December 31, 2021. All data represents this reporting period unless stated otherwise.     | N/A       |
| 102-51                                   | Date of most recent report                               | This is ERI's second report.  | N/A       |
| 102-52                                   | Reporting cycle  | Annual.   | N/A       |
| 102-53                                   | Contact point for questions regarding the report         | David Hirschler, Senior Director of Sustainability & Legislative Compliance - david.hirschler@ERIdirect.com | N/A       |
| 102-54                                   | Claims of reporting in accordance with the GRI Standards | This report has been prepared in accordance with the GRI Standards: Core option.                            | N/A       |
| 102-55                                   | GRI content index  | This index serves to satisfy this disclosure.   | N/A       |
| 102-56                                   | External assurance                                       | This report is not externally assured. All information provided has been internally validated.              | N/A       |
| GRI 200: Economic                        |  |   |           |
| GRI 202: Market Presence                 |  |   |           |
| 202-1                                    | Entry level wage compared to local minimum wage          | 100% of entry level wages are above local minimum wage. See The ERI Family.                                 | 36-37     |
| 202-2                                    | Senior management hired from local community             | 100% of senior management is hired from their respective community. See The ERI Family.                     | 36-37     |
| GRI 300: Environment                     |  |   |           |
| GRI 302: Energy                          |  |   |           |
| 302-1                                    | Energy consumption within the organization               | See Greenhouse Gas (GHG) Emissions Inventory.   | 16-19     |
| 302-2                                    | Energy consumption outside the organization              | See Greenhouse Gas (GHG) Emissions Inventory.   | 16-19     |
| 302-3                                    | Energy intensity   | See Greenhouse Gas (GHG) Emissions Inventory.   | 16-19     |
| 302-4                                    | Reductions in energy consumption                         | See Innovation & Improvements.  | 20-21     |
| 302-5                                    | Reductions in energy requirements of services            | See Innovation & Improvements.  | 20-21     |
| GRI 305: Emissions                       |  |   |           |
| 305-1                                    | Direct (Scope 1) GHG emissions                           | See Greenhouse Gas (GHG) Emissions Inventory.   | 16-19     |
| 305-2                                    | Energy indirect (Scope 2) GHG emissions                  | See Greenhouse Gas (GHG) Emissions Inventory.   | 16-19     |
| 305-3                                    | Other indirect (Scope 3) GHG emissions                   | See Greenhouse Gas (GHG) Emissions Inventory.   | 16-19     |
| 305-4                                    | GHG emissions intensity                                  | See Greenhouse Gas (GHG) Emissions Inventory.   | 16-19     |
| 305-5                                    | Reduction of GHG emissions                               | See Innovation & Improvements.  | 20-21     |
| 305-6                                    | Emissions of ozone-depleting substances                  | None.   | N/A       |
| 305-7                                    | Significant air emissions                                | None.   | N/A       |
| GRI 400: Social                          |  |   |           |
| GRI 404: Training and Education          |  |   |           |
| 404-1                                    | Average hours of training per year per employee          | See The ERI Family.   | 36-37     |
| 404-2                                    | Programs for upgrading employee skills                   | See The ERI Family.   | 36-37     |
| 404-3                                    | Regular performance and career development reviews       | See The ERI Family.   | 36-37     |
| GRI 405: Diversity and Equal Opportunity |  |   |           |
| 405-1                                    | Diversity of governance bodies and employees             | See Diversity, Equity, and Inclusion.   | 38-39     |
| 405-2                                    | Gender wage ratio  | ERI is proud to have a 1:1 gender wage ratio. See Diversity, Equity, and Inclusion.                         | 38-39     |
| GRI 418: Customer Privacy                |  |   |           |
| 418-1                                    | Substantiated complaints concerning breaches             | Zero. See Highlights.   | 4-5       |



APPENDIX

# SASB Index

| SASB ID                                  | Accounting Metric   | Response  | Ref. Page |
|--|---|---|-----------|
| Greenhouse Gas Emissions                 |   |   |           |
| IF-WM-110a.1                             | Gross global Scope 1 emissions                                  | 3,335,724 lbs. CO <sub>2</sub> e equal to 1,512.8 MT CO <sub>2</sub> e. 0% of these emissions are covered under emissions-limiting or emissions-reporting regulations. See Operational GHG Inventory. | 16-19     |
| IF-WM-110a.2                             | Landfill gas generated  | Not applicable to ERI's operations.   | N/A       |
| IF-WM-110a.3                             | Discussion of long- and short-term strategy to manage emissions | See Innovation & Improvements.  | 20-21     |
| Fleet Fuel Management                    |   |   |           |
| IF-WM-110b.1                             | Fleet fuel consumed   | 76,850 gallons equal to 11,260 gigajoules. 0% natural gas. See Fleet Fuel Management.   | 21        |
| IF-WM-110b.2                             | Alternative fuel vehicles in fleet                              | Zero. See Fleet Fuel Management.  | 21        |
| Air Quality                              |   |   |           |
| IF-WM-120a.1                             | Significant air emissions                                       | None.   | N/A       |
| IF-WM-120a.2                             | Facilities near areas of dense population                       | ERI to determine. See Highlights.   | 4-5       |
| IF-WM-120a.3                             | Incidents of air emissions non-compliance                       | None.   | N/A       |
| Management of Leachate & Hazardous Waste |   |   |           |
| IF-WM-150a.1                             | Toxic release inventory   | ERI to determine: (1) Total Toxic Release Inventory (TRI) releases in metric tons unit, (2) percentage released to water. See Downstream Management for Responsible Recycling.                        | 26-27     |
| IF-WM-150a.2                             | Toxic release corrective actions                                | ERI to determine: Number of corrective actions implemented for landfill releases. See Downstream Management for Responsible Recycling.  | 26-27     |
| IF-WM-150a.3                             | Incidents of environmental non-compliance                       | ERI to determine: Number of incidents of non-compliance associated with environmental impacts. See Downstream Management for Responsible Recycling.   | 26-27     |
| Labor Practices                          |   |   |           |
| IF-WM-310a.1                             | Collective bargaining agreements                                | All employees have a right to unionize, though no employees have exercised this right to date and therefore no collective bargaining agreements exist.  | N/A       |
| IF-WM-310a.2                             | Work stoppages and days idle                                    | See Environmental Health & Safety.  | 30-33     |
| Workforce Health & Safety                |   |   |           |
| IF-WM-320a.1                             | Recordable incident rate and fatality rate                      | See Environmental Health & Safety. ERI tracks near misses on internal reports but does not currently track NMFR % rate overall.   | 30-33     |
| IF-WM-320a.2                             | Safety Measurement System BASIC percentiles                     | See Environmental Health & Safety.  | 30-33     |
| IF-WM-320a.3                             | Road accidents and incidents                                    | See Environmental Health & Safety.  | 30-33     |
| Recycling & Resource Recovery            |   |   |           |
| IF-WM-420a.1                             | Hazardous Materials Management                                  | (1) Amount of waste incinerated, (2) percentage hazardous, (3) percentage used for energy recovery  | 31-32     |
| IF-WM-420a.2                             | Services offered to customers                                   | 100% of customers receive recycling services  | N/A       |
| IF-WM-420a.3                             | Amount of material recycled                                     | Recycled: 113.7M lbs. or 51,573 metric tons<br>Reused: 4.3M lbs. or 1,950 metric tons<br>See Highlights.  | 4-5       |
| Activity Metrics                         |   |   |           |
| IF-WM-000.B                              | Vehicle fleet size  | 25 total fleet vehicles. See Fleet Fuel Management.   | N/A       |
| IF-WM-000.C                              | Number of facilities  | 8 total recycling facilities. See Highlights.   | 4-5       |
| IF-WM-000.D                              | Total amount of materials managed                               | Recycled: 122.66M lbs. or 55,638 metric tons<br>Reused: 3.8M lbs. or 1,724 metric tons<br>See Highlights.   | 4-5       |

## Methodology/Assumptions

### Greenhouse Gas Emissions Inventory

All greenhouse gas data reporting follows the GHG Protocol, developed by the World Resources Institute (WRI) and World Business Council for Sustainable Development (WBCSD), in accordance with the Climate Registry, Intergovernmental Panel on Climate Change (IPCC) Guidelines, and the CDP.

This is the second time ERI is reporting greenhouse gas data. Primary data was used whenever reasonably available. Secondary data (spend-based data), estimations, and assumptions were used only when primary data was not wholly or partially available. All estimations follow GHG Protocol approved methodologies and rely on third-party approved sources. We will continue to expand the findings on sources of GHG emissions and explore opportunities to reduce the emissions.

| Inclusions and Omissions |  |
|--------------------------|--|
| Scope 1                  | Natural Gas, Propane, Company Fleet Fuel Usage   |
| Scope 2                  | Purchased Electricity Usage at ERI Facilities  |
| Scope 3                  | C1 Purchased Goods and Services<br>C2 Capital Goods - Fixed Assets<br>C3 Transmission and Distribution Losses (T&D losses) of Scope 2 Electricity Use<br>C4 Upstream Transportation and Distribution - Inbound Logistics<br>C5 Waste Generated in Operations<br>C6 Business Travel<br>C7 Commuting<br>C8 Downstream Transportation and Distribution - Outbound Logistics |

### Environmental Impact Claims from Recycling and Reuse

ERI's savings claims were developed using the company's proprietary Optech™ system in conjunction with the Electronics Environmental Benefits Calculator (EEBC). ERI's system tracks every component processed by ERI at the individual client level, including what material was sent for reuse and what was processed and recycled. The EEBC software uses life cycle analysis to calculate the impact on greenhouse gas emissions and energy usage for recycling or reuse of various product types and commodities. ERI is able to map received products to this system and determine the benefits of recycling or reusing these items.

In addition, for each product type recycled by ERI, ERI utilizes our historical data to understand the volumes of commodities or residual waste produced from each type of material. ERI's Optech™ system allows us to determine the amount of volume recycled, excluding residual waste and then determine the volumes of commodities sent for recycling as well as any additional items sent for reuse.

The environmental impact calculations set forth in this report are estimates provided for informational purposes only and may vary based on a number of factors.

\*The Ellen MacArthur Foundation does not endorse our organization and has not verified the information provided to generate the Circulytics score.



APPENDIX

# Acknowledgements

ERI's second annual ESG & data security report was only possible through leadership's tremendous support and individual ERI employee's contributions. A special thanks to the ERI team members listed in bold for curating this important report, as well as the additional team members listed below for their assistance in gathering vital data on policies, procedures, and protocols that help make ERI a greener, more secure place:

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