

Group IREN has successfully launched its first Green Bond for an overall amount of 500 million euros with a 10-year maturity bond under the EMTN Programme

Reggio Emilia, 17 October 2017 – Today, IREN S.p.A. successfully concluded the issue of a Green Bond, completing an important process to improve its financial profile. This programme, starting from 2015 through the approval by IREN S.p.A.'s Board of Directors of a Euro Medium Term Note of 1 billion Euros, was then followed by the achievement of an investment-grade rating on the part of Fitch (BBB-). Two bonds were subsequently issued for a total of 1 billion Euros which allowed the Group to re-equilibrate its sources of funds between the banking system and the financial market, and to carry out important liability management operations. All this has led to a significant improvement in the average cost of debt, which at the end of the first half of the year stood at 3.3%.

The bond placement made today (BBB rating for Fitch) is for an overall amount of 500 million Euros under the Euro Medium Term Notes (EMTN) Programme of 2.0 billion Euros as recently renewed and increased by the Board of Directors on 26 September 2017. The Notes, which have a minimum unit denomination of 100,000 Euros and mature on 24 October 2027, pay gross interest of 1.50% and have been placed at an issue price of 98.356%. The gross effective return at maturity is 1.68%, corresponding to a return of 85 basis points above the 10-year midswap rate. The settlement date has been fixed for 24 October 2017. On this date the bonds will be listed on the regulated market of the Irish Stock Exchange where the prospectus has been deposited.

The operation has attracted high demand received subscriptions for approximately 2.2 billion euro (more than four times oversubscribed) with investors of high quality and wide geographic diversification.

The issue has taken the form of a Green Bond, an innovative instrument intended to finance/refinance environmentally sustainable projects recognised as such through certification by an independent entity (DNV GL).

This is an aspect that can further consolidate the “green” nature that has characterised the Group right from its creation and contributes to reinforcing its strategic vision which has always been oriented towards the circular economy and energy saving. 78% of the electricity produced with IREN's plant is, in fact, **eco-friendly** thanks to more than 600 MW of hydroelectric power installed (using a renewable and clean resource) and thanks to cogeneration technology. The latter allows us to produce at the same time electricity and heat, which is then used to warm houses and offices for around 85 million cubic metres. The Group is national leader in this sector serving, among others, also Turin, which is the most district-heated city in Italy.

[Gruppo Iren](#)

[Pictures](#)

[Investor Relations area](#)

[Iren Overview](#)

Investor Relations

Giulio Domma
Tel. + 39 0521.248410
investor.relations@gruppoiren.it

Media Relations

Paolo Colombo
Tel. + 39 011.5549175
Cell. + 39 348.2206005
paolobartolomeo.colombo@gruppoiren.it

Barabino & Partners

Tel. +39 02 72023535
Giovanni Vantaggi + 39 328 8317379
g.vantaggi@barabino.it



The virtuous management of the integrated waste cycle is particularly important from an environmental point of view. In this area IREN has adopted advanced systems for sorted waste collection, making it possible to achieve an average percentage of 59% in 2016 (against a national average of a little over 47%) with peaks exceeding 80%.

Crucial for achieving this target has been the continuous implementation of the door-to-door system with a “Pay-as-you-throw” tariff which applies the principle according to which “he who pollutes pays”, rewarding more virtuous behaviour. More than 300,000 citizens are already served with this mechanism and the Municipality of Parma (around 189,000 inhabitants served) is a best-practice example at a national level.

Sustainability is not measured only in an environmental context but also in the social field, most of all through the relationship between the company and its human resources, a fundamental capital for growth. The attention that the Group pays towards its employees is demonstrated not only in the fact that 99% of staff is hired with a permanent contract but also in the training activities that in 2016 alone involved around 84% of the workforce.

Of particular value, finally, is the relationship that IREN has created and continues to foster with its Stakeholders and with the territories in which it operates: against 2.2 billion euros of cumulative investments set out in the latest business plan, in 2016 purchase orders were issued for more than 700 million euros to 4,268 suppliers, 57% of which are situated in its reference areas. Besides this, 5 IREN territorial Committees have been set up in which 93 Associations and Entities representing the main categories of stakeholders operate: customers, workers, suppliers, economic categories, institutions, shareholders, the environment, local communities, schools and universities, with the aim of fostering more active involvement of all the interested parties and to guarantee communities innovative services and solutions. In 2016 the Committees “incubated” 21 projects, of which 9 were completed in the year, also thanks to the contributions received through IrenCollabora.it, the first example at national level of a participatory project platform available to all citizens.

These results express in a concrete manner the Group’s commitment to the inclusion of ESG (Environment, Social and Governance) themes in the study and selection of strategic investment options. The Green Bond issued today confirms and strengthens this commitment through the refinancing of a series of projects linked to four main categories:

- **Energy efficiency** – This area includes greater efficiency in the district heating sector, mainly through the extraction of thermal energy from unsorted waste and through the development of the networks, with a significant positive impact in terms of CO2 emissions and primary energy savings.
- **Renewable sources** - Linked mainly to “mini-hydroelectric” and photovoltaic plants, which use natural, non-polluting and renewable resources to produce electricity.
- **Increased efficiency in the management of the waste cycle and recycling** – Inspired by the “waste to material” philosophy in order to give waste a second life, reducing the use of natural resources and climate-altering emissions.

Investor Relations

Giulio Domma
Tel. + 39 0521.248410
investor.relations@gruppoiren.it

Media Relations

Paolo Colombo
Tel. + 39 011.5549175
Cell. + 39 348.2206005
paolobartolomeo.colombo@gruppoiren.it

Barabino & Partners

Tel. +39 02 72023535
Giovanni Vantaggi + 39 328 8317379
g.vantaggi@barabino.it



- **Wastewater treatment** - With the objective of doubling the population served by the Group's purifiers and making the treatment processes more efficient for better protection of rivers and seas.

The list of the projects refinanced by the Green Bond has been drawn up by IREN and its correspondence to precise environmental criteria is guaranteed by an external entity, DNV GL. As a further guarantee, a series of elements including the list of "eligible" projects financed with the proceeds of the bond and primary indicators of environmental performance etc. relating to the aforementioned projects throughout the residual life of the bond will be published in the non-financial reporting of the Group. This data will be verified by an external entity. For more information, the "Green Bond Framework" is available on the Group's website, www.gruppoiren.it investor relations/financial profile section.

The placement operation has been organised by Banca IMI (Gruppo Intesa Sanpaolo), Goldman Sachs, Mediobanca, Société Générale and Unicredit as Joint Bookrunners.

*"Environmental sustainability is increasingly at the centre of the new global challenges: the Government's agenda, the orientation of the European Union, the 2030 targets of the United Nations, and many other institutional initiatives form part of a scenario that calls for planning and action to safeguard the future of the planet –the Chairman **Paolo Peveraro** declared – Those, like our Group, who manage resources of primary importance, such as water, energy and waste material, needs to play an active role in contributing to facing these challenges. The resources coming from the Green Bond allow us to make important investments that benefit our Customers and territories in which we operate: for example the projects to expand the district heating networks in Turin, Piacenza, Parma and Reggio Emilia, as well as the initiatives to improve distribution networks in Genoa and also many other projects to develop sorted waste collection systems and treatment plants in areas in which we manage the waste cycle. All this elements will help to continue to offer high-quality services with a great focus on innovation in all the sectors."*

*"The success of today's bond issue is a strong signal that the markets recognise the Group's sound sustainable profile in financial, environmental and social terms. Being always faithful to our "green" spirit, constantly including the ESG criteria in our strategies, has been a fundamental element of balanced growth to the benefit all the Stakeholders" **Massimiliano Bianco, C.E.O. of the IREN Group** declared, adding "This strategy has today been boosted by a further instrument, the Green Bond, which confirms the Company's focus on the growing number of investors who put particular importance on important non-financial elements in their long-term investment choices. A vision that manages to integrate financial best-practice and social and environmental responsibility in a harmonious way will underpin the Group's new business plan, due to be presented in November".*

Investor Relations

Giulio Domma
Tel. + 39 0521.248410
investor.relations@gruppoiren.it

Media Relations

Paolo Colombo
Tel. + 39 011.5549175
Cell. + 39 348.2206005
paolobartolomeo.colombo@gruppoiren.it

Barabino & Partners

Tel. +39 02 72023535
Giovanni Vantaggi + 39 328 8317379
g.vantaggi@barabino.it