Integrated Annual Report 2024

iren

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Corporate officers

Board of Directors [1]	
Chairperson	Luca Dal Fabbro [2]
Deputy Chairperson	Moris Ferretti [3]
Chief Executive Officer and General Manager	Gianluca Bufo [4]
Directors	Francesca Culasso [5]
	Enrica Maria Ghia [6]
	Pietro Paolo Giampellegrini [7]
	Francesca Grasselli [8]
	Paola Girdinio [9]
	Cristiano Lavaggi [10]
	Giacomo Malmesi [11]
	Giuliana Mattiazzo [12]
	Gianluca Micconi [13]
	Patrizia Paglia [14]
	Cristina Repetto [15]
	Licia Soncini [16]
Board of Statutory Auditors [17]	
Chairperson	Sonia Ferrero
Standing Auditors	Ugo Ballerini
	Donatella Busso
	Simone Caprari
	Fabrizio Riccardo Di Giusto
Alternate Auditors	Lucia Tacchino
	Carlo Bellavite Pellegrini
Independent Auditors	KPMG S.p.A. [18]
Manager in charge of financial reporting	Giovanni Gazza
Sustainability Reporting Manager	Selina Xerra

(1) Appointed by the Shareholders' Meeting of 21 June 2022 for the 2022-2023-2024 three-year period.
(2) Appointed Chairperson by the Shareholders' Meeting of 21 June 2022. By a resolution passed on 30 August 2023, the Board of Directors of Iren S.p.A. appointed Mr. Dal Fabbro as Strategic Director Finance, Strategies and Delegated Areas.
(3) Deputy Chairperson in the three-year period 2019-2021. He was confirmed in office for the three-year period 2022-2024 at the meeting of the Board of Directors on 21 June 2022. With a resolution passed on 30 August 2023, the Board of Directors of IREN S.p.A. appointed Mr. Ferretti as Strategic Director Human Resources, CSR and Delegated Areas.
(4) Appointed by co-option pursuant to Article 2386 of the Italian Civil Code as Director of Iren S.p.A. by the Board of Directors of the Company on 10 September 2024 (replacing Tiziana Merlino, who resigned as Director of Iren S.p.A. as of 1 September 2024). On the same date, he was appointed by the Board of Directors of Iren S.p.A. as Chief Executive Officer and General Manager of the Company.
(5) Chairperson of the Control, Risk and Sustainability Committee.
(6) Member of the Control, Risk and Sustainability Committee.
(7) Chairperson of the Remuneration and Appointments Committee.
(8) Member of the Related Party Transactions Committee.
(9) Appointed as Director by the Shareholders' Meeting of Iren S.p.A. held on 27 June 2024, replacing Director Paolo Signorini. Mr. Paolo Signorini held the position of Chief Executive Officer of Iren S.p.A. from 30 August 2023 until 7 May 2024, the date on which the Board of Directors of Iren S.p.A. convened on an urgent and extraordinary basis, following the dissemination of press news relating to an order of precautionary measures ordered by the Judicial Authority of Genoa against Mr. Signorini. On the same date, the Board, acknowledging the Chief Executive Officer's objective temporary inability to exercise his delegated powers and with the aim of ensuring stability and continuity in corporate management, activated the provisions of the Group's internal contingency plan and resolved to temporarily revoke the delegated powers of the CEO, assigning them to the other two Managing Bodies for the entire duration of the contingency period (which ended on 10 September 2024 with the appointment of a new Chief Executive Officer and General Manager of the Company). As mentioned above, in relation to the decisions taken by the Shareholders' Meeting of Iren S.p.A. of 27 June 2024, on the same date, Mr. Signorini also ceased to be a Director.
On 10 September 2024, the Board of Directors of Iren S.p.A. appointed Ms Girdinio as a new member of the Control, Risk and Sustainability Committee to replace Ms Merlino.
(10) Member of the Remuneration and Appointments Committee.
(11) Member of the Control, Risk and Sustainability Committee.
(12) Member of the Related Party Transactions Committee.
(13) Member of the Remuneration and Appointments Committee.
(14) Member of the Remuneration and Appointments Committee.
(15) Member of the Related Party Transactions Committee.
(16) Chairperson of the Related Party Transactions Committee.
(17) Appointed by the Shareholders' Meeting of 27 June 2024 for the 2024-2025-2026 three-year period. Up to this date, Michele Rutigliano (Chairperson), Ugo Ballerini (Standing Auditor), Ms Cristina Chiantia (Standing Auditor), Simone Caprari (Standing Auditor), Sonia Ferrero (Standing Auditor), Lucia Tacchino (Alternate Auditor) and Fabrizio Riccardo Di Giusto (Alternate Auditor) have been members of the Board of Statutory Auditors of Iren S.p.A..
(18) Appointed by the Shareholders' Meeting of 22 May 2019 for the 2021-2029 nine-year period.

Letter to Shareholders and Stakeholders

Dear Shareholders and Stakeholders,

In presenting Iren Group's 2024 results, we prepared a document that would fully reflect the Group's vision of integrating economic and sustainability dimensions, in line with the new ESRS reporting standards. It is a report that truly encompasses and comprehensively renders the absolute synergy between sustainable development, industrial development and human development. These three dimensions have guided the different forces operating within Iren in a coordinated manner, strengthening the Group's territorial presence and succeeding in bringing new development projects to life.

Indeed, it was precisely the solidity of the strategy outlined by Iren, together with the enhancement of internal professionals and the presence of a united and cohesive management team, that made it possible to promptly address and overcome the extraordinary circumstances that occurred during 2024 without impact.

In an energy scenario increasingly linked to external events, such as the continuation of conflicts in Ukraine and the Middle East, in 2024, Iren Group managed to confirm its ability to grow and consolidate its results. EBITDA, at over 1.27 billion euro, in fact shows growth of 6.5% compared to 2023: this confirms the development trajectory outlined in the Industrial Plan and Iren's ability to adapt to different market contexts, thanks above all to its multi-business model.

Total investments, amounting to 942 million euro, were 71% oriented towards sustainable development projects, confirming the Group's industrial strategy. The focus on sustainability is evidenced by the results achieved in several areas: separate waste collection exceeded 72% in the historical areas of operation and came close to 70% in the entire basin served, the carbon intensity of energy production saw a significant reduction (-7%), and the positive trend in the reduction of losses in the water network continued. Green energy sold reached 2,400 GWh, contributing to energy savings of over 470,000 tonnes equivalent of oil (+33%). These results truly demonstrate Iren Group's ability to create value and financial solidity also through sustainable growth and innovation.

The strengthening of Iren's presence in its reference territories is also represented by the acquisition of Egea, which has allowed the Group to accelerate its growth in all business areas, enhancing synergies and economies of scale. The Group also strengthened its presence in Tuscany in the environmental sector and in Sicily in the water sector, thanks to the consolidation of Sienambiente and the full integration of Acquaenna.
Sustainable finance then increased during the year, mainly thanks to the issuance of two new Green Bonds with a total value of 1 billion euro.

From an industrial point of view, with the inauguration of the new plant to recover precious metals from WEEE, Iren marked an important milestone in the chapter on critical raw materials. Recognising the strategic importance of recovering rare earths from electronic waste, the Group has initiated concrete projects to develop an integrated and sustainable supply chain. With the start-up of Circular Plastic, the Group has also built one of the reference plants at national and European level for the waste management sector and, in particular, for the treatment and recovery of plastics. Close attention was paid to local communities on the occasion of the start of the new waste collection services envisaged following the renewal of concessions in the Emilia region.

It is thus that the commitment to increase the solid bond with customers should be construed, through an increasingly widespread and capillary territorial presence: to date there are more than 1,200 physical contact points available to citizens and customers, to which are added increasingly innovative digital contact channels and tools. The presence of 2.3 million customers in the energy sector, up 5% year-on-year, testifies to the recognition of the work done in this area.

People are a fundamental pillar for Iren's growth and success. With a team of more than 11,300 employees, the Group constantly invests in the development of internal competencies in order to fully utilise the potential of each individual. At the heart of Iren's strategy is a concrete commitment to creating a dynamic, inclusive and stimulating work environment, where talent is recognised and encouraged.

This people-oriented approach daily reinforces the Group's role in promoting the well-being of its employees and the territorial communities it serves, aware that sustainable growth depends first and foremost on the value of its people. In this scenario, the numerous communication projects and initiatives to raise awareness of sustainability issues, carried out by Eduiren, are confirmed as best practices at a national level.

Attention to the quality of the environment, the territory and the people allows us to look to the future with confidence and to continue to innovate, invest and enhance the talent of those who contribute to the growth of our Group every day. With the support of all of you, Shareholders and Stakeholders, we will continue to work to build a Group that is increasingly sustainable, resilient and close to the needs of communities, strengthening our role as a key player in the energy and environmental sector.

The Chairperson
Luca Dal Fabbro

The Deputy Chairperson
Moris Ferretti

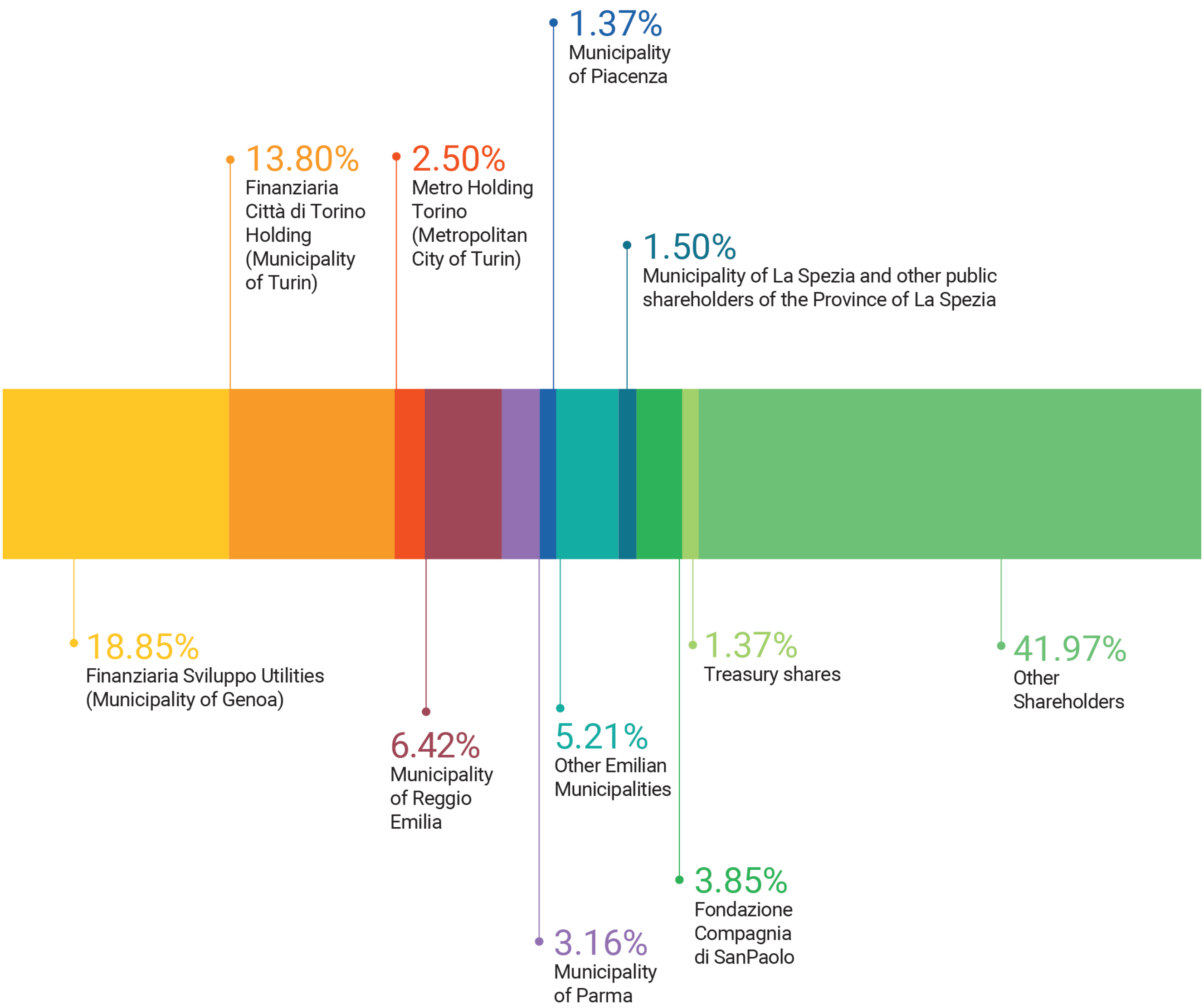
The Chief Executive Officer
Gianluca Bufo

(signed on the original)

Ownership structure

The Company's share capital amounts to 1,300,931,377 euro, fully paid up, and is made up of ordinary shares with a nominal value of 1 euro each.

At 31 December 2024, based on available information, the Iren ownership structure was as follows:



A century of history

A company for over 110 years focused on the development of its territories and the needs of its customers.

1905
Parma's municipal electric lighting company is born

1907
The Turin municipal company AEM is born

1922
Genoa's municipal gas company is created

1936
AMGA is born from municipal gas company of Genoa

2000
AEM Turin listed on the Stock Exchange and ASM Piacenza become TESA

2005
AMPS, TESA and AGAC establish ENIA

2006
AEM Turin and AMGA Genoa form IRIDE

2007
ENIA listed on the Stock Exchange

2010
IRIDE and ENIA constitute IREN

Mission

To offer our customers and areas the best integrated management of energy, water and environmental resources, with innovative and sustainable solutions in order to create value over time.

For everyone, every day.

1962
The Reggio Emilia municipal company AMG is born

1965
The Parma municipal company becomes AMPS

1972
The Piacenza municipal company ASM is born

1994
AGAC was set up from the Reggio Emilia municipal company

1996
AMGA Genoa listed on the Stock Exchange

2015
AMIAT joins the Iren Group

2016
Ireti is born, TRM and ATENA Vercelli enter the Group

2018
ACAM La Spezia joins the Group

2020
The Group acquires Unieco Waste Management Division

2022
Iren Green Generation for renewables development is born

Vision

Improving people's quality of life, making businesses more competitive. To look at territorial growth with a focus on change. Merging development and sustainability into one unique value. We are the multi-utility company that wants to build this future through innovative choices.

For everyone, every day.

Iren Group in numbers: Highlights 2024

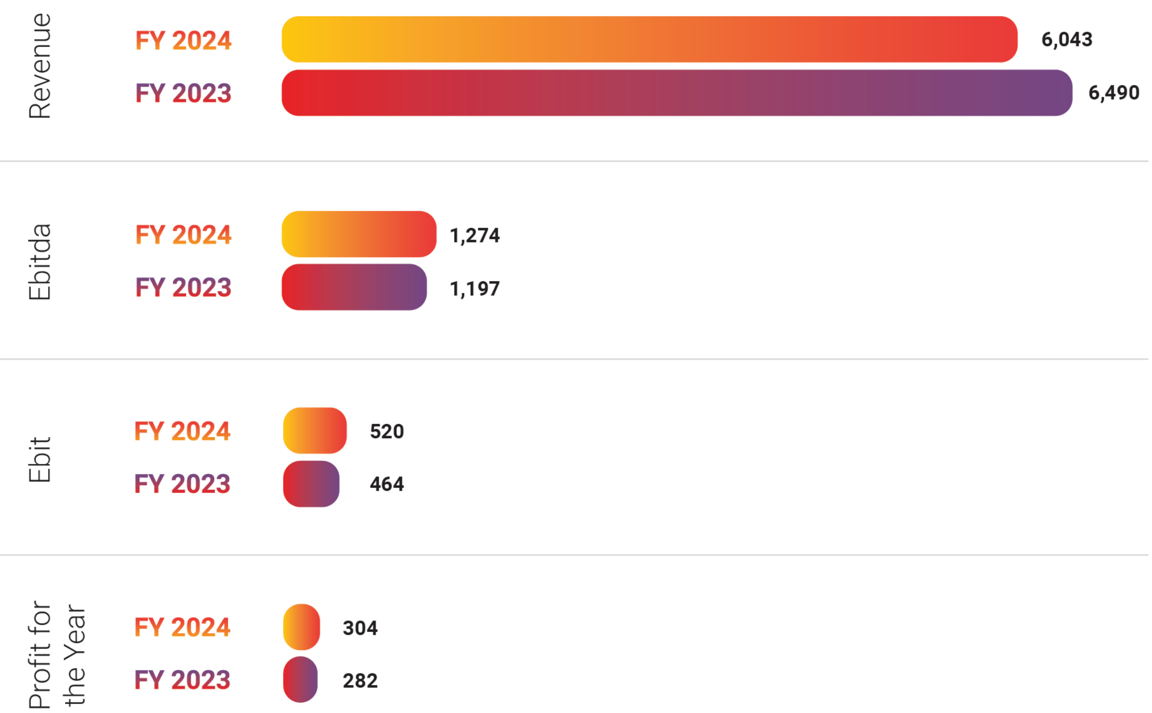
Results

millions of euro

	FY 2024	FY 2023 Restated	Changes %
Revenue	6,043.1	6,490.4	(6.9)
Gross operating profit (EBITDA)	1,274.1	1,196.9	6.5
Operating profit (EBIT)	519.7	464.4	11.9
Profit for the year	303.6	281.8	7.7
EBITDA Margin (EBITDA/Revenue)	21.1%	18.4%	

The comparative data for 2023 have been restated to take into account, at the acquisition date, as required by IFRS 3, the effects deriving from the completion of the allocation of the acquisition price at the definitive fair value of the assets and liabilities of Acquaenna acquired in 2024 (Purchase Price Allocation). For further information, please refer to Chapter IV "Business Combinations" in the Notes to the Consolidated Financial Statements.

For definitions of Alternative Performance Measures, see the relevant chapter in this Report.

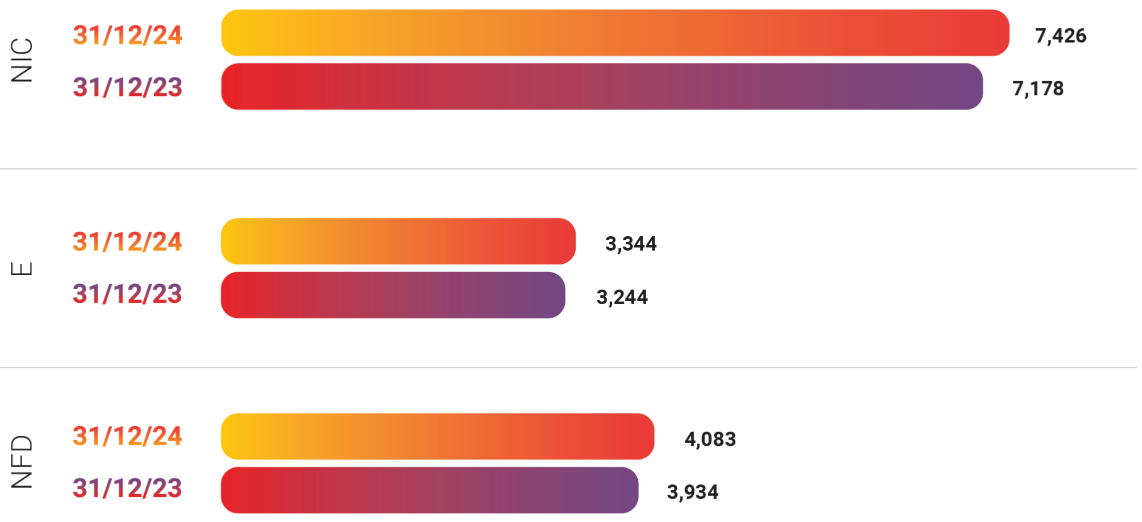


Financial position data

millions of euro

	31.12.2024	31.12.2023 Restated	Changes %
Net Invested Capital (NIC)	7,426.4	7,178.1	3.5
Equity (SE)	3,343.7	3,244.3	3.1
Net Financial Debt (NFD)	4,082.7	3,933.8	3.8
Debt/Equity (Net Financial Debt/Equity)	1.22	1.21	

The comparative figures at 31 December 2023 have been restated to take into account, at the acquisition date, as required by IFRS 3, the effects of completing the allocation of the acquisition price to the final fair value of the assets and liabilities of Acquaenna and WFL acquired in 2024 (Purchase Price Allocation). For further information, please refer to Chapter IV "Business Combinations" in the Notes to the Consolidated Financial Statements.



VALUE

6,043 M€ Revenues	**1,016** M€ Capex	**3,050** M€ Green Bonds issued	**2,004** M€ Added value distributed	**1,598** M€ Orders to suppliers

NET ENERGY OUTPUT

9,338 GWhe Electricity produced	**2,875** GWht Thermal energy produced	**75%** on total Renewable/ high-efficiency electricity	**315** gCO_{2eq}/kWh Energy production carbon intensity	**549** toe/000 Energy saving from electricity and heat production

ELECTRICITY AND GAS DISTRIBUTION

3,609 GWh Electricity distributed	**7,871** km Electricity network	**1,059** Mm^3 Gas distributed	**8,433** km Gas network	**100%** Gas network inspected

INTEGRATED WATER SERVICE

3,045,836 no. Citizens served	**176.9** Mm^3 Water sold	**22,146** km Water mains network	**30.2%** historical territories Aqueduct network losses	**1,380** no. Wastewater treatment plants

ENVIRONMENTAL SERVICES

4,047,997 no. Citizens served	**4,020,000** t Total waste managed	**72.1%** historical territories Sorted waste collection	**9,926,000** m^3 Biomethane produced	**1,530,000** tCO_{2eq} Emissions avoided from waste recovery

DISTRICT HEATING

630,273 no. Citizens served	**1,146** km District heating network	**102.3** Mm^3 District heating volume	**2,267** GWht Heat sold	**96%** Networks inspected

CUSTOMERS

2,305,552 no. Energy service customers	**6,976** GWh Electricity sold	**2,465** Mm^3 Gas sold	**157** no. Counters active in local areas	**3,290,515** no. Responses to customers from call centers

IREN PEOPLE

11,311 no. Employees	**98%** Permanent employees and apprenticeships	**1,062** no. New hires during the year	**25.9%** Women managers	**53%** Female presence on Iren Board of Directors
82% Employees involved in training	**21.6** no. Average training hours per capita	**54.1%** (progressive since 2020) New hires under 30	**86%** Personnel evaluated on performance	**51.4** Accident incidence index

Iren Group's Corporate Structure

Iren Group operates in the sectors of electricity (production, distribution and sale), district heating (production, distribution and sale), gas (distribution and sale), management of integrated water services, environmental services (waste collection and disposal), integrated solutions (smart solutions) for energy efficiency of public and private entities, and services for public administrations, in various regions of Italy.

The Group, which adopts a structure aimed at integrating the various business chains and strengthening its territorial roots, is structured on the model of an industrial holding company (the parent Iren S.p.A., listed on the Italian Stock Exchange, with registered office in Reggio Emilia), which groups together all the corporate staff activities and four Business units (BU) - governed by four lead companies - which oversee the activities by business line - according to a model based on skills and digitalisation of processes, highly scalable with the immediate integration of all the acquired entities.

In particular, Iren S.p.A. is responsible for strategic, development, coordination and control activities, while the four Business Units (BUs) have been entrusted with the coordination and direction of the companies operating in their respective sectors:

Networks BU

- Integrated water service
- Gas distribution
- Electricity distribution

Waste Management BU

- Waste collection and transport
- Urban hygiene
- Design and management of waste treatment and disposal plants

Energy BU

- Production of electricity from renewable sources
- Electric and thermal cogeneration
- Thermoelectric production
- District heating management
- Smart solutions: energy efficiency, public lighting, global service and heat management services

Market BU

- Sale of electricity, gas and heat
- Energy-saving products/services and home automation
- Electric mobility services for customers

The Group also offers a range of additional services, including laboratories, telecommunications and other minor services, both for its own companies and for external customers.

In the course of 2024, the acquisition of the EGEA Holding group was defined, finalising the purchase of an initial 50% investment in the company in August 2024, an investment that was increased to 52.77% in January 2025, resulting in the control and consolidation of the group.

NETWORKS BU

Integrated Water Service

The Networks BU operates in water supply, sewerage and wastewater treatment in the provinces of Genoa, Savona, Piacenza, Parma, Reggio Emilia, Vercelli, La Spezia, Enna and some other municipalities in Piedmont.

In this context, it is noted that at the end of March 2023, IRETI acquired control of the associate AMTER through the acquisition of 51% of the share capital. The company manages the water cycle in the western area of the province of Genoa, and more specifically in the municipalities of Campo Ligure, Cogoleto, Masone, Mele Rossiglione, Arenzano and Tiglieto, with a 287 km drinking water network and a 140 km sewerage network, as well as 11 wastewater treatment plants, including the district one in Rossiglione. Finally, on 2 August 2024, IRETI acquired the remaining 49% of AMTER from the subsidiary Iren Acqua.

On 31 May 2023, IRETI also increased its investment in the associate AcquaEnna, allowing its consolidation. AcquaEnna is the company entrusted with the management of the water service in all the 20 municipalities of the Province of Enna until 2034, for a total of 155 thousand inhabitants served.

Overall, in the Ambiti Territoriali Ottimali (ATO, Optimal Territorial Areas) managed, the service is provided in 225 municipalities through a distribution network of 17,160 kilometres, serving over 2.5 million residents. As regards wastewater, the Networks BU manages a sewerage network spanning a total of 8,629 kilometres.
From 1 January 2024, Azienda Reggiana per la Cura dell'Acqua - ARCA S.r.l. is the new Manager of the Integrated Water Service of the Province of Reggio Emilia, taking over from the previous manager IRETI.
ARCA is a mixed public-private shareholding company, formed by the public partner AGAC Infrastrutture S.p.A. and the private operating partner IRETI, selected through a tender procedure. The operational activities related to the provision of water services are carried out by Società Operativa Territoriale Iren Acqua Reggio, wholly owned by IRETI. The Reggio Emilia ATO consists of 41 municipalities with a catchment area of almost 500 thousand inhabitants, a water network of 4,986 km and a sewerage network of 3,487.

Gas distribution

The distribution service, managed in 119 municipalities, guarantees the withdrawal of natural gas from Snam Rete Gas pipelines and its transportation through local networks for delivery to end users. In particular, the Networks BU distributes methane gas in 73 municipalities in the provinces of Reggio Emilia, Parma and Piacenza (including the provincial capitals), in the municipality of Genoa and 20 other neighbouring municipalities, as well as in the city of Vercelli, in 19 municipalities in the same province and in 3 other municipalities located in Piedmont and Lombardy.
The distribution network, made up of 8,433 kilometres of high, medium and low-pressure pipes, serves a catchment area of nearly 755 thousand redelivery points.
Moreover, the Networks BU manages the distribution and sale of LPG, particularly in the province of Reggio Emilia and in the province of Genoa, via specific storage plants, located in towns that are still not reached by the natural gas network.
It should be noted that with the rationalisation operation of the gas distribution concessions between Ascopiave and Iren completed at the beginning of 2023, the Networks BU manages the gas distribution concessions in 15 municipalities: 9 in the Vercelli area, 2 in the Piacenza area, 1 in the province of Parma and finally, the municipalities of Albenga, Ceriale and Cisano sul Neva in the province of Savona.

Electricity distribution

The Networks BU provides the electricity distribution service in the cities of Turin, Parma and Vercelli with 7,800 kilometres of network in medium and low voltage, and a total of about 734 thousand connected users.

WASTE MANAGEMENT BU

The Business Unit carries out all the activities of the municipal waste management cycle (collection, sorting, treatment, recovery and disposal), with particular attention to sustainable development and environmental protection confirmed by increasing levels of sorted waste collection; it also manages an important portfolio of customers to whom it provides all services and plant availability for the disposal of special waste.
The activities are carried out in various territorial contexts, starting from the historical basin of Emilia (provinces of Reggio Emilia, Parma and Piacenza) to Piedmont (in particular Turin, the province of Vercelli and Novara), where the Waste Management BU is entrusted with the collection sector and is present with treatment and disposal plants (also with the production of electricity and thermal energy through waste-to-energy), and Liguria, in the collection sector (in the La Spezia area) and with treatment and waste-to-energy plants.
In the Tuscan area, the Waste Management BU is present in all stages of the supply chain: from intermediation to treatment and disposal of both urban and special waste, with a significant presence in the provinces of Siena, Grosseto and Arezzo, where the Group also manages the collection service. The Business Unit also acts as a collection operator in specific areas

in Sardinia and Lombardy and has disposal plants in the regions of Marche and Apulia. Finally, via I.Blu, it is active in the sorting of plastic waste for recovery and recycling and in the treatment of plastic waste for the production of Blupolymer (polymer for civil uses) and Bluair (reducing agent for steel plants).

In June and October 2023 respectively, the Waste Management BU expanded its scope with the acquisition of a majority investment in ReMat and Semia Green. The first is an innovative Turin-based start-up operating in the recovery of polyurethane foam (particularly from mattresses, seat padding and furniture), while the second is active in the province of Siena in the capture of biogas from landfills. Since the beginning of 2024, Siena Ambiente has also been included in the group's consolidation scope. The company operates, in the province of Siena, a municipal waste sorting and valorisation plant, two composting plants, a waste-to-energy plant and a landfill for a total waste treated of about 200,000 tonnes per year.
Through the subsidiary San Germano, in 2024 the scope of collection activities was also extended in the Province of Cuneo (54 municipalities for 163,000 inhabitants) and in the Province of Asti (63 municipalities for 57,000 inhabitants).
The Waste Management BU serves a total of 552 municipalities with about 4.48 million residents in its operational areas. The integrated waste cycle is mainly made up of 4 waste-to-energy plants (TRM in Turin, Polo Ambientale Integrato (PAI) (Integrated Environmental Hub), in Parma, and Tecnoborgo, in Piacenza and FOCI in Siena), 4 active landfills, 431 equipped technological stations and 60 plants including sorting, storage, recovery, biodigestion and composting.

ENERGY BU

The Business Unit operates in the production of electricity and heat, the latter distributed through district heating networks, and in energy efficiency services to public and private entities.

Production of electricity and heat

The Energy BU has an installed electric power capacity of 3,286 MW in electric power mode and 3,114 MW in cogeneration mode, and a thermal power capacity of 2,350 MWt. Specifically, it has 41 electricity production plants directly available to it: 33 hydroelectric (of which 3 mini-hydro), mostly located in Piedmont and Campania, 7 cogeneration thermoelectric (Piedmont and Emilia-Romagna) and one conventional thermoelectric in Turbigo (Milan).
The Business Unit also has 111 photovoltaic plants with an installed capacity of 210 MW, the largest of which are located in Apulia and Basilicata, and a wind farm in Liguria with an installed power of approximately 6 MW.
Electricity produced by plants fuelled by renewable or high-efficiency cogeneration sources, which account for 64% of the Group's plant portfolio, generate 73% of all output. In particular, the hydroelectric system and production from solar sources play an important role in terms of environmental protection, thanks to the use of renewable and clean resources, without the emission of polluting substances, and allow to reduce the use of other forms of production with higher environmental impact.
On the thermal production side, it should be noted that, on average, at Group level only 16% of the heat for district heating is produced by conventional heat generators: in fact, 75% comes from high-efficiency cogeneration plants, while the residual portion (9%) is produced by plants not belonging to the Business Unit (waste-to-energy plants, as part of their disposal activities).

District heating

Iren Energia has the most extensive district heating network at national level (1,146 kilometres of double pipe network), with 779 kilometres in Turin and surrounding municipalities, 220 in the municipality of Reggio Emilia, 103 in the municipality of Parma, 36 in the municipality of Piacenza and 8 in the municipality of Genoa; the total heated volume amounts to 102.3 million cubic metres.

Energy efficiency services

The Energy BU, through its subsidiary Iren Smart Solutions, addresses companies, private condominiums, Public Administration and third sector entities, with an articulated portfolio of services:

- energy efficiency, carrying out design and implementation of energy requalification interventions: insulation, co-insulation, replacement of windows, innovative technological services, efficiency improvement of heating and air conditioning systems;
- installation of photovoltaic, solar thermal and self-generation energy systems;
- management of heating systems;
- realisation of Renewable Energy Communities (RECs);
- energy consultancy, energy management and monitoring for energy saving;
- global service for the integrated management of electrical and technological plants of complex property assets;
- relamping LEDs through energy efficiency projects in lighting, public and artistic lighting, efficient management of traffic light systems.

MARKET BU

The Market BU operates in the sale of electricity, gas and heat for district heating, and of extra-commodity services and products, in particular for energy efficiency. It is present throughout Italy, with a greater concentration in the central-northern area.

Sale of electricity

The Market BU operates, in the context of the free market, all over the country, with a higher concentration of customers in Central and Northern Italy, and handles the sale of the energy provided by the Group's various sources on the market of final customers and wholesalers.
The number of retail and small business electricity customers managed exceed 1.3 million, distributed mainly in the areas of historical presence (Turin, Parma, Reggio Emilia, Piacenza, Vercelli and Genoa) and in the other commercially covered areas (Alessandria and Salerno).
Iren Mercato and Salerno Energia Vendite were awarded the auctions for the assignment of the graduated protection service in several southern provinces, while at the same time, they transferred customers in their own areas, with a net positive balance of about 160 thousand customers in the domestic segment and about 26 thousand withdrawal points in the small and medium-sized business segment.

Sale of Natural Gas

The retail gas portfolio of the Market Business Unit mainly concerns the historical basins of Genoa, Turin and Emilia, the development areas bordering on them, Vercelli, Alessandria and La Spezia, as well as the Campania area, in almost all provinces, and some municipalities in the Basilicata, Calabria, Tuscany and Lazio regions, for a total of over nine hundred thousand customers.

Sale of heat through the district heating network

Iren Mercato sells heat, supplied by Iren Energia, to customers connected to district heating in the municipalities of Turin and surrounding municipalities, Reggio Emilia, Parma, Piacenza and Genoa.

Among the commercial proposals complementary to the sale of commodities, we highlight the business lines intended for the sale to retail customers of innovative products in the area of home automation, energy saving and maintenance of domestic systems, as well as "IrenGO zero emissions" for e-mobility, aimed at private customers, companies and public bodies with the aim of reducing the environmental impact of travel, also through the installation of charging infrastructures at the Group's offices and the progressive introduction of electric vehicles. All IrenGO initiatives benefit from 100% green energy supply coming from the Group's renewable source plants.

Information on the Iren stock in 2024

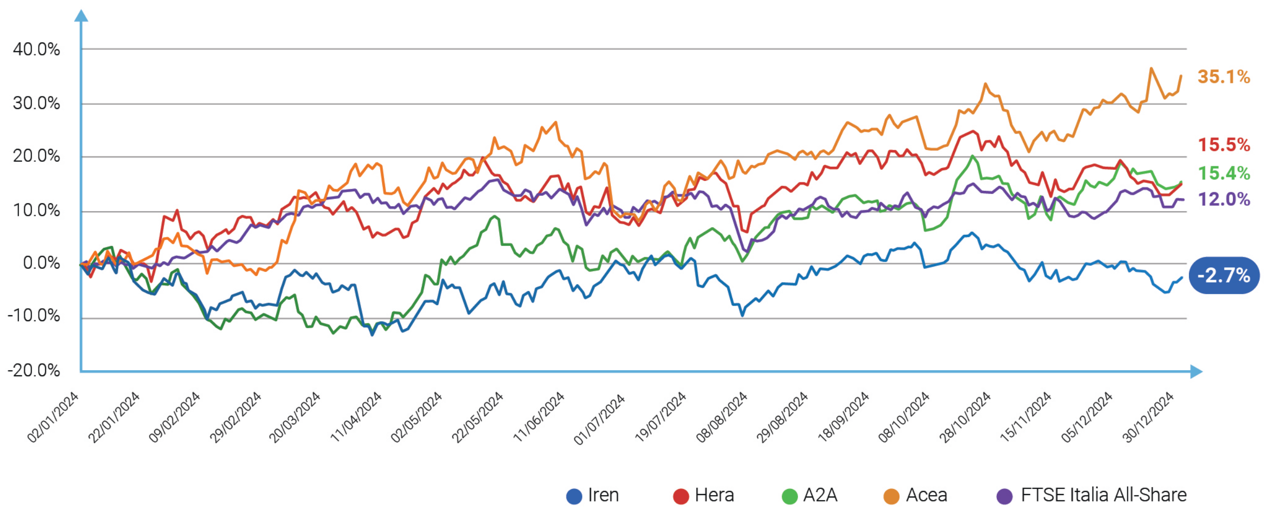
IREN stock performance on the stock exchange

During 2024, the main European and American stock market indices, despite geopolitical tensions and conflicting macroeconomic data, reported a positive trend boosted by the realignment of inflation to the targets set by the Federal Reserve and the European Central Bank, which allowed interest rate cuts by the central banks themselves.

In this context, in 2024, the FTSE Italia All-Share (the main index of the Italian Stock Exchange) reported an increase of 12.0%, while the four Italian multi-utilities recorded differing performances, linked to the different business models of the companies and their relative exposure to the energy scenario and regulated businesses.

Iren Group reported a slightly negative share price trend, although recovering from the lows of April and August. This recovery is linked to the presentation of the Business Plan update and the appointment of the new CEO, which reduced uncertainty on the governance side.

Performance of Iren stock compared to competitors

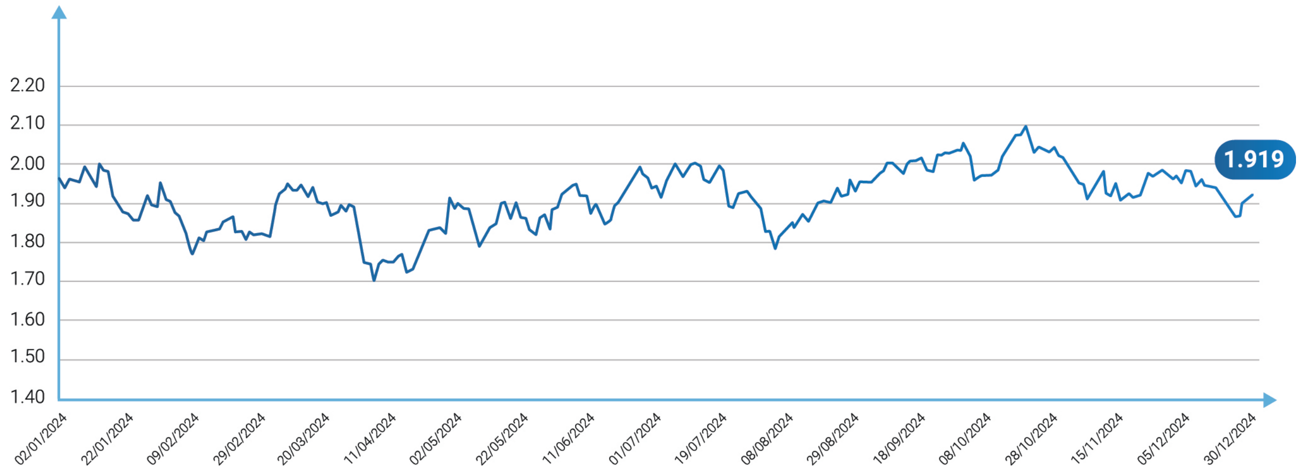


At 30 December 2024, the last trading day in the year, the price of IREN share stood at 1.919 euro/share, down by 2.7% compared to the price at the beginning of the year, with average trading volumes during the year amounting to 2.2 million units.

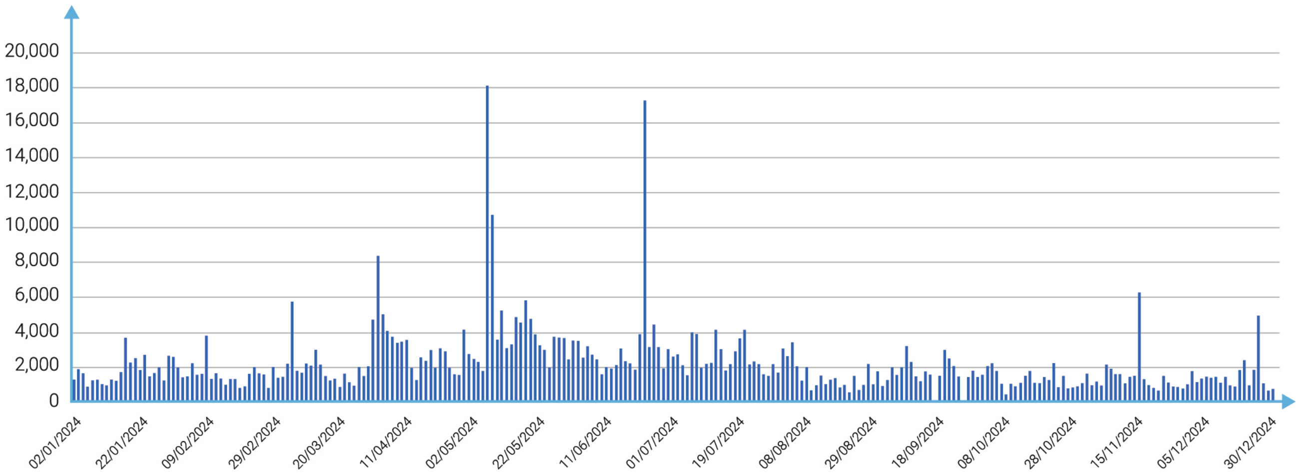
The average price for the year was 1.9144 euro per share. The maximum price was recorded on 18 October (2.094 euro/share), while the low for the year, at 1.708 euro/share, was recorded on 5 April.

The two charts below show the price performance and volumes traded in Iren stock in the year.

Price performance



Volumes traded (milion shares)



Share coverage
During the year, IREN Group was followed by six brokers: Banca Akros, Equita, Intermonte, Intesa Sanpaolo, Kepler Cheuvreux and Mediobanca.

Integrated Directors' Report at 31.12.2024

2

The Group operates in a multi-regional area with more than 11,300 employees,a portfolio of over 2.3 million customers in the energy sector, 3 million residents served in the integrated water cycle and among 4 million residents in environmental services.

Directors' Report

2.1

Market Context

Macroeconomic scenario

The global economy proved resilient in 2024, recording a higher GDP growth than the previous year and exceeding initial forecasts. The increase in global GDP was 3.2%[1], which is expected to continue in the next two years and is close to the historical average of the pre-pandemic period. Growth is due in particular to two parallel dynamics: the gradual return of inflation rates and positive labour market developments in several economies.
The most important contributors to global economic development in 2024 were the rapid development of the Indian economy, the recovery of Chinese industry and the US economy, which was solid despite inflationary levels.
The Euro area GDP growth was 0.8% in 2024, in line with expectations at the beginning of the year and significantly lower than the global increase. Limiting growth was the industrial sector in particular, in a context of stagnation that has not yet seen a recovery in production levels. In addition to this, the European Commission's strategy of raising reference rates to combat inflation has severely restricted investment. On the other hand, in the second half of the year, in view of the price recovery, the Commission decided to ease monetary policy measures, a decision which, combined with the positive dynamics in the labour market and the renegotiation of some categories of contracts, leads to higher growth forecasts for the next two years.
A similar situation can be observed in Italy, with GDP growth of 0.5% in 2024 expected to strengthen in the short term. The restrictive monetary policy and the decision to raise key interest rates to record levels proved very effective in fighting inflation and driving down prices, starting with energy prices. Over the course of 2024, the general price index gradually decreased, with an average inflation of 2.4%. The core inflation rate (the calculation of which is stripped of highly volatile goods such as food and energy) also fell to a value of 3%.
As mentioned above, these encouraging results have led both the European Central Bank (ECB) and the Federal Reserve System (FED) to gradually ease monetary policy with several cuts in key interest rates, with the aim of not excessively restricting investment and avoiding the risk of recession. However, these choices do not exclude risks of future price rises, especially related to ongoing geopolitical conflicts.

Household spending
In 2024, the increase in the employment rate (+1.3% since January)[2] and the increase in wages generated by upward renewals of several contractual categories led to greater purchasing power for households. In the first three quarters, household consumption grew by 1.3% compared to the same period in 2023. The ISTAT data also show that part of the additional income was used to restore the level of savings.

Investments
Despite a gradual contraction of investments during 2024, the aggregate figure shows an increase of 0.9%[3] compared to 2023, when the still high price level had severely limited them. A major boost came from investments in construction, which benefited from the latest public incentives granted through the Superbonus mechanism. On the other hand, investment in capital goods contracted, with a marked drop in the transport equipment sector.

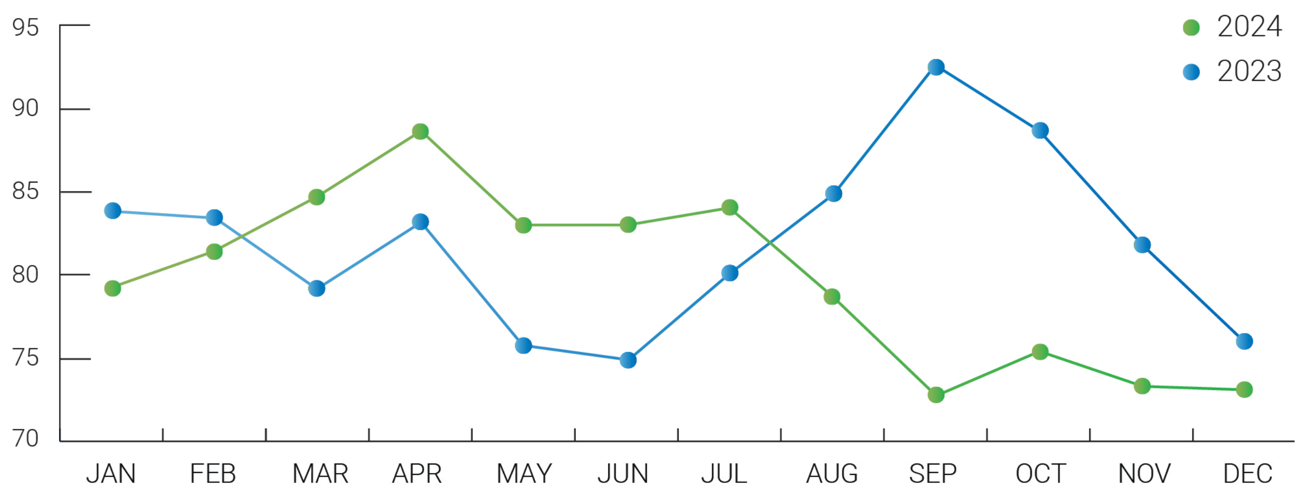
Exports
Against this macroeconomic backdrop, Bank of Italy data show a contraction of 0.3%[4] in exports in 2024 compared to the previous year, and an even sharper drop in imports, amounting to -4.1%, symptoms of a stagnant macroeconomic context and a low level of trade, also observed in 2023. The goods that recorded the biggest drop in exports were mainly motor vehicles (-33%), a sector that also saw a marked contraction in investments, and refined petroleum products.
The drop in exports was more pronounced towards EU markets, due to the economic stagnation of the main trading partners (e.g. Germany).

[1] Source: OECD, *Economic Outlook, Volume 2024 Issue 2*, December 2024.
[2] Source: ISTAT data, December 2024.
[3] Source: ISTAT data, December 2024.
[4] Source: Bank of Italy, Macroeconomic Projections for the Italian Economy, December 2024.

Oil market

In 2024, the oil market experienced a fluctuating trend, with significant price variability throughout the year. The average price of Brent in 2024 was 80 $/bbl, 2.4% lower than the average amount of 2023 (82 $/bbl).
In euro, the average Brent price was 74 €/bbl, reflecting an annual average euro/dollar exchange rate of 1.08 and a reduction of 3% compared to 2023.
Production cuts by OPEC+ countries, led by Saudi Arabia and Russia, supported price growth in the first part of the year. In addition, rising geopolitical tensions in the Middle East, particularly between Iran and Israel, have fuelled fears of potential disruptions in oil supplies, helping to keep prices high. Despite the conflict, however, global supplies were not disrupted, thanks in part to the ability of exporters to find alternative routes around the Red Sea shipping difficulties. In the second half of 2024, the bullish trend reversed. Weak global economic growth, and in particular the reduction in demand in China (driven by a general economic slowdown and increased use of LNG and alternative energies in transport), put strong downward pressure on prices.
In spite of these factors, global oil demand remained positive in 2023 (+2%), driven mainly by non-OECD countries such as India. Supply was paralleled by strong growth in non-OPEC+ production, led by the US and significant increases in Canada and Guyana (+1.2% from 2023).

BRENT PRICE TRENDS ($/BBL)



Data processed by MBS Consulting

Natural gas market

Supply and Demand
In 2024, gas consumption decreased by 2.2% compared to the previous year, reaching the lowest level in 15 years. Total gas consumed was 61.7 billion/m3, compared to 63.1 billion/m3 in 2023.
The increased share of renewables in the generation mix helped reduce the amount of gas used in thermoelectric generation, while the prolonged stagnation in industrial production prevented a significant recovery in consumption in this sector.
Looking at the specific sectors, consumption has in fact remained essentially static compared to 2023. There was a slight contraction for gas consumption in the thermoelectric sector (20.9 billion/m3, -0.9% compared to 2023), while consumption for industry and residential was 11.6 billion/m3 and 27.2 billion/m3 respectively, both with increases of between 1 and 2% compared to 2023.

GAS WITHDRAWN (Bln m3)*	2024	2023	2022	Change % 2024 vs 2023	Change % 2023 vs 2022
Industrial uses	11.6	11.4	12.0	1.8%	-5.0%
Thermoelectric uses	20.9	21.1	25.0	-0.9%	-15.6%
Distribution plants	27.2	26.8	29.1	1.5%	-7.9%
Third party network and system consumption / *line pack*	2.0	3.8	2.9	-47.4%	31.0%
Total purchased	61.7	63.1	69.0	-2.2%	-8.6%

**Cumulative amounts as at 31 December processed by MBS Consulting*

GAS INPUT (Bln m3)*	2024	2023	2022	Change % 2024 vs 2023	Change % 2023 vs 2022
Imports	58.7	60.6	68.6	-3.1%	-11.7%
National production	2.8	2.8	3.1	0.0%	-9.7%
Storage	0.2	-0.3	-2.7	(**)	-88.9%
Total input (incl. storage)	61.7	63.1	69.0	-2.2%	-8.6%
Maximum capacity	127.4	127.1	127.1		
Load factor	46.1%	47.7%	54.0%		

**Cumulative amounts as at 31 December processed by MBS Consulting*

The amount of storage indicates net movement

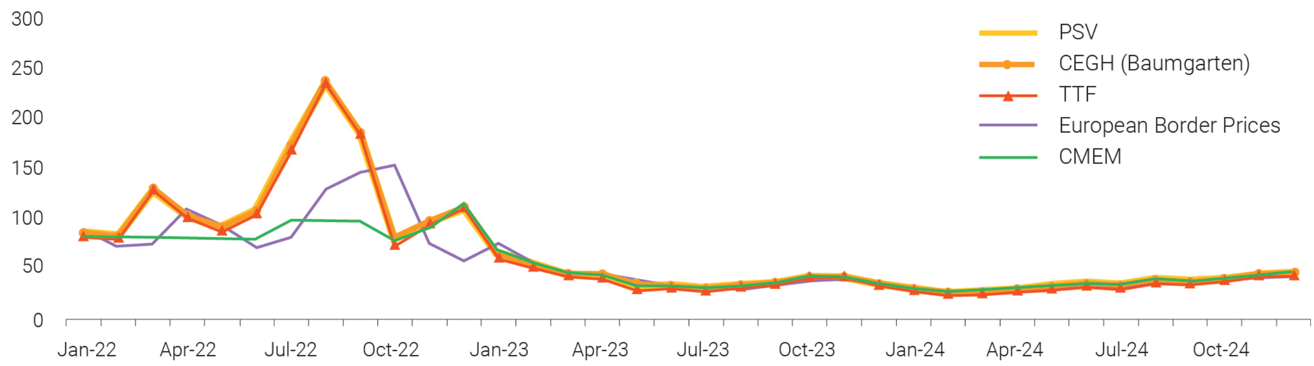
***Change of more than 100%*

In 2024, total imports amounted to 58.7 billion/m3, a decrease compared to 2023 of 3.1%, consistent with the observed decrease in demand. Instead, domestic production remained in line with the 2.8 billion cubic metres recorded in 2023.

Wholesale gas prices

During 2024, natural gas wholesale prices at the main European hubs continued their downward trend from last year. However, they still remain high, with gradual growth recorded in the second half of the year.
In 2024, the average spot price at the TTF was 34.4 €/MWh, a decrease of 23.0% compared to last year's amount. A similar reduction was also observed in the average CEGH (Baumgarten) price, which fell from 44.0 €/MWh to 35.6 €/MWh (-19.1%). On the other hand, the Italian PSV quoted at 36.3 €/MWh in 2024, a reduction of 23.0% compared to the average price in 2023. The average PSV-TTF spread stood at 2.3 €/MWh, broadly in line with last year's amount.
Prices at the border followed the same trend as the European hubs, averaging 34.3 €/MWh in 2024, down 19.1% from 2023 when the average was 42.4 €/MWh. The decrease can also be seen in the average Italian border prices, which stood at 35.3 €/MWh.

WHOLESALE PRICES IN EUROPE (€/MWH)



Latest data 31 December 2024
Data processed by MBS Consulting

Imbalance Price and the Protected Market

For the second year in a row, the imbalance price decreased, with an average of 36.4 €/MWh, down 14.2% from the 2023 price (42.4 €/MWh).
In 2024, the volume traded on the MGAS platform, which is used to define the imbalance price (MGP-GAS and MI-GAS), was equal to 13.9 billion/m3 (+20.0% compared to 2023), of which 3.6 billion/m3 traded on the MI-GAS intra-day market.
Finally, the 2024 average of the CMEM component, intended to reflect the cost of gas supply in the protected market (calculated by ARERA as the monthly average of the PSV Day Ahead price detected by ICIS-Heren) was equal to 36.3 €/MWh, down 14.2% compared to 2023 (42.3 €/MWh).

Electricity market

Supply and Demand
Electricity demand in Italy in 2024 was 312 TWh, slightly up on 2023 (+1.2%), peaking during the summer months. However, the economic stagnation and the lack of recovery in the industrial sector have limited the possible growth in electricity consumption. The North and South are the areas where demand has increased more than the others, by 1.4% and 2.2% more than in 2023, respectively.
Energy production amounted to 226 TWh, and was sufficient to meet 73% of demand, with the remainder being met by imports, mainly from France and Switzerland.
Production from renewable sources saw a marked improvement over the previous year. Hydroelectric production, in particular, returned in line with historical average amounts, approaching a cumulative production of 50 TWh (+29.1% year-on-year). Photovoltaic production also increased significantly, with 28 TWh produced (+50% compared to 2023) and wind power production (22 TWh, +5%).
The high production of energy from renewable sources limited that of the thermoelectric sector to 121 TWh (23.7% lower than in 2023). However, despite the sharp decline, it still remains the most widely used source in the electricity generation mix, standing at around 50%. On the other hand, the share of hydropower exceeded 20%, while photovoltaics and wind power together covered 22% of demand.

Demand and supply of cumulative electricity
(GWh and changes in trends)

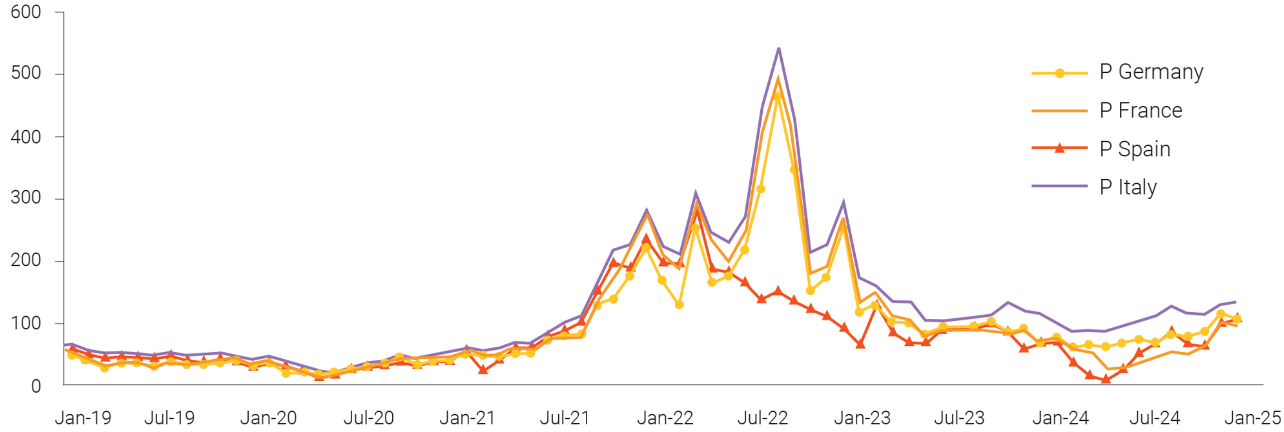
	until 31/12/2024	until 31/12/2023	Change %
Demand	311,921	308,082	1.2%
Northern Italy	174,332	171,951	1.4%
Centre	79,948	79,332	0.8%
Southern Italy	29,711	29,074	2.2%
The Islands	27,930	27,725	0.7%
Net production	226,324	249,504	-9.3%
Hydro power	49,696	38,480	29.1%
Thermal power	120,725	158,166	-23.7%
Geothermoelectric	5,347	5,347	0.0%
Wind and photovoltaic	50,556	47,511	6.4%
Pumping consumption	-1,214	-1,532	-20.8%
Foreign balance	86,811	60,110	44.4%

Data processed by MBS Consulting

Day-Ahead Market (DAM) prices
The annual average of the Single National Price (PUN) was 108.3 €/MWh, down 15.0% from 2023 (127.4 €/MWh annual average).
The PUN decreased gradually in the first half of the year, then increased in the summer months due to peak demand for cooling, driven by high temperatures. In the last quarter of 2024, the PUN recorded higher values than in the rest of the year, with an average value of 127.4 €/MWh. This was caused by a reduced contribution from renewables compared to previous months, as well as tensions in the gas market, whose price continues to influence the price of electricity.
During the year, the area with the highest average price was Sicily, with an average price higher than the PUN of 3.6 €/MWh, due to high demand, limited renewable production and some maintenance work on connection cables. The area that recorded the lowest average zonal price was Sardinia, with an average price below the PUN of 2.3 €/MWh.

Trend in the main European energy exchanges
The average price on the European power exchanges was 63.3 €/MWh in 2024, a decrease of 31.9% compared to 2023, when it was 93.0 €/MWh. The average change from the PUN was 42 €/MWh, a slight increase from the 2023 differential of 34 €/MWh.
Among the major countries, the lowest average price was in France, at 57.9 €/MWh, a reduction of more than 40% compared to 2023. The recovery of the availability of several nuclear reactors under maintenance has allowed for a significant increase in production compared to the last two years, leading to a drop in the electricity price in 2024.

EUROPEAN ELECTRICITY PRICE TRENDS (€/MWh)



Data processed by MBS Consulting

Futures related to Baseload PUN on the EEX

The following table shows the future prices related to the PUN traded in the last quarter of 2024. For the product maturing in January 2025, increases occurred during the quarter, which were also observed in the quarterly and annual products, especially between October and November. The dynamics of spot prices, influenced by the tensions and price increases in the latter part of the year, were therefore reflected in the forward markets.

Oct-24 Futures		Nov-24 Futures		Dec-24 Futures	
Monthly	€/MWh	Monthly	€/MWh	Monthly	€/MWh
Nov-24	115.4	Dec-24	126.9	Jan-25	135.2
Dec-24	118.1	Jan-25	128.1	Feb-25	129.9
Jan-25	119.7	Feb-25	130.7	Mar-25	129.6
Quarterly		Quarterly		Quarterly	
Q1 25	118.8	Q1 25	127.6	Q1 25	126.6
Q2 25	106.4	Q2 25	115.1	Q2 25	115.4
Q3 25	114.4	Q3 25	122.2	Q3 25	123.7
Yearly		Yearly		Yearly	
Y1 25	113.8	Y1 25	120.9	Y1 25	120.7

Data processed by MBS Consulting

Significant events of the year

Consolidation of Siena Ambiente
Based on the coming into effect of the new shareholders’ agreements between the shareholders Iren Ambiente Toscana, the Province of Siena and the Sienese municipalities, signed in October 2023, as of 1 January 2024, Siena Ambiente S.p.A. is included in Iren Group’s consolidation scope.
The company can therefore count on the Group’s synergies and resources to carry out its business plan, which envisages, in particular, on the plant self-sufficiency front, the total renovation of the Cortine industrial centre with the construction of a waste sorting and treatment plant, as well as the construction of a biodigester for the production of biomethane from organic waste.
Siena Ambiente operates a municipal waste sorting and valorisation plant, two composting plants, a waste-to-energy plant and a landfill for a total waste treated of about 200,000 tonnes per year.

Integrated Water Service of the Province of Reggio Emilia
From 1 January 2024 and for 20 years, Azienda Reggiana per la Cura dell’Acqua - ARCA S.r.l. is the new Manager of the Integrated Water Service of the Province of Reggio Emilia, taking over from the previous manager IRETI.
ARCA is a mixed public-private shareholding company, formed by the public partner AGAC Infrastrutture S.p.A. and the private operating partner IRETI, selected through a tender procedure awarded at the end of 2022.
Within the scope of the activities related to the provision of water services, ARCA delegates the performance of certain operational tasks, the entrusting of which is governed by a specific agreement, to the Territorial Operating Company Iren Acqua Reggio, a wholly owned subsidiary of IRETI. For the users, the start of the new management did not entail any fulfilment or formality: in fact, the existing supply contracts, and the related billing, passed in continuity to the management of ARCA maintaining the same conditions already applied by IRETI and defined on the basis of the regulation in force.

Fifth and sixth Green Bond issues
On the outstanding Euro Medium Term Notes (EMTN) programme (amounting to 4 billion euro), Iren S.p.A. concluded during the period, with considerable success in terms of orders received, geographical diversification and participation of the so-called “Socially Responsible Investors” (SRI), the issue and listing of two Bond issues (the fifth and sixth in the Green Use of Proceeds format), amounting to 500 million euro each, reserved for institutional investors:
- 15 January 2024, maturing on 22 July 2032, gross annual coupon of 3.875%, issue price of 99.514% and effective gross rate of return to maturity therefore equal to 3.946%, corresponding to a yield of 135 basis points above the midswap rate;
- 16 September 2024, maturing 23 September 2033, gross annual coupon of 3.625%, issue price of 99.300% and effective gross rate of return to maturity of 3.718% (137 basis points above midswap rate).

The new Bonds are listed on the regulated market of the Irish Stock Exchange (Euronext Dublin) and admitted to trading respectively on the Euronext Access Milan systems, organised and managed by Borsa Italiana, and ExtraMOT PRO, organised and managed by Euronext Milan, in the segments dedicated to green instruments.
Both issues are intended for the financing and refinancing of projects that contribute to the achievement of the sustainability objectives defined in the Business Plan to 2030, with a view to further strengthening the financial structure and maintaining liquidity levels by refinancing maturing bonds.

Customer acquisition in auctions for the Gradual Protection Service
At the end of the competitive procedures for the assignment of the Gradual Protection Service, in 2024, Iren Mercato was awarded the following contracts:
- two lots in the non-vulnerable domestic segment of the greater protection sector, covering ten provinces, for a total of about 300 thousand customers. Specifically, Iren Mercato, together with its subsidiary Salerno Energia Vendite (SEV), was awarded Lot 22 - South 6 (Salerno, Taranto, Potenza, Brindisi and Matera) and Lot 23 - South 7 (Cosenza, Foggia, Barletta-Andria-Trani, Campobasso and Isernia). SEV therefore strengthens its presence in some regions where it already operates successfully;
- three lots in the Small and Medium Enterprises segment, effective from 1 July 2024, concerning the regions of Tuscany and Calabria (lot 1), Piedmont and Emilia Romagna (lot 4) and Apulia, Abruzzo, Basilicata, Molise, Umbria and Sicily (lot 7), for a total of 38,000 withdrawal points.

It is recalled that the Gradual Protection Service, set up by ARERA after the removal of price protection (protected market), is a transitional regime for consumers who have not yet chosen a supplier in the free market and in which, for a period not exceeding three years, energy is supplied by operators awarded the relevant auctions.

Appointment of the Lead Independent Director

Following in-depth studies started in 2023, the Board of Directors, in adherence to the Corporate Governance Code for Listed Companies and national and international best practices, formalised on 30 May 2024 the appointment of a Lead Independent Director ("LID"), identified in the director Enrica Maria Ghia, who meets the requirements of independence and professionalism for the role.
The LID carries out the functions set forth in the Corporate Governance Code, which were largely already the responsibility of the previous figure of the Coordinator of Independent Directors, in the person of director Licia Soncini, who took an active role in fostering the evolution of this role. The LID therefore represents a point of reference and coordination of the requests and contributions of the Independent Directors within the Board of Directors.

Underwriting green financing

On 10 and 19 June 2024, respectively, Iren S.p.A. subscribed:

- with the Council of Europe Development Bank (CEB) a Public Finance Facility (PFF) loan of 80 million euro, usable in several tranches with a term of up to 16 years, to finance part of the Group's water infrastructure investment plan in the provinces of Genoa and La Spezia. The planned investments concern the expansion and improvement of the aqueduct and sewerage network and purification systems with a view to the sustainable use of water resources, also through the consequent reduction of network losses. The credit line follows two previous loans of the same amount aimed at improving the water infrastructure in Genoa and Parma and the development of district heating in the Turin metropolitan area;
- with the European Investment Bank (EIB) a 200 million euro, 18-year credit line, which will be used to support sustainable investments related to electricity grid resilience projects, aimed at the maintenance, upgrading and development of distribution networks, as well as the installation of new smart meters in the Group's historical territories such as Emilia-Romagna and Piedmont, and in particular in the municipalities of Parma, Turin and Vercelli.

Acquisition of Agrovoltaica

On 18 June 2024, Iren Green Generation acquired control of Agrovoltaica S.r.l., which holds the authorisation to build the first large advanced agrivoltaic plant in Italy: an innovative solution that combines agriculture and photovoltaic production through the installation of structures and panels more than two metres above the ground, guaranteeing the possibility of cultivation on almost the entire surface of the field. The plant will have a total capacity of 49 MW, plus 50 MW of storage capacity, covering 65 hectares and an expected annual production of 80 GWh.
The consideration for the transaction is 4.8 million euro, including the repayment of loans by the selling shareholders: the total investment expected for the construction of the plant, which will be operational by 2027, is 54 million euro.

Dismissal of Mr. Paolo Signorini (CEO and General Manager until 7 May 2024 and Director until 27 June 2024)

The Board of Directors, in its meeting of 25 June 2024, taking into account the preliminary investigation conducted, for the profiles of respective competence, by both the Remuneration and Appointments Committee (also acting as the Related Party Transactions Committee) and the Control, Risk and Sustainability Committee, resolved to dismiss Mr. Paolo Signorini from his role as Senior Manager of Iren S.p.A. for objective just cause, as a result of the objective incompatibility of his work performance with the contingent situation generated.
The precautionary detention measures taken against Mr. Signorini on 7 May 2024, in connection with the investigation by the Public Prosecutor's Office of Genoa and confirmed even after the requests made by his defence, resulted in fact, in the irreversible and therefore no longer merely temporary impossibility of precisely exercising his functions as CEO of Iren S.p.A. With regard to financial elements, there is no provision for the payment of sums of money in connection with the termination of the fixed-term employment relationship before the end of the term. In this regard, all instruments to protect the rights and prerogatives of the Company remain in place. Mr. Signorini also does not appear to hold Iren shares.
The Board of Directors therefore confirmed the organisational structure approved at the extraordinary meeting called on 7 May, which saw the temporary reallocation of the powers previously held by the former Chief Executive Officer to the other two Delegated Bodies, with the aim of ensuring stability and continuity in corporate management.

Furthermore, already on 30 May 2024, the Board of Directors resolved to declare itself as injured party in the criminal proceedings underway against Mr. Paolo Signorini, appointing a trusted criminal expert in this regard.

Without prejudice to the foregoing, the IREN Shareholders' Meeting, on 27 June 2024, proceeded to appoint, upon the proposal of the shareholder FSU S.r.l., Paola Girdinio as CEO of the Company, to replace Director Mr. Paolo Signorini (co-opted on 30 August 2023 and in office until the first Shareholders' Meeting, i.e. of 27 June 2024 called to express itself in regard).

Iren has also started the performance of two specific audits, one by the internal function in charge as soon as the news of the precautionary detention order against Mr. Signorini was received, and one by an independent and qualified advisor, in order to thoroughly analyse the activities carried out by Mr. Signorini in Iren (from the date of his appointment on 30 August 2023 until 07 May 2024), and to assess the correctness of his work, taking into account the proxies and powers attributed to him.

On 29 July 2024, the Board of Directors reviewed the final reports of the specific audits and took note of their findings.
On the basis of the results of the aforementioned specific audits, there are currently no circumstances such as to have a material impact on the company's financial position and performance or critical issues with regard to the maintenance of the internal control system. However, the Company reserves the right to carry out further investigations with a view to possible legal action for its own protection.

At this stage, IREN has reserved all actions and initiatives against the former CEO and General Manager.

Business Plan 2024-2030

On 25 June 2024, the Board of Directors approved the update of the Business Plan to 2030, based on the principles of strong strategic focus and careful financial discipline.
The Iren growth strategy, which involves strengthening the workforce through 2,400 new hires, is confirmed in the three fundamental pillars:

- ecological transition, with a progressive decarbonisation of energy generation sources and the strengthening of leadership in the circular economy and in the sustainable use of resources, in particular water;
- value creation from the territories, thanks to their ability to work as a system, making their expertise available to the country to develop new infrastructure and facilities;
- service quality, by improving performance and maximising customer/citizen satisfaction levels, including through a broader portfolio of services and products.

The Group has set itself the following objectives:

- <u>EBITDA of 1.8 billion euro in 2030</u>, with a CAGR of +6% thanks to growth through internal lines, expansion of the consolidation scope and achievable synergies. The increase affects all business sectors;
- <u>total investments of 8.2 billion euro</u> (of which 60% development and 40% maintenance), mainly for network services (integrated water cycle, electricity and gas distribution), the development of new power generation capacity from renewable sources and waste treatment plants, as well as the growth of the retail customer base.
  The current investment plan differs from the previous one due to the greater focus on regulated businesses, the slowdown in the development of renewable capacity, the rescheduling of the development of plants in the waste management sector, and growth by external lines: in this regard, 94% of the planned investments are related to organic growth (by internal lines) and only 6% are earmarked for consolidation, tenders and M&A, a large part of which (85%) has already been identified and is being finalised (EGEA).
  Of the cumulative investments, 80% are in the regulated and semi-regulated sectors, in order to upgrade, modernise and digitalise grid services, develop renewable capacity through Power Purchase Agreements and incentives, extend district heating and improve the service quality of municipal waste collection. Investments see a higher concentration in the first four years and are characterised by a low execution risk, high predictability of results and a high degree of flexibility to modify the planned disbursements in time if necessary.
  More than 70% of the investments, amounting to 5.8 billion euro, are directed towards projects that contribute to achieving sustainability targets;
- <u>an improving Net Financial Position/EBITDA ratio, up to 2.7x in 2030.</u> Despite the significant investment plan, the financial profile is expected to be balanced given the maximum threshold of 3.5x, set in line with current ratings and supported by the share of regulated and semi-regulated assets in the Group's asset portfolio (approximately 80%).
  Planned sources of financing included the sale of the Turbigo thermoelectric asset, expected after 2027, and the provision of equity by financial partners to support the development of renewable energy sources.
  The average cost of debt is expected at levels lower than 2.4% until 2025, while for the remaining years of the plan the forecasts stand at 2.6%.
  Finally, starting from 2027, 90% of the debt will be made up of sustainable finance instruments, aiming for 100% by 2030;
- <u>a Group profit in excess of 400 million euro by 2030</u>, with a CAGR of +7%;
- <u>until 2027 an expected dividend equal to the maximum amount between an annual increase of 8% and a pay-out of 60%</u> of the ordinary Group profit. In the second part of the plan horizon, the pay-out will be 60%.

Shareholders' Meeting

At their Ordinary Meeting on 27 June 2024, the Shareholders of Iren S.p.A. approved the Parent's separate financial statements at 31 December 2023 and the Directors' Report, and resolved to distribute a dividend of 0.1188 euro per ordinary share, confirming the proposal made by the Board of Directors. The Shareholders' Meeting also:

- appointed a new member of the Board of Directors, proposed by Finanziaria Sviluppo Utilities S.r.l. (FSU) and holding office until the approval of the Financial Statements at 31 December 2024, in the person of Paola Girdinio, replacing Director Paolo Signorini;
- approved the first section ("2024 Remuneration Policy") of the Report on the 2024 Remuneration Policy and on fees paid for 2023;
- issued a favourable vote on the second section ("Fees paid for 2023") of the same Report;
- approved the reformulation, limited only to the vacancy period following the resignation of Mr. Armani and lasting from 12 June 2023 to 30 August 2023, of the maximum amount for the remuneration of the Directors holding special offices established by the Shareholders' Meeting, in order to allow the Board of Directors to grant the Executive Chairperson and

the Executive Deputy Chairperson additional remuneration for the year, proportional to the additional powers and responsibilities during the aforementioned period;
- appointed the Board of Statutory Auditors and its Chairperson for the three years 2024-2025-2026 and determined the related remuneration.

Rating

On 23 and 26 July 2024, respectively, the rating agencies Standard & Poor's Global Ratings (S&P) and Fitch Ratings (Fitch) updated their ratings with reference to Iren Group. In particular:
- S&P confirmed the Group's long-term credit rating at "BBB" with "Stable" outlook. The same rating is also given to senior unsecured debt;
- Fitch also confirmed the long-term credit rating at "BBB": the same rating is also given to senior unsecured debt. At the same time, the agency revised the outlook to "Stable" from "Positive".

These ratings come after the update of the Business Plan to 2030, which maintains an integrated and diversified business mix, with a strong focus on regulated and semi-regulated activities (allowing for stable results even in the presence of volatile energy markets), with a reformulation of overall investments and disciplined organic growth. Stable outlooks reflect the continuity of the Group's financial policy and management's commitment to maintain current ratings, with a solid, wide margin, and careful financial discipline. Lastly, the confirmations of the rating express, from a financial point of view, the Group's adequate liquidity status, high credibility on the capital market and strong relations with banks, as well as sound and prudent risk management.

EGEA transaction: acquisition of 50% of EGEA Holding

Following the discussions that followed the presentation of the September 2023 offer for certain EGEA Group assets and the signing, on 30 March 2024, of a binding investment agreement subject to the fulfilment of certain conditions precedent, on 1 August 2024, Iren S.p.A. finalised the acquisition of 50% of the share capital of EGEA Holding S.p.A..
The company is a NewCo, into which the operating units of EGEA S.p.A., EGEA Commerciale S.r.l. and EGEA Produzioni e Teleriscaldamento S.r.l. ("EGEA PT") were previously transferred, as part of the negotiated crisis settlement procedure pursuant to Legislative Decree 14/2019 ("Crisis Code") of the same companies.

In the period since the signing of the investment agreement, the conditions precedent to the completion of the transaction in fact occurred: on 23 April, the transaction obtained the Golden Power authorisation and on 26 June, the Antitrust authorisation, while on 28 June, the Sixth Civil Section - Insolvency Proceedings of the Court of Turin published the homologation order, pursuant to the Crisis Code, concerning the debt restructuring agreements entered into by EGEA, EGEA PT and EGEA Commerciale with its financial creditors, its bondholders and its suppliers, as well as the tax settlement proposals submitted to the Revenue Agency and the Customs and Monopolies Agency. Finally, the consolidated results referring to the scope of the transaction showed compliance with the adjusted net financial debt (adjusted for working capital, post-employment entitlements and provisions for risks expected and adjusted after due diligence) contractually indicated as a condition precedent.

The acquisition took place through a contribution of 85 million euro, consisting of a capital increase of 25,000 euro and a share premium of 84,975,000 euro. The other 50% of the company is held by MidCo 2024 S.r.l., which is wholly owned by EGEA S.p.A..
As part of the transaction, using part of the resources contributed by Iren at closing, EGEA Holding also acquired from Lighthouse Terminals Limited (a company of the iCON Infrastructure fund) 100% of Lime Energia S.r.l., which holds 49% non-controlling interests in certain EGEA group companies, thus going on to hold 100% of Ardea S.r.l. (public lighting), Reti Metano Territorio S.r.l. (gas distribution) and TLRNET S.r.l. (district heating).

According to the terms of the investment agreement, Iren also has:
- a four-year call option on the 2024 MidCo investment, exercisable as of 31 March 2025;
- the right, starting from 1 January 2025, to subscribe to a reserved capital increase of 42.5 million euro, already approved by the EGEA Holding shareholders' meeting on 1 August 2024 (specifically for a maximum amount of 12,500 euro of Share Capital in addition to a maximum of 42,487,500 euro as a Share Premium), which would bring the Iren investment of EGEA Holding up to 60%, to follow up on further development investments, mainly in the district heating and integrated water service sectors.

In this regard, on 12 November 2024, the Board of Directors of Iren S.p.A. resolved to exercise, as from 1 January 2025, the right to subscribe and pay up the above-mentioned capital increase up to a maximum of 20 million euro (5,882 euro of share capital plus 19,994,118 euro), to be exercised also in several tranches, such as to bring the Iren investment in EGEA Holding up to 55.26%, for the purpose of financing the development of the PNRR (National Recovery and Resilience Plan) project relating to district heating in Alessandria, to be implemented through Telenergia S.r.l., a subsidiary of EGEA Holding.
The subscription and payment are subject to obtaining Antitrust and Golden Power authorisations from the competent authorities.

The main assets included in the scope of the transaction concern:

- a portfolio of about 200,000 gas and electricity customers;
- district heating networks in Piedmont municipalities such as Alba and Alessandria;
- the public lighting service in some municipalities in the province of Cuneo;
- the waste collection service in approximately 290 municipalities in the regions of Piedmont, Liguria, Tuscany, Lazio and Sardinia (a total of 1.2 million inhabitants served);
- the Integrated Water Service for 300,000 inhabitants in the ATO 4 of Cuneo in particular;
- gas distribution with more than 50 thousand Redelivery Points in Piedmont and Lombardy;
- electricity generation through renewable sources such as photovoltaic plants, biogas and biomethane.

The transaction aims to re-launch EGEA industrial activities, mainly regulated, integrating them into the business portfolio while guaranteeing employment levels, and to expand and develop the presence of Iren in the lower Piedmont region in a manner compatible with the Group's financial sustainability targets.

Appointment of the new Chief Executive Officer and General Manager, Gianluca Bufo - Definition of the structure of the powers conferred on executive directors - Appointment of a new member of the Control, Risk and Sustainability Committee

On 10 September 2024, the Board of Directors of Iren S.p.A. co-opted (pursuant to art. 2386, paragraph 1, of the Italian Civil Code, in replacement of Ms. Tiziana Merlino, who resigned as Director as of 1 September 2024) Mr. Gianluca Bufo as new Board Member, and appointed him as Chief Executive Officer and General Manager of the Company, with the conferral of the relevant proxies and powers.
The appointment follows the formal indication that the Supervisory Committee of the Public Shareholders of Iren S.p.A. - composed of Marco Bucci, Mayor of Genoa, Stefano Lo Russo, Mayor of Turin, and Marco Massari, Mayor of Reggio Emilia - formulated, pursuant to Article 4.1 of the Shareholders' Agreement.
Gianluca Bufo, formerly an executive of the Company (within the Group he holds the position of Director of the Market Business Unit, CEO of Iren Mercato and Director of Energy Management), following the conferral of management powers, qualifies as a non-independent executive director and, based on the information available, does not hold shares in the company.

On the same date, the Board of Directors also defined the structure of proxies and powers among the executive directors, establishing it in line with the one prior to 7 May 2024:

- the newly appointed Chief Executive Officer was therefore assigned the powers for the Waste Management, Energy, Market and Networks Business Units as well as those for the following Departments: Administration, Ordinary Finance and Control, Legal Affairs, Procurement, Logistics and Services, Information Technology and Services, Energy Management and Risk Management;
- the Executive Chairperson was confirmed with the delegations for the following Departments: Communication and External Relations, Internationalisation, Public Affairs and Strategic Projects, Regulatory Affairs, Innovation, Finance and Investor Relations, Corporate Secretariat and M&A;
- the Executive Deputy Chairperson is confirmed with the delegations for the following Departments: Corporate Affairs, Corporate Social Responsibility and Local Committees, Internal Audit and Compliance, Personnel and Organisation.

Lastly, the same Board of Directors appointed Director Paola Girdinio as a new member of the Control, Risk and Sustainability Committee following the resignation of Tiziana Merlino from the position of Director and, consequently, member of the aforementioned Board committee.

Capacity Market auctions for the years 2025 and 2026

The outcome of the main auctions of the Capacity Market for 2025 and 2026, held respectively in July and December 2024, confirmed, as already occurred for 2022-23-24, the assignment of 100% of the qualified capacity offered by the Group through its thermoelectric, cogeneration and programmable hydroelectric generation assets, contributing to the investment program aimed at making the production park more flexible and more efficient.
Specifically, for 2025, bids were accepted for 1,943 MW of existing capacity in the Northern area, valued at a price of 45,000 €/MW per year, while, for 2026, 2,047 MW were placed at a price of 46,000 €/MW per year.

Alternative Performance Measures

Iren Group uses alternative performance measures (APM) in order to convey more effectively the information on the profitability of its business lines, and on its financial position and financial performance. These measures are different from the financial measures explicitly required by the International Financial Reporting Standards (IFRS) adopted by the Group.
On the subject of these measures, CONSOB issued Communication no. 92543/15 which makes applicable the Guidelines issued by the European Securities and Markets Authority (ESMA) on their presentation in the regulated information distributed or in prospectuses published. These Guidelines are aimed at promoting the usefulness and transparency of the alternative performance measures included in regulated information or prospectuses that fall within the scope of application of Directive 2003/71/EC, in order to improve their comparability, reliability and comprehensibility.
In line with the aforementioned communications, the criteria used to construct these measures presented in the present financial report are provided below.

Net invested capital (NIC): determined by the algebraic sum of non-current assets, other non-current assets (liabilities), net working capital, deferred tax assets (liabilities), provisions for risks, and employee benefits and assets held for sale (liabilities associated with assets held for sale).
For further details on the development of the individual items that make up the indicator, please refer to the reconciliation statement, included in the annexes to the Consolidated Financial Statements, between the reclassified statement of financial position and the statement of financial position.
This APM is used by the Group in the context of documents both internal to the Group and external and is a useful measure for the purpose of measuring total net assets, both current and non-current, also through comparison between the period with which the report is concerned and previous periods or financial years. This indicator also makes it possible to carry out the analyses of operating trends and to measure performance in terms of operating efficiency over time.

Net financial debt: calculated as the sum of non-current financial liabilities net of non-current financial assets and current financial liabilities net of current financial assets and cash and cash equivalents.
For further details on the development of the individual items that make up the indicator, please refer to the reconciliation statement, included in the annexes to the Consolidated Financial Statements, between the reclassified statement of financial position and the statement of financial position.
This APM is used by the Group in the context of both internal and external documents and represents a useful tool to assess the Group's financial structure, including by comparing the reporting period with that of the previous periods or years.

Net Working Capital (NWC): determined as the algebraic sum of current and non-current contract assets and liabilities, current and non-current trade receivables, inventories, current tax assets and liabilities, sundry and other current assets, trade payables and sundry and other current liabilities.
For further details on the development of the individual items that make up the indicator, please refer to the reconciliation statement, included in the annexes to the Consolidated Financial Statements, between the reclassified statement of financial position and the statement of financial position.
This APM is used by the Group in the context of both internal and external documents and represents a useful tool to assess the Group's operational efficiency, including by comparing the reporting period with those related to the previous periods or years.

Gross operating profit or loss (EBITDA): calculated as the sum of pre-tax profit or loss, share of profit or loss from equity-accounted investees, impairment gains and losses on equity investments, financial income and expense, and amortisation, depreciation, provisions and impairment losses. EBITDA is explicitly shown as a subtotal in the financial statements.
This APM is used by the Group in the context of documents both internal to the Group and external and is a useful tool for assessing the Group's operating performance (both as a whole and at the individual Business Units level), including by comparing the operating profit or loss for the reporting period with that for previous periods or fiscal years. This indicator also makes it possible to carry out the analyses of operating trends and to measure performance in terms of operating efficiency over time.

Operating profit or loss (EBIT): calculated as the sum of pre-tax profit or loss, share of profit or loss of equity-accounted investees, impairment gains and losses on equity investments and financial income and expense. Operating profit or loss is explicitly shown as a subtotal in the financial statements.

Free cash flow: determined as the sum of operating cash flow and cash flow from investing activities as indicated in the condensed statement of cash flows.

Investments: represents the sum of investments in property, plant and equipment, intangible assets and financial assets (equity investments), presented gross of grants related to assets.
This APM is used by the Group in both internal and external documents and represents a useful tool to assess the financial resources used for the purchase of durable goods during the period.

Gross operating profit or loss (EBITDA) margin: calculated by dividing the adjusted gross operating profit or loss by revenue. This APM is used by the Group in both internal and external documents and is a useful tool to assess the Group's operating performance (both as a whole and for individual Business Units), also by comparison with previous periods or years.

Net financial indebtedness: determined as the ratio between net financial indebtedness and equity including non-controlling interests.
This APM is used by the Group in the context of documents both internal to the Group and external and is a useful instrument for assessing the financial structure in terms of relative proportion of financing sources between third-party funds and own funds.

Investors should note that:
- these measures are not recognised as performance criteria under IFRS;
- they shall not be adopted as alternatives to operating profit, profit for the year, operating and investing cash flow, net financial position or other measures consistent with IFRS, Italian GAAP or any other generally accepted accounting principle; and
- they are used by management to monitor the performance of the business and its management, but are not indicative of historical operating results, nor are they intended to be predictive of future results.

Iren Group’s financial position, financial performance and cash flows

Income statement

IREN GROUP INCOME STATEMENT

thousands of euro

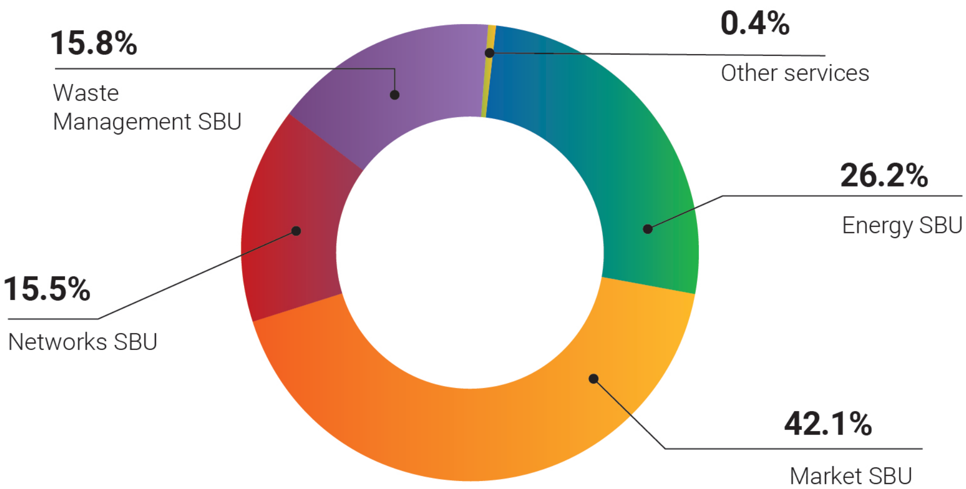
	FY 2024	FY 2023 Restated	Change %
Revenue			
Revenue from goods and services	5,903,454	6,301,581	(6.3)
Other income	139,671	188,800	(26.0)
Total revenue	6,043,125	6,490,381	(6.9)
Operating expenses			
Raw materials, consumables, supplies and goods	(2,224,054)	(2,763,473)	(19.5)
Services and use of third-party assets	(1,860,883)	(1,876,663)	(0.8)
Other operating expenses	(102,657)	(113,865)	(9.8)
Capitalised costs for internal work	60,193	56,907	5.8
Personnel expense	(641,605)	(596,391)	7.6
Total operating expenses	(4,769,006)	(5,293,485)	(9.9)
GROSS OPERATING PROFIT (EBITDA)	1,274,119	1,196,896	6.5
Depreciation, amortisation, provisions and impairment losses			
Amortisation and Depreciation	(655,475)	(600,929)	9.1
Impairment losses on loans and receivables	(74,482)	(71,471)	4.2
Other provisions and impairment losses	(24,462)	(60,108)	(59.3)
Total depreciation, amortisation, provisions and impairment losses	(754,419)	(732,508)	3.0
OPERATING PROFIT (EBIT)	519,700	464,388	11.9
Financial management			
Financial income	45,701	37,148	23.0
Financial expense	(136,333)	(135,781)	0.4
Net financial expense	(90,632)	(98,633)	(8.1)
Gains (losses) on equity investments	(1,260)	6,263	(*)
Share of profit or loss of equity-accounted investees, net of tax effects	7,471	6,836	9.3
Pre-tax profit	435,279	378,854	14.9
Income taxes	(131,697)	(97,025)	35.7
Profit from continuing operations	303,582	281,829	7.7
Profit (loss) from discontinued operations	-	-	-
Profit for the year	303,582	281,829	7.7
attributable to:	-	-	
- the owners of the parent	268,471	254,752	5.4
- non-controlling interests	35,111	27,077	29.7

(*) Change of more than 100%

The comparative data for 2023 have been restated to take into account, at the acquisition date, as required by IFRS 3, the effects deriving from the completion of the allocation of the acquisition price at the definitive fair value of the assets and liabilities of Acquaenna acquired in 2024 (Purchase Price Allocation). For further information, please refer to the Chapter IV “Business Combinations” in the Notes to the Consolidated Financial Statements.

Revenue

For the year ended 31 December 2024, the Group booked revenue of 6,043.1 million euro, down -6.9% compared to 6,490.4 million euro in financial year 2023. The main factors for the drop in sales were energy revenue, which was affected for more than 300 million euro by the reduction in commodity prices and for about 338 million euro by the reduction in energy efficiency activities such as building energy upgrades, due to the gradual completion of works related to the 110% Superbonus. On the other hand, major tariff revisions in both Networks and Waste Management and changes in the consolidation scope made a positive contribution to revenue for the year, which impacted revenue by about 51 million euro and were mainly attributable to the consolidation of Siena Ambiente (from January 2024) and Acquaenna.



Gross Operating Profit (EBITDA)

Gross operating profit (EBITDA) amounted to 1,274.1 million euro, up +6.5% compared to 1,196.9 million euro in 2023. The year was characterised by a less favourable energy scenario than in 2023, by major tariff revisions affecting the Networks BU (with the positive update of regulatory parameters) and the Waste Management BU in particular for waste collection activities, by the full recovery of the sales margins of the Market BU and by the start, albeit not yet fully operational, of the operational phase of some plants of the Waste Management sector and the progressive completion of works linked to the 110% superbonus.

As far as the energy scenario is concerned, the main factor characterising the year was the drop in the price of electricity (-15% on 2023) and, consequently, in electricity and heat generation profit margins; this had a major negative impact on EBITDA (-141 million euro), which was partially absorbed (+78 million euro) by the higher quantities produced, particularly by hydroelectric production (+35% on 2023), which benefited from an improvement in the hydraulicity of the year and photovoltaic due to the contribution of new plants (+35.1% on 2023).

Sales of energy commodities was particularly positive (+59 million euro), with particular reference to the sale of electricity, which benefited from a significant recovery in profit margins.

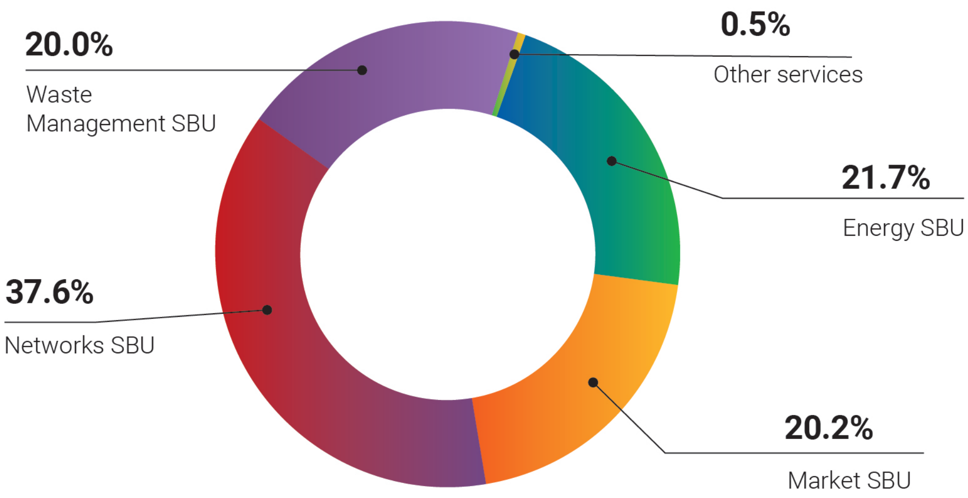
A positive contribution to the gross operating profit was generated by organic growth related to tariff increases as a result of investments made in the Networks BU in recent years (+17 million euro) and tariff revisions in 2024 (+77 million euro).

Within the Waste Management BU, waste treatment and disposal activities decreased due to lower plant operations related to maintenance and breakdowns (-27 million euro), while waste collection activities improved profit margins, benefiting from the positive effects of tariff regulation (+25 million euro).

The Energy Efficiency sector declined (-38 million euro) due to the gradual completion of works related to the 110% superbonus on condominiums and the delayed start due to regulatory uncertainty of construction sites for non-profit organisations.

Finally, consolidation scope changes related to the consolidation of Siena Ambiente (as of January 2024) and AcquaEnna (as of June 2023), amounting to approximately 18 million euro, contributed to the improvement in gross operating profit.

The change in the gross operating profit with reference to the individual business units is broken down as follows: marked improvement in the Market business unit (+29.9%), Networks +27.7%, Waste Management +4.2%, Energy -26%.



Operating profit (EBIT)
Operating profit (EBIT) amounted to 519.7 million euro, up +11.9% compared to 464.4 million euro in the previous year. The year saw higher amortisation and depreciation of approximately 55 million euro related to the entry into operation of new investments and the expansion of the consolidation scope, lower provisions for risks of about 44 million euro mainly due to the one-off non-recurring provisions in 2023 as a result of the provisions of the “Sostegni ter” Decree Law and higher impairment losses on loans and receivables of approximately 3 million euro. Impairment losses of about 12.5 million euro were also recorded, mainly due to the effects of the fires that occurred in the second half of 2024 at the Cadelbosco sorting and treatment plant for plastic from sorted waste collection, the Terranuova Bracciolini treatment plant and the Gavassa OFMSW treatment plant.

Financial management
Net financial expense came to of 90.6 million euro, down (-8.1%) compared to 2023, when it stood at 98.6 million.
The change is almost entirely attributable to financial income, which recorded an increase of 8.6 million euro compared to the comparative year, resulting mainly from the higher interest income, relating to the investment of liquidity and mitigated by the lower income from the discounting of funds.
At the overall level, financial expense were substantially in line with the previous year’s figure (136.3 million euro in 2024 versus 135.8 million euro in 2023), mainly due to the combined effect of higher interest expense from borrowing and lower expenses from the assignment of Superbonus tax credits.

Losses on equity investments
Losses on equity investments amounted to 1.3 million euro in 2024: the figure algebraically includes the impairment loss on non-controlling interests (-4.3 million euro), the price adjustment of the subsidiary Società dell’Acqua Potabile, acquired in previous years (-0.3 million euro), and the effect of the restatement to fair value, at the date control was acquired, of the prior interests in Siena Ambiente (+3.3 million euro).
In the comparative year, gains on equity investments of 6.3 million euro mainly referred to the revaluation of the investments in Acquaenna (+3.2 million euro) and AMTER (+1.8 million euro) before consolidation, in addition to the price adjustment of Iren Green Generation Tech (+1.0 million euro).

Share of profit or loss of equity-accounted investees, net of tax effects
This item, which amounts to +7.5 million euro (+6.8 million in 2023), includes the share of the pro-rata profit or loss of the Group’s associates and joint ventures, the most significant of which regard Aguas de San Pedro, ASA and Asti Servizi Pubblici. The loss of the EGEA Holding group had a negative impact of 1.5 million.

Pre-tax profit
As a result of the above trends, consolidated pre-tax profit amounted to 435.3 million euro, compared to 378.9 million euro of the previous year.

Income taxes
Income taxes for 2024 amounted to 131.7 million euro, up from 97.0 million in the comparative year, due to the improved pre-tax profit. The effective tax rate is 30.3%.
It is noted that the tax rate of the comparative year (25.6%) benefited from the positive effects of the non-taxability of the tax credits recognised to counteract companies’ energy costs, a measure no longer present for the 2024 financial year, and the taxation of positive differentials resulting from business combinations.

Profit for the year
As a result of the above, a profit for the year of 303.6 million euro was recorded, up (+7.7%) compared to the figure for 2023, when it stood at 281.8 million.
The profit is attributable to the owners of the Parent for 268.5 million euro and to non-controlling interests for 35.1 million euro.

Statement of Financial Position

RECLASSIFIED STATEMENT OF FINANCIAL POSITION OF IREN GROUP

thousands of euro

	31.12.2024	31.12.2023 Restated	Change %
Non-current assets	8,414,310	8,071,931	4.2
Other non-current assets (liabilities)	(619,491)	(418,064)	48.2
Net Working Capital	(11,778)	68,430	(*)
Deferred tax assets (liabilities)	272,676	269,560	1.2
Provisions for risks and employee benefits	(630,067)	(814,902)	(22.7)
Assets held for sale (liabilities associated with assets held for sale)	790	1,144	(30.9)
Net invested capital	7,426,440	7,178,099	3.5
Equity	3,343,697	3,244,294	3.1
Non-current financial assets	*(124,355)*	*(128,937)*	*(3.6)*
Non-current financial debt	*4,460,915*	*4,048,104*	*10.2*
Non-current net financial debt	4,336,560	3,919,167	10.7
Current financial assets	*(867,975)*	*(639,279)*	*35.8*
Current financial debt	*614,158*	*653,917*	*(6.1)*
Current net financial (position) debt	(253,817)	14,638	(*)
Net financial debt	4,082,743	3,933,805	3.8
Own funds and net financial debt	7,426,440	7,178,099	3.5

(*) Change of more than 100%

The comparative figures at 31 December 2023 have been restated to take into account, at the acquisition date, as required by IFRS 3, the effects of completing the allocation of the acquisition price to the final fair value of the assets and liabilities acquired (Purchase Price Allocation) of Acquaenna and WFL in 2024. For further information, please refer to the Chapter IV "Business Combinations" in the Notes to the Consolidated Financial Statements.

For a reconciliation of the reclassified statement of financial position with that of the financial statements, please refer to the specific annex to the Notes to the Consolidated Financial Statements.

The main changes in the statement of financial position are commented on below.

Non-current assets at 31 December 2024 amounted to 8,414.3 million euro, up compared to 31 December 2023, when they were 8,071.9 million euro. The increase (+342.4 million euro) is mainly due to the effect of the following:

- technical investments in property, plant and equipment and intangible assets (+830.2 million euro), amortisation and depreciation (-655.5 million euro) and impairment losses, resulting from damage to plants in the Waste Management sector, affected by fires (-12.5 million euro);
- the change in assets resulting from M&A transactions in the year: the consolidation of the previously associated Siena Ambiente (an urban waste selection and recovery plant, two composting plants, a waste-to-energy plant and a landfill, as well as shares in investees, concessions and goodwill, for a total of 95.9 million euro), net of the elimination of the related investment (-20.8 million euro) and the development of photovoltaic parks (Agrovoltaica) for 5.6 million;
- the acquisition of the 50% investment in EGEA Holding through a capital contribution (86.5 million, including ancillary charges);
- the change in right-of-use assets in application of IFRS 16 – Leases for 17.6 million, largely relating to rental and lease contracts for vehicles and buildings instrumental to operating activities.

For more information on the segment details of investments in the year, reference should be made to the section "Segment Reporting" below.

The change in "Other non-current assets (liabilities)" (-201.4 million euro) concerns for -126.7 million the non-current portion of the contribution for future interventions to restore the group of assets and equipment relating to the management of the Integrated Water Service of the Province of Reggio Emilia, determined at the start of the new concession as consideration to be transferred to the grantor, through the creation of new assets of equal value, and previously classified in "Provisions for the restoration of third-party assets".

The remaining part of the change in the item is mainly linked to the deferred income components relating to contributions received for investments (also connected to PNRR funds for network efficiency and the circular economy) and to the reduction of the long-term portion of tax credits relating to the Superbonus 110 incentives.

Provisions for risks and employee benefits amounted to 630.1 million euro, a decrease compared to the figure at the end of 2023, when they stood at 814.9 million. The main changes refer, in addition to the reclassification of the "Provision for the restoration of third-party assets" described above, to the purchases of CO2 emission rights relating to the obligation of the previous financial year and to the allocation for securities still to be purchased for the current year.

Net working capital stood at -11.8 million euro, against +68.4 million euro as at 31 December 2023. The decrease (-80.2 million euro) is mainly attributable to the transfers of Superbonus tax credits, mitigated by the trend of the commercial components, as well as by the increase in the gas inventory.

Equity amounted to 3,343.7 million euro, compared with 3,244.3 million at 31 December 2023 (+99.4 million euro). The change is due to the profit for the year (+303.6 million euro), the dividends paid (-178.7 million euro), the trend of the hedging reserve linked to derivative instruments for hedging interest rates and commodities (-45.7 million euro), the change in the consolidation scope and the consequent effect of the change in interest in companies already controlled (+16.0 million euro), payments by third parties to subsidiaries (+3.4 million euro) and other changes (+0.8 million euro).

Net Financial Debt stood at 4,082.7 million euro at 31 December 2024 (+3.8% compared to 31 December 2023, when it stood at 3,933.8 million euro). For more details please see the analysis of the statement of cash flows presented below.

STATEMENT OF CASH FLOWS OF IREN GROUP
Change in net financial debt

The following table shows the changes in the Group's net financial debt during the year.

thousands of euro

	FY 2024	FY 2023 Restated	Change %
Opening net financial debt	(3,933,805)	(3,346,754)	17.5
Profit for the year	303,582	281,829	7.7
Non-monetary adjustments	1,200,971	1,192,149	0.7
Payment of employee benefits	(9,876)	(9,526)	3.7
Utilisations of provisions for risks and other charges	(298,068)	(183,755)	62.2
Change in other non-current assets and liabilities	66,478	23,822	(*)
Taxes paid	(174,775)	(72,371)	(*)
Other changes in equity	93	48	93.8
Cash flows from changes in NWC	50,953	(536,888)	(*)
Change in market exposure for commodity derivatives	(56,183)	(15,013)	(*)
Cash flows from operating activities	1,083,175	680,295	59.2
Investments in property, plant and equipment and intangible assets	(830,217)	(866,605)	(4.2)
Investments in financial assets	(87,911)	(3,309)	(*)
Investments and change in assets held for sale	7,044	18,317	(61.5)
Acquisition of subsidiaries	(24,002)	(81,356)	(70.5)
Dividends collected	2,039	4,545	(55.1)
Total cash flows used in investing activities	(933,047)	(928,408)	0.5
Free cash flow	150,128	(248,113)	(*)
Cash flows from own capital	(178,684)	(184,148)	(3.0)
Other changes	(120,382)	(154,790)	(22.2)
Change in Net financial debt	(148,938)	(587,051)	(74.6)
Closing Net financial debt	(4,082,743)	(3,933,805)	3.8

(*) Change of more than 100%

The comparative data for the 2023 financial year have been restated to take into account, at the acquisition date, as required by IFRS 3, the effects deriving from the completion of the allocation of the acquisition price at the definitive fair value of the assets and liabilities acquired (Purchase Price Allocation) of Acquaenna in 2024. For further information, please refer to the Chapter IV "Business Combinations" in the Notes to the Consolidated Financial Statements.

The change in Net Financial Debt compared to 31 December 2023 of +148.9 million euro is due to the following factors:

- *operating cash flow* of +1,083.2 million euro, compared to +680.3 million euro in 2023, in which operating profitability had been partially absorbed by the change in Net Working Capital. The flow includes, among its determinants, disbursements related to energy bonds for the fulfilment of obligations allocated in a special fund;
- *cash flow used in investing activities* of -933.0 million euro (substantially in line with the 2023 figure), which includes in particular the technical investments of the year (830.2 million euro) and, under the items "Investments in financial assets" and "Acquisition of subsidiaries" (for a total of 111.9 million euro), the acquisition of the investment in EGEA Holding, including ancillary charges (86.5 million euro), the net financial debt deriving from the full consolidation of Siena Ambiente (19.1 million euro), the consideration for the acquisition of Agrovoltaica (Energy BU, for 4.8 million euro) and other minor investments (1.5 million euro);
  The amount of 2023 (84.7 million euro) was largely related to the acquisitions of Acquaenna and Romeo 2 (Networks BU), WFL and Limes 20 (Energy BU);
- *cash flows from own capital* equal to -178.7 million euro (-184.1 million euro in 2023), referring to the payment of dividends for the year;
- the item *other changes*, equal to -120.4 million euro (-154.8 million euro in the comparative year), mainly related to the effect of net financial expense, fair value variation on hedging derivatives on borrowings and the recognition of IFRS 16 leases for the year.

Finally, the statement of cash flows prepared according to the model expressed as a change in cash and cash equivalents is presented at the beginning of the section "Consolidated Financial Statements at 31 December 2024".

Segment reporting

Iren Group operates in the following operating segments:

- Networks (Electricity distribution networks, Gas distribution networks, Integrated Water Service)
- Waste Management (Waste collection, treatment and disposal)
- Energy (Hydroelectric Production and production from other renewable sources, Combined Heat and Power, District Heating Networks, Thermoelectric Production, Public Street Lighting, Global services, Energy efficiency services)
- Market (Sale of electricity, gas and other customer services)
- Other services (Laboratories, Telecommunications and other minor services).

These operating segments are disclosed pursuant to IFRS 8, which requires the disclosure about operating segments to be based on the elements which management uses in making operational and strategic decisions.
For a proper interpretation of the income statements relating to individual businesses presented and commented on below, revenue and expense referring to general activities were fully allocated to the businesses based on actual usage of the services provided or according to technical and economic drivers.
Given the fact that the Group mainly operates in one area, the following segment reporting does not include a breakdown by geographical segment.
The following tables show the Net Invested Capital compared to the restated 31 December 2023 figures and the income statements for the FY 2024 (up to the operating profit) by operating segment, compared with the restated FY 2023 figures.
At 31 December 2024, non-regulated activities contributed 30.4% to EBITDA (35.2% at 31 December 2023), regulated activities accounted for 54.3% (up from 48.7% in the corresponding year of 2023), and semi-regulated activities contributed 15.3% (16.1% in 2023).

Reclassified statement of financial position by operating segment as at 31 December 2024

millions of euro

	Networks	Waste Management	Energy	Market	Other services	Non-allocable	Total
Non-current assets	3,800	1,645	2,302	359	17	291	8,414
Net Working Capital	114	9	(11)	(128)	4	-	(12)
Other non-current assets and liabilities	(675)	(182)	(139)	19	1	0	(976)
Net invested capital (NIC)	3,239	1,472	2,152	250	22	291	7,426
Equity							3,343
Net financial debt							4,083
Own funds and net financial debt							7,426

Reclassified statement of financial position by operating segment as at 31 December 2023, restated

millions of euro

	Networks	Waste Management	Energy	Market	Other services	Non-allocable	Total
Non-current assets	3,621	1,545	2,301	350	31	224	8,072
Net Working Capital	85	(6)	235	(247)	1	-	68
Other non-current assets and liabilities	(686)	(154)	(190)	68	0	-	(962)
Net invested capital (NIC)	3,020	1,385	2,346	171	32	224	7,178
Equity							3,244
Net financial debt							3,934
Own funds and net financial debt							7,178

Income Statement by operating segment for 2024

millions of euro

	Networks	Waste Management	Energy	Market	Other services	Non-allocable	Total
Total revenue and income	1,269	1,291	2,141	3,444	35	(2,137)	6,043
Total operating expenses	(791)	(1,035)	(1,864)	(3,187)	(29)	2,137	(4,769)
Gross Operating Profit (EBITDA)	478	256	277	257	6	-	1,274
Net amortisation, depreciation and impairment losses	(227)	(217)	(182)	(125)	(3)	-	(754)
Operating profit (EBIT)	251	39	95	132	3	-	520

Income Statement by operating segment for 2023, restated

millions of euro

	Networks	Waste Management	Energy	Market	Other services	Non-allocable	Total
Total revenue and income	1,151	1,193	3,215	4,090	32	(3,191)	6,490
Total operating expenses	(776)	(948)	(2,841)	(3,892)	(27)	3,191	(5,293)
Gross Operating Profit (EBITDA)	375	245	374	198	5	-	1,197
Net amortisation, depreciation and impairment losses	(223)	(170)	(213)	(125)	(2)	-	(733)
Operating profit (EBIT)	152	75	161	73	3	-	464

Networks SBU

For the year ended 31 December 2024, the Networks operating segment, which includes the Gas Distribution, Electricity and Integrated Water Service businesses, recorded revenue of 1,268.7 million euro, up by +10.3% compared to 1,150.5 million euro in 2023. The increase is mainly attributable to positive changes in tariff revenue constraints, affected by important changes in tariff methods (MTi-4 for the Integrated Water Service, ROSS for the electricity network and the change in parameters for gas distribution in continuity of method), to the growth in RAB dictated by the important investments made in recent years, to the higher revenue related to the construction of assets under concession falling within the scope of IFRIC 12 and to the change in the consolidation scope of Acquaenna (from June 2023).

The Gross operating profit (EBITDA) amounted to 478.5 million euro, up +27.7% compared to 374.8 million euro in the previous year and is mainly attributable to the increase in tariff restrictions.
The operating profit was equal to 250.8 million euro, up +64.5% compared to 152.5 million euro in the 2023 financial year and was characterised by higher amortisation and depreciation for approximately 9 million euro and higher impairment losses on loans and receivables and lower releases of provisions for a total of 7 million euro, offset by lower accruals to the risk provisions for approximately 11 million euros, mainly due to the elimination of the non-recurring provisions made in 2023 relating to the dispute on the purification service in the Tigullio area (Genoa).

			FY 2024	FY 2023 Restated	Changes %
Revenue		€/mln	1,268.7	1,150.5	10.3
Gross Operating Profit (EBITDA)		€/mln	478.5	374.8	27.7
% of revenue			*37.7%*	*32.6%*	
	from Electricity Networks	*€/mln*	88.8	72.7	22.3
	from Gas Networks	*€/mln*	95.3	81.8	16.6
	from Integrated Water Service	*€/mln*	294.4	220.4	33.6
Operating profit		€/mln	250.8	152.5	64.5
Investments		€/mln	363.0	356.4	1.9
	in Electricity Networks	*€/mln*	81.7	79.7	2.6
	in Gas Networks	*€/mln*	39.2	40.0	(2.0)
	in Integrated Water Service	*€/mln*	228.4	220.7	3.5
	Other	*€/mln*	13.7	16.1	(15.0)
Electricity distributed		GWh	3,608.7	3,555.7	1.5
Gas distributed		Mcm	1,058.8	1,031.4	2.7
Water sold		Mcm	176.9	179.4	(1.4)

Networks SBU - Electricity
Gross operating profit (EBITDA) amounted to 88.8 million euro, up +22.3% compared to 72.7 million euro in 2023. The improvement is attributable to the organic growth of investments made with an effect on tariffs, the update of tariff parameters and the introduction of the new ROSS method valid for the regulatory period 2024-2031.

Investments amounted to 81.7 million euro, up +2.6% from 79.7 million euro in 2023, and relate mainly to connections, LV/MV distribution network resilience activities in order to improve the quality of the service, the construction of new primary and secondary stations in addition to the continuation of the replacement plan for electronic meters with 2G technology.

Networks SBU - Gas Distribution
Gross operating profit (EBITDA) amounted to 95.3 million euro, up +16.6% from the 81.8 million euro of 2023. The improvement is generated by the increase in the revenue constraint mainly due to the positive effect of higher investments and updated tariff parameters.

Investments amounted to 39.2 million euro, down -2% compared with 40 million euro in 2023, and involved mainly upgrading the network to cathodic protection and installing electronic meters.

Networks SBU - Integrated Water Service
Gross operating profit (EBITDA) amounted to 294.4 million euro, up +33.6% from the 220.4 million euro of financial year 2023. The improvement is attributable to the organic growth of realised investments and the introduction of the new MTI-4 tariff method valid for the fourth regulatory period 2024-2029, as well as the updating of tariff parameters. In addition, the result benefits from the recognition in the tariff of the inflationary effects of the year 2023 and tariff adjustments from previous years.

Investments amounted to 228.4 million euro, up +3.5% compared to 220.7 million euro in 2023. These activities relate to the construction, development and extraordinary maintenance of distribution networks and plants and of the sewerage network, as well as the installation of measuring units mainly with new technology involving remote reading, as well as the construction and modernisation of wastewater treatment plants.

There were also investments of 13.7 million euro, a decrease compared to 16.1 million euro in 2023, mainly related to information systems and to the development of electric mobility on operating vehicles

Waste Management SBU
For the year ended 31 December 2024, the segment's revenue amounted to 1,291.5 million euro, up by +8.2% compared to 1,193.1 million euro in 2023. The increase in revenue is attributable to collection activities as a result of the new regulatory provisions, partially offset by lower energy revenue, and changes in the consolidation scope with the entry of Siena Ambiente, a company operating in the disposal business in the province of Siena, and the contribution of ReMat, a company operating in treatment and recycling, and Semia Green, acquired during 2023.

		FY 2024	FY 2023	Changes %
Revenue	€/mln	1,291.5	1,193.1	8.2
Gross Operating Profit (EBITDA)	€/mln	255.6	245.3	4.2
% of revenue		*19.8%*	*20.6%*	
Operating profit	€/mln	38.5	74.8	(48.5)
Investments	€/mln	177.7	201.8	(11.9)
Electricity sold	GWh	502.0	500.6	0.3
Thermal energy produced	GWht	320.5	321.8	(0.4)
Waste managed	tonnes	4,020,016	3,842,166	4.6
Sorted waste collection	%	69.6	67.1	

Gross operating profit (EBITDA) of the segment amounted to 255.6 million euro, up +4.2% compared to 245.3 million euro in 2023. The trend is characterised by the improvement in profit from collection activities, which is offset by the contraction in the profit from treatment and disposal activities. In particular, the Treatment and Disposal activity, in addition to being penalised by the drop in the prices of recovered electricity and thermal energy and biomethane and by the lack of non-recurring grants on energy consumption, was negatively affected by a scheduled extraordinary maintenance activity at the WTE in Turin and by some extraordinary events such as the fires at the Cadelbosco plastic treatment plants and the Terranuova Bracciolini paper and plastic treatment plants. There was also a reduction in the volume of waste disposed of in landfills due to the partial saturation of sites and the non-full operation of other recently started recovery plants (Gavassa, Borgaro Torinese and Vercelli).
Contributing positively to the increase in gross operating profit for the year was the contribution of Siena Ambiente.

Operating profit amounted to 38.5 million euro, down -48.5% compared to 74.8 million euro in 2023. In the year, there was higher amortisation and depreciation of approximately 23 million euro, mainly due to the expansion of the consolidation scope and the entry into operation of some plants for the selection and recovery of materials from sorted waste collection, higher impairment losses on loans and receivables of 7 million euro and impairment losses of 12.5 million euro following the fires at the Cadelbosco, Terranuova Bracciolini and Gavassa plants.

Investments amounted to 177.7 million euro, down -11.9% compared to 201.8 million euro in the previous year. Investments related to the purchase of collection vehicles and equipment and the construction of plants; in particular, the latter include the Irma paper and plastic processing plant in Borgaro Torinese (TO), the biomethane plant on the Santhià OFMSW biodigester and the WEEE treatment plant of Valdarno Ambiente.

Energy SBU

For the year ended 31 December 2024, the revenue of the Energy SBU, which includes the production of electricity and heat, management of district heating, activities related to public lighting and energy efficiency, amounted to 2,140.6 million euro, a decrease of -33.4% compared to 3,215.5 million euro in 2023.
The reduction in revenue is mainly attributable to the decline in electricity and heat sales prices, partially offset by the greater heat and electricity quantities produced.
Revenue from activities related to energy requalification and building renovation also decreased as a consequence of the entry in the completion phase of sites related to the 110% Superbonus (about -338 million euro).

		FY 2024	FY 2023	Changes %
Revenue	€/mln	2,140.6	3,215.5	(33.4)
Gross Operating Profit (EBITDA)	€/mln	276.7	373.9	(26.0)
% of revenue		*12.9%*	*11.6%*	
Operating profit	€/mln	94.5	160.7	(41.2)
Investments	€/mln	151.9	130.6	16.3
Electricity produced	GWh	8,686.3	8,426.2	3.1
from hydroelectric sources	*GWh*	1,479.0	1,095.6	35.0
from photovoltaic	*GWh*	302.0	223.5	35.1
from cogeneration sources	*GWh*	4,720.7	4,682.4	0.8
from thermoelectric sources	*GWh*	2,184.7	2,424.7	(9.9)
Heat produced	GWht	2,553.5	2,315.3	10.3
from cogeneration sources	*GWht*	2,147.9	2,004.1	7.2
from non-cogeneration sources	*GWht*	405.6	311.2	30.3
District heating volumes	Mcm	102.3	101.1	1.2

In 2024, electricity produced was 8,686.3 GWh, up +3.1% compared to 8,426.2 GWh of the previous year 2023.
Electricity production from cogeneration sources was 4,720.7 GWh, a slight increase of +0.8% compared to the 4,682.4 GWh of 2023, while thermoelectric production was 2,184.7 GWh, a decrease of -9.9% compared to the 2,424.7 GWh of 2023.
Production from renewable sources amounted to 1,781 GWh, up +35% from 1,319.1 GWh in FY 2023. The increase concerns both hydroelectric production, which amounted to 1,479 GWh compared to 1,095.6 GWh (+35%) in 2023, thanks to the improved hydraulicity of the year, and photovoltaic production, of 302 GWh compared to 223.5 GWh in 2023 (+35.1%).
The heat produced amounts to 2,553.5 GWht, an increase of +10.3% compared to the 2,315.3 GWht of 2023 due to a more favourable thermal season and the development of the network at 102.3 Mm3 of district heating volumes compared to 101.1 Mm3 of 2023 (+1.2%).

Gross operating profit (EBITDA) amounted to 276.7 million euro, down -26% compared to 373.9 million euro in 2023.
The trend in the energy scenario was characterised by a sharp drop in energy prices in the first half of the year due to low demand, high renewables production and an unfavourable heating season, contrasted with a second half of the year with rising prices driven by the rising cost of gas.
Said performance had a negative effect on production margins, affecting all production segments, with the greatest impact on Electricity and Heat Cogeneration, only partially offset by the increase in quantities produced, particularly for Hydroelectric production, thanks to favourable water availability and snowfall on the ground and photovoltaic production to increase installed power.
Energy Efficiency-related activities also decreased compared to the previous year, due to the completion of energy requalification works on buildings (Superbonus 110%) and energy management activities.

Operating profit amounted to 94.5 million euro, down -41.2% compared to 160.7 million euro in 2023. In the year, there was higher amortisation and depreciation of 9 million euro and higher impairment losses on loans and receivables of 1 million euro, while there were lower provisions for risks of approximately 36 million euro, mainly due to the lack of one-off non-recurring provisions made in 2023 as a result of the provisions of the "Sostegni ter" Decree Law.

Investments amounted to 151.9 million euro, up +16.3% compared to 130.6 million euro in 2023. Major projects include the development of district heating networks and photovoltaic plants.

Market SBU

For the year ended 31 December 2024, the segment's revenue amounted to 3,444.5 million euro, down by -15.8% compared to 4,090.4 million euro in 2023. The drop in turnover is attributable to lower electricity and gas prices.
Gross operating profit (EBITDA) amounted to 257.1 million euro, up +29.9% compared to 197.9 million euro in 2023. The improvement is mainly attributable to the sale of electricity, while gas sales declined slightly, offset by the sale of Iren plus branded services.

Operating profit amounted to 131.8 million euro, an improvement of +79.4% compared to 73.5 million euro in 2023. During the year, higher depreciation and amortisation of 7 million euro and lower impairment losses on loans and receivables of about 9 million euro were recorded.

			FY 2024	FY 2023	Changes %
Revenue		€/mln	3,444.5	4,090.4	(15.8)
Gross Operating Profit (EBITDA)		€/mln	257.1	197.9	29.9
% of revenue			*7.5%*	*4.8%*	
	from Electricity	*€/mln*	122.8	64.2	91.4
	from Gas	*€/mln*	126.4	131.6	(3.9)
	from Heat and other services	*€/mln*	7.9	2.2	(*)
Operating profit		€/mln	131.8	73.5	79.4
Investments			74.7	86.3	(13.4)
Electricity Sold		GWh	6,978.4	7,218.4	(3.3)
Gas Purchased		Mcm	2,512.1	2,499.7	0.5
	Gas sold by the Group	*Mcm*	1,014.7	999.4	1.5
	Gas for internal use	*Mcm*	1,450.5	1,495.8	(3.0)
	Gas in storage	*Mcm*	46.9	4.5	(*)

(*) Change of more than 100%

Sale of electricity

The volumes of electricity sold on the market amounted to 6,843.8 GWh, a decrease of -2.3% compared to 7,005 GWh in 2023.
The drop in market sales affected the wholesale segment, which recorded a decrease of -27.8% from 2,739.3 GWh in 2023 to the current 1,977.8 GWh. On the other hand, the other customer segments increased. In particular, the operating segment recorded sales of 1,487.4 GWh, up +11.4% compared to 1,335.7 GWh in 2023, while the Retail and Small Business segment recorded sales of 3,378.6 GWh, up 15.3% compared to 2,929.9 GWh in 2023.

The market for greater protection amounted to 134.6 GWh, down by -37% compared to 213.5 GWh in 2023 also due to the liberalisation of part of the market.

The gross operating profit (EBITDA) from electricity sales is equal to 122.8 million euro, up +91.4% compared to 64.2 million euro in 2023. The improvement achieved is mainly attributable to the increasing unit energy margin, which made it possible to absorb the increase in operating expenses.

The table below shows the quantities sold by class of customer sector:

Market SBU – Sale of electricity

	FY 2024	FY 2023	Changes %
Business	1,487.4	1,335.7	11.4
Retail and small business	3,378.6	2,929.9	15.3
Wholesalers	1,977.8	2,739.3	(27.8)
Free market	6,843.8	7,005.0	(2.3)
Protected market	134.6	213.5	(37.0)
Total Electricity sold	6,978.4	7,218.4	(3.3)

Sale of Natural Gas
Purchased volumes amounted to 2,512.1 Mm3, up +0.5%, compared to 2,499.7 Mm3 in 2023.
Gas sold by the Group amounted to 1,014.7 Mm3, up by +1.5% compared to 999.4 Mm3 sold in the previous year.
Gas used for internal consumption within the Group amounted to 1,450.5 Mm3, down -3% compared to 1,495.8 Mm3 in FY 2023.

Gross operating profit (EBITDA) from the sale of gas amounted to 126.4 million euro, down -3.9% compared to 131.6 million euro in 2023. The more favourable market scenario allowed the improvement of unit margins, which was more than absorbed by the increase in operating costs.

Other sales services
Other sales services show a gross operating profit of 7.9 million euro, an improvement on the 2.2 million euro of 2023. The improvement is mainly attributable to higher sales of certain Iren Plus branded products and services.

Investments of the Market SBU amounted to 74.7 million euro, down -13.4% from the 86.3 million euro in the previous year.

Other services
For the year ended 31 December 2024, revenue of the segment, which includes the activities of the analysis laboratories, telecommunications and other minor activities, was 35.3 million euro, up by +11.8% compared to the 31.6 million euro in 2023.

		FY 2024	FY 2023	Changes %
Revenue	€/mln	35.3	31.6	11.8
Gross Operating Profit (EBITDA)	€/mln	6.3	5.0	26.9
% of revenue		*17.9%*	*15.8%*	
Operating profit	€/mln	3.5	2.8	25.5
Investments	€/mln	62.9	91.5	(31.3)

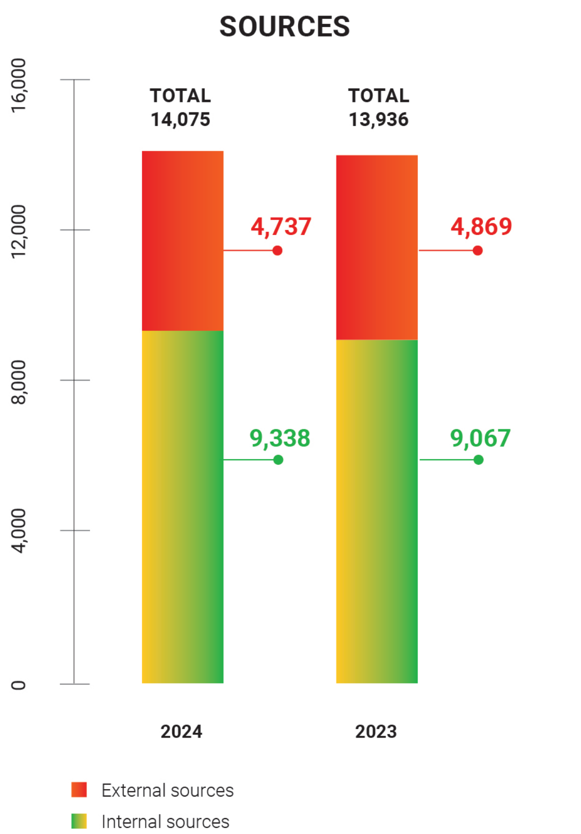
(*) Change of more than 100%

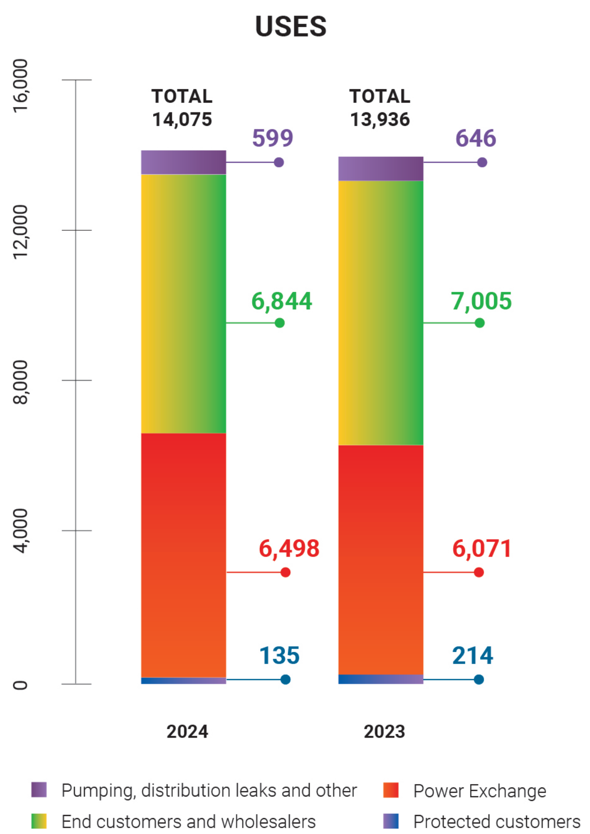
The Gross operating profit (EBITDA) amounted to 6.3 million euro, an improvement of +26.9% compared to 5 million euro in the previous year.
Investments in the year amounted to 62.9 million euro, down compared to 91.5 million euro in FY 2023 and mainly related to information systems, vehicles and buildings.

Energy balances

Electricity balance

GWh	FY 2024	FY 2023	Changes %
SOURCES			
Group’s gross production	9,337.9	9,066.9	3.0
a) Hydroelectric	1,512.1	1,120.4	35.0
b) Photovoltaics, wind and other renewables	303.2	225.5	34.5
c) Cogeneration	4,721.2	4,683.5	0.8
d) Thermoelectric	2,184.7	2,424.7	(9.9)
e) Production from WTE and landfills	616.7	612.8	0.6
Purchases from Acquirente Unico [Single Buyer]	148.1	234.9	(37.0)
Energy purchased on the Power exchange	3,227.1	3,530.9	(8.6)
Energy purchased from wholesalers and imports	1,361.9	1,103.0	23.5
Total Sources	14,075.0	13,935.7	1.0
USES			
Sales to protected customers	134.6	213.5	(37.0)
Sales to end customers and wholesalers	6,843.8	7,005.0	(2.3)
Sales on the Power exchange	6,497.9	6,071.3	7.0
Pumping, distribution losses and other	598.7	645.9	(7.3)
Total Uses	14,075.0	13,935.7	1.0

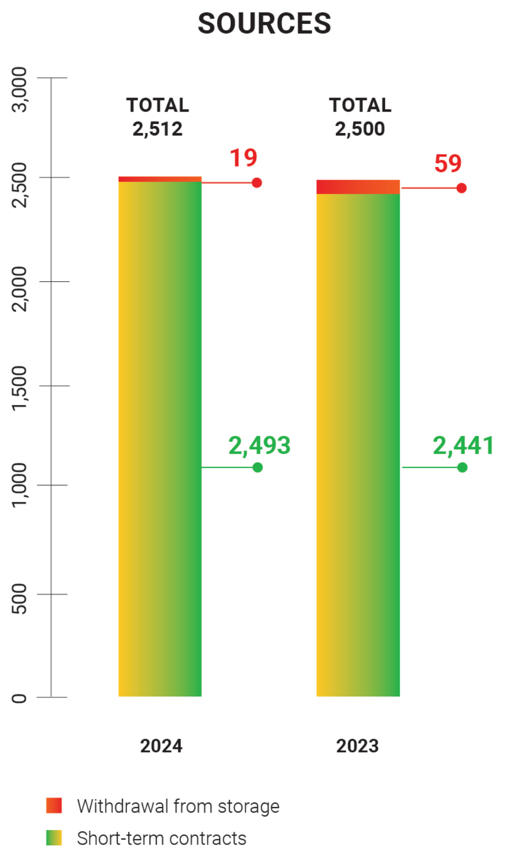


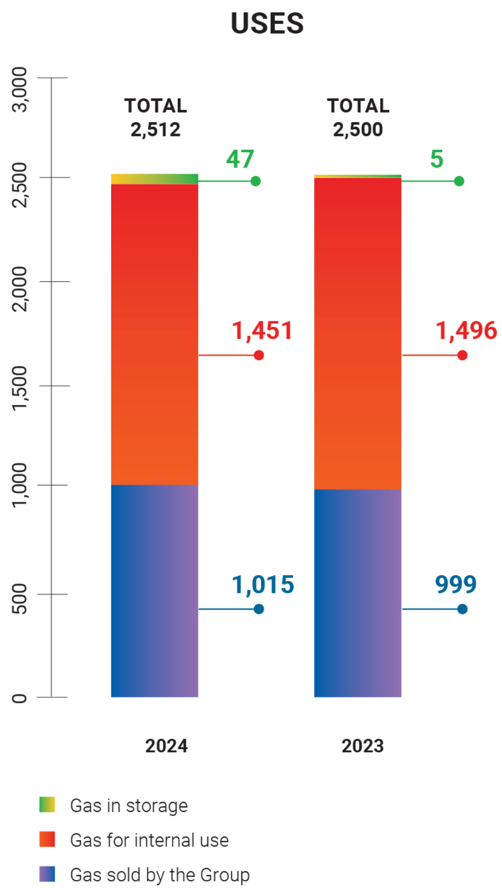


Gas balance

Millions of m³	FY 2024	FY 2023	Changes %
SOURCES			
Contracts with short-term market conditions	2,493.3	2,440.6	2.2
Withdrawals from storage	18.8	59.1	(68.2)
Total Sources	2,512.1	2,499.7	0.5
USES			
Gas sold by the Group	1,014.7	999.4	1.5
Gas for internal use (1)	1,450.5	1,495.8	(3.0)
Gas in storage	46.9	4.5	(*)
Total Uses	2,512.1	2,499.7	0.5

(1) Internal use concerns thermoelectric plants and use for heat services and internal consumption





Financial position, financial performance and cash flows of Iren S.p.A.

Income statement

IREN S.p.A.'s INCOME STATEMENT

thousands of euro

	FY 2024	FY 2023	Change %
Revenue			
Revenue from goods and services	319,499	292,295	9.3
Other income	11,798	12,820	(8.0)
Total revenue	331,297	305,115	8.6
Operating expenses			
Raw materials, consumables, supplies and goods	(8,930)	(8,761)	1.9
Services and use of third-party assets	(184,722)	(180,707)	2.2
Other operating expenses	(9,461)	(9,262)	2.1
Capitalised costs for internal work	8,064	6,927	16.4
Personnel expense	(94,950)	(91,651)	3.6
Total operating expenses	(289,999)	(283,454)	2.3
GROSS OPERATING PROFIT (EBITDA)	41,298	21,661	90.7
Depreciation, amortisation, provisions and impairment losses			
Amortisation and Depreciation	(57,876)	(49,495)	16.9
Impairment losses on loans and receivables	-	-	-
Other provisions and impairment losses	2,009	114	(*)
Total depreciation, amortisation, provisions and impairment losses	(55,867)	(49,381)	13.1
OPERATING LOSS (EBIT)	(14,569)	(27,720)	(47.4)
Financial management			
Financial income	344,353	280,642	22.7
Financial expense	(115,387)	(83,170)	38.7
Net financial income	228,966	197,472	15.9
Gains (losses) on equity investments	-	-	-
Pre-tax profit	214,397	169,752	26.3
Income taxes	(1,890)	2,533	(*)
Profit from continuing operations	212,507	172,285	23.3
Profit (loss) from discontinued operations	-	-	-
Profit for the year	212,507	172,285	23.3

(*) Change of more than 100%

Revenue
The total revenue of Iren S.p.A. amounted to 331.3 million euro (up from 305.1 million euro in the previous year) and mainly refers to services provided to Group companies, of a corporate nature (financial, administrative, technical, legal and insurance), implementation and management of information systems and energy management (the latter centralised in the Parent starting from June 2023).

Operating expenses
Operating expenses amounted to 290.0 million euro, up compared to the 2023 figure (283.5 million euro): on the external cost side, mainly due to costs for services, functional to the management of corporate activities in favour of Group companies, with particular reference to the management of information systems. The trend in personnel expense includes the effect of the aforementioned start-up of staff activities using resources previously held by other Group companies.

Depreciation, amortisation, provisions and impairment losses
Depreciation, amortisation, provisions and impairment losses amounted to 55.9 million euro (49.4 million euro in 2023). Depreciation and amortisation, which algebraically constitute almost all of the item, increased mainly due to the release in the operational phase of recent and significant investments in IT and related equipment.
The item "Other provisions and impairment losses" showed a positive balance of 2.0 million euro, mostly referring to releases of provisions to suppliers due to the non-occurrence of related risks.

Financial management
Net financial income came to 229.0 million euro.
Analysing the composition of the items, financial income, equal to 344.4 million euro (280.6 million euro in 2023), mainly includes dividends from subsidiaries for 222.3 million euro (up +25.7 million euro compared to 2023) and interest income on loans to subsidiaries and associates for 98.5 million euro (+14.9 million euro compared to the previous year). Also worth mentioning is the interest income from banks for the investment of liquidity, amounting to 23.3 million euro, up from the minimum amount in the previous year.
Financial expense came to 115.4 million euro, and refers essentially to interest expense on debt (bank loans and bonds). It increased compared to the comparative figure, when it stood at 83.2 million.

Pre-tax profit
As a consequence of the trends illustrated above, the pre-tax profit was 214.4 million euro (169.8 million euro in 2023).

Income taxes
Income taxes are equal to 1.9 million euro (in 2023, the parent recorded an income tax benefit of 2.5 million euro), due to a taxable income resulting from the non-taxability of 95% of the dividends received.

Profit for the tear
Including taxes for the year, there was a profit of 212.5 million euro.

Statement of Financial Position

RECLASSIFIED STATEMENT OF FINANCIAL POSITION OF IREN S.p.A. (1)

thousands of euro

	31.12.2024	31.12.2023	Change %
Non-current assets	2,994,660	2,899,727	3.3
Other non-current assets (liabilities)	(83)	33	(*)
Net Working Capital	(16,012)	(13,245)	20.9
Deferred tax assets (liabilities)	8,777	4,021	(*)
Provisions for risks and employee benefits	(31,070)	(28,305)	9.8
Assets held for sale (liabilities associated with assets held for sale)	-	-	-
Net invested capital	2,956,272	2,862,231	3.3
Equity	2,286,707	2,236,973	2.2
Non-current financial assets	*(3,687,506)*	*(3,677,676)*	*0.3*
Non-current financial debt	*4,272,105*	*3,858,011*	*10.7*
Non-current net financial debt	584,599	180,335	(*)
Current financial assets	*(708,850)*	*(307,118)*	*(*)*
Current financial debt	*793,816*	*752,041*	*5.6*
Current net financial debt	84,966	444,923	(80.9)
Net financial debt	669,565	625,258	7.1
Own funds and net financial debt	2,956,272	2,862,231	3.3

(*) Change of more than 100%

The reconciliation of the reclassified statement of financial position with the statement of financial position is provided in the annex to the Separate Financial Statements.

The items subject to significant changes in the statement of financial position in the year are commented on below.

Non-current assets at 31 December 2024 amounted to 2,994.7 million euro, up compared to 31 December 2023, when they were 2,899.7 million euro. The increase (+95.0 million euro) is mainly due to the effect of the following:
- the acquisition of the 50% investment in EGEA Holding through a capital contribution (86.5 million, including ancillary charges) and other equity investments (1.2 million euro);
- technical investments in property, plant and equipment and intangible assets (+62.7 million euro), mainly relating to IT implementations with related equipment, redevelopment and construction of properties and purchase of vehicles, and depreciation and amortisation (-57.9 million euro) for the year;
- the recognition of right-of-use assets in application of IFRS 16 - Leases for 2.6 million, mostly relating to lease contracts for buildings used for management activities as well as vehicle rentals.

The decrease in Net Working Capital (-2.8 million euro) is attributable to positions with subsidiaries (trade and tax - tax consolidation and VAT group) and to deferrals on IT fees.

"Provisions for risks and employee benefits" amounted to 31.1 million euro, an increase of 2.8 million euro compared to 31 December 2023, mainly due to the combined effect of the allocation of probable personnel-related charges and releases upon the elimination of risks to suppliers.

Equity amounted to 2,286.7 million euro, compared with 2,237.0 million euro at 31 December 2023 (+49.7 million euro). The change in the year refers to the profit for the year (+212.5 million euro), dividends paid (-152.4 million euro), the hedging reserve for cash flow hedge derivatives (-10.4 million euro).

Net financial debt at the end of the year was 669.6 million euro, an increase of 44.3 million euro compared to 31 December 2023 (+7.1%). For more details please see the analysis of the statement of cash flows presented below.

IREN S.p.A.'s STATEMENT OF CASH FLOWS
Change in net financial debt

The statement below details the movements in the net financial debt of Iren S.p.A. that occurred in the year.

thousands of euro

	FY 2024	FY 2023	Change %
Opening net financial debt	(625,258)	(536,095)	16.6
Profit for the year	212,507	172,285	23.3
Non-monetary adjustments	(165,658)	(141,974)	16.7
Payment of employee benefits	(1,306)	(1,438)	(9.2)
Utilisations of provisions for risks and other charges	(322)	(1,594)	(79.8)
Change in other non-current assets and liabilities	116	(40)	(*)
Other changes in equity	-	-	-
Taxes collected (paid)	2,174	(2,123)	(*)
Cash flows from changes in NWC	(2,540)	(13,627)	(81.4)
Cash flows from operating activities	44,971	11,490	(*)
Investments in property, plant and equipment and intangible assets	(62,724)	(91,062)	(31.1)
Investments in financial assets	(87,742)	(810)	(*)
Investments and change in assets held for sale	221	55	(*)
Change in consolidation scope	-	-	-
Dividends collected	222,346	196,592	13.1
Total cash flows from investing activities	72,101	104,775	(31.2)
Free cash flow	117,072	116,265	0.7
Cash flows from own capital	(152,430)	(141,138)	8.0
Other changes	(8,949)	(64,290)	(86.1)
Change in Net financial debt	(44,307)	(89,163)	(50.3)
Closing Net financial debt	(669,565)	(625,258)	7.1

(*) Change of more than 100%

The change in financial debt (+44.3 million euro) derives from the following determinants:
- *operating cash flow* of +44.9 million euro;
- *cash flows from investing activities* (+72.1 million euro), which substantially includes dividends received from subsidiaries (222.3 million euro) net of technical investments (62.7 million euro) and equity investments (87.7 million euro), firstly EGEA Holding;
- *cash flows from own capital* of -152.4 million euro exclusively consisting of dividends paid in the year;
- the item *other changes*, amounting to -8,9 million euro, includes financial income and expense respectively received and paid, the fair value gains on derivative instruments hedging interest rate risk (fair value losses in the previous year) and the effect of the recognition of new lease agreements falling within the scope of IFRS 16.

We can note finally that the statement of cash flows prepared according to the format of a change in cash and cash equivalents is presented in the Separate Financial Statements at 31 December 2024.

The table below reconciles the equity and profit for the year of the Parent Iren S.p.A. at 31 December 2024 and 31 December 2023 with those of the consolidated financial statements.

thousands of euro

31.12.2024	Equity	Profit for the year
Equity and profit in the Parent's separate financial statements	2,286,708	212,507
Difference between the carrying amount and value of equity-accounted associates	56,255	6,623
Higher value from consolidation compared to the carrying amount of consolidated equity investments	569,391	270,298
Elimination of dividends from subsidiaries/associates	-	(222,346)
Elimination of intra-group margins	(36,328)	1,389
Equity and profit for the year attributable to the owners of the parent	2,876,024	268,471

"Elimination of intra-group profits" refers to the elimination of capital gains from the sale of business units or companies within the Group. In particular, it is worth noting the transaction related to the Genoa integrated water cycle carried out by the former AMGA (positive effect of 2.1 million euro on the income statement and negative by 17.7 million euro on Equity).

thousands of euro

31.12.2023 Restated	Equity	Profit for the year
Equity and profit in the Parent's separate financial statements	2,236,973	172,285
Difference between the carrying amount and value of equity-accounted associates	52,573	10,649
Higher value from consolidation compared to the carrying amount of consolidated equity investments	554,380	267,615
Elimination of dividends from subsidiaries/associates	-	(196,592)
Elimination of intra-group margins	(37,718)	795
Equity and profit for the year attributable to the owners of the parent	2,806,208	254,752

Financial management

General framework

In 2024 the “inversion” of the interest rate curve remains: the short-term part of the curve was higher than the medium/long-term part, incorporating bearish expectations; since the beginning of December, the inversion has gradually diminished and is now zero, with short-term rates almost in line with medium/long-term rates.
The performance of rates reflects the effect of inflationary pressures and of the resulting monetary policy manoeuvres implemented and expected. At its meetings in June, September, October and December 2024, the European Central Bank decided on four reductions of 25 bps each, in addition to a further cut of 25 bps made at its meeting in January 2025; the official discount rate (Deposit Rate) is now 2.75%.

Finally, examining the six-month Euribor rate, it is noted that the parameter is equal to approximately 2.4%, while the prices of fixed rates, reflected in the IRS values, are positioned at levels around 2.2%-2.3%.

Activities performed

In 2024, activities aimed at consolidating the financial structure of Iren Group continued. Changes in financial requirements are monitored through careful planning, which makes it possible to forecast the need for new resources, taking into account the repayments of outstanding loans, changes in debt, investments, the trend in working capital and the balance of short-term and long- term sources.
The organisational model adopted by Iren Group, with the goal of financial optimisation of the companies, entails centralising with the parent management of cash flows, non-current loans and financial risk monitoring and management. Iren has relationships with leading Italian and international banks, for the purpose of procuring the types of loans best suited to its needs and at the best market conditions.

Green bonds

With reference to the operations carried out in 2024, it should be noted that, as described in the “Significant events of the year”, in January and September, Iren S.p.A concluded the issue and listing of two Green Bond issues (the fifth and sixth in Green Use of Proceeds format) for an amount of 500 million euro each, for a total of 1 billion euro and with a duration of 8 and a half years and 9 years, respectively, both under the existing Euro Medium Term Notes (EMTN) programme of 4 billion euro, reserved for institutional investors and intended for the financing and refinancing of projects that contribute to the achievement of the sustainability objectives defined in the Business Plan.
At the beginning of November, a Eurobond in the amount of 500 million euro, also issued in 2016 under the EMTN Programme, was also repaid on schedule.

Bank financing Use of Proceeds

At the beginning of 2024, the deliberative bodies of Iren S.p.A and the Council of Europe Development Bank (CEB) approved the subscription of a green loan for an amount of 80 million euro. The PFF loan, Public Financing Facility, co-finances, together with a loan granted by the EIB (European Investment Bank), the amount of investments planned for the period 2022-2026 in some territories of the Ligurian area (the provinces of Genoa and La Spezia), concerning the strengthening and expansion of water extraction and treatment plants, water distribution networks, sewage systems and wastewater treatment plants. The loan agreement was stipulated on 10 June, bringing CEB financing to Iren (the only Italian corporate entrusted by CEB) to 240 million euro.

On 19 June, a 200 million euro green loan was also signed with the EIB, following the successful completion of the technical-credit appraisal carried out in previous months: the line is aimed at supporting investments in the resilience of electricity grids in the historical areas of Emilia Romagna and Piedmont, in the provinces of Parma, Turin and Vercelli.
In this regard, direct loans already entered into with EIB and CEB, with a duration of up to 18 years, not used and available, amount to a total of 495 million euro at 31 December 2024.
Both signed loans are of the ‘Use of Proceeds’ type, so, as explained, they are intended to finance specific projects carried out by the Group with a positive impact on the environment and society.

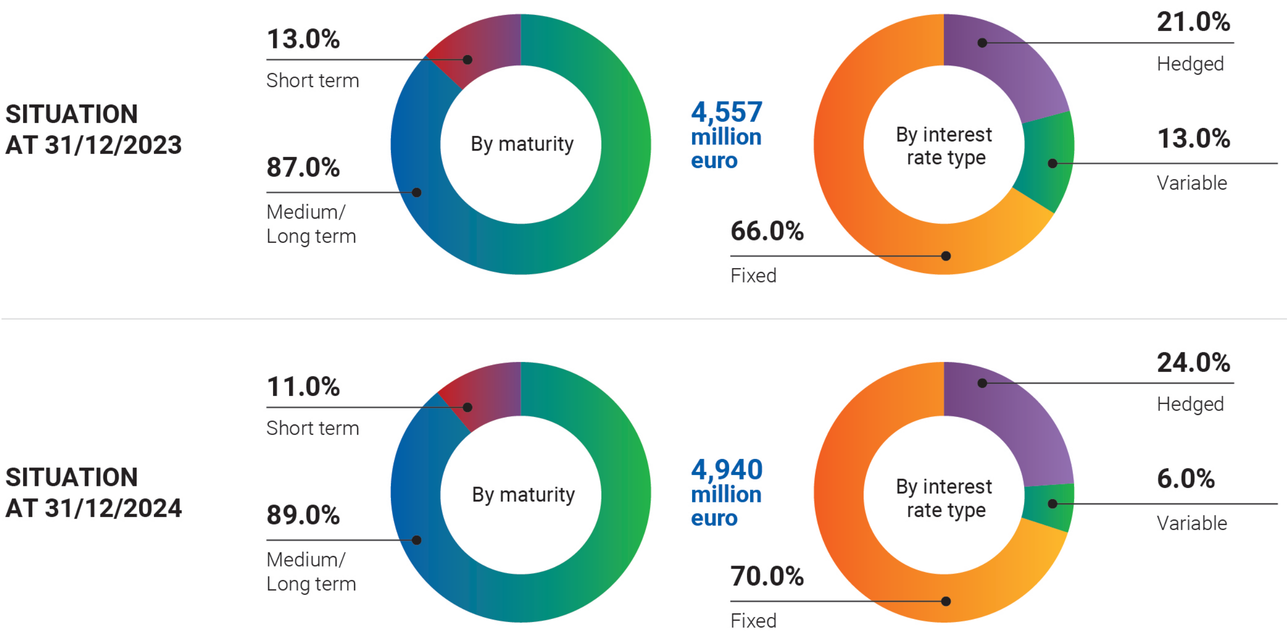
Within the Group, as of 1 January 2024, Siena Ambiente entered the consolidation scope with amortising medium/long-term bank loan positions totalling 28.4 million euro (23.9 million euro at 31 December 2024).

Financial debt from borrowings, which does not include lease-related liabilities recognised in application of IFRS 16, at the end of the year consisted of 30% loans and 70% bonds; it should also be noted that 89% of total debt is financed by sustainable funds, consistent with the Iren Sustainable Finance Framework, such as Green Bonds and loans the interest rate of which is linked to ESG Key Performance Indicators.

As regards financial risks, Iren Group is exposed to various types of risk, including liquidity risk, interest rate risk, and currency risk. As part of its Risk Management activities, the Group uses non-speculative hedging contracts to limit risks of fluctuations in the interest rate.
In this context, in 2024, eight new interest rate swap contracts were finalised to hedge a total of 400 million euro of debt, with effect from December 2024, June and December 2025 and maturities between December 2026 and December 2030; the pre-hedge hedges of the bonds were closed at the same time as the September issue.
Furthermore, with the consolidation of Siena Ambiente, two Interest Rate Swap contracts were added which, as of 31 December 2024, cover a total of 13.7 million euro in debt, with maturities in December 2027 and March 2034.

At the end of the year, the portion of floating rate debt not hedged by derivatives was equal to 6% of financial debt from loans, in line with Iren Group's objective of maintaining adequate protection from significant increases in interest rates.

Overall, the activity carried out is aimed at refinancing debt with a view to improving the financial structure, with optimisation of the cost of capital and the average duration of financial debt.
The composition of financial debt from loans by maturity and rate type, compared with the situation at 31 December 2023, is shown in the chart below.



Rating
Iren Group holds the ratings:

- "BBB" with "Stable" Outlook for the long-term credit rating with Standard & Poor's Global Ratings (S&P), confirmed on 23 July 2024 following the update of the Business Plan to 2030;
- "BBB" with "Stable" Outlook for the long-term credit rating with Fitch Ratings, with confirmation of the "BBB" rating and revision of the Outlook to "Stable" on 26 July 2024, following the update of the Business Plan to 2030.

The same ratings are also given to senior unsecured debt.
Both ratings are based on the strategies outlined in the Business Plan to 2030, with particular reference to investments intended for organic growth and the energy transition. The maintenance of a business portfolio consisting mainly of regulated and semi-regulated activities, the creation of value and the stability guaranteed by the integration of the various businesses are elements considered positive. From a financial point of view, the assigned ratings also express the adequate liquidity of the Group, the high credibility on the capital market and excellent relations with banking counterparties, thanks also to an ever greater use of sustainable finance instruments.
At ESG level, for both agencies, sustainability issues have a neutral or scarcely relevant impact from a lending point of view, both due to the nature of the business and the way in which the issue of sustainability is managed in Group dynamics.

In order to support the Group's liquidity profile and rating level, in addition to current and assimilated cash and cash equivalents to service upcoming maturities within twelve months, Iren has a total of 695 million euro, including:

- the aforementioned medium/long-term credit lines entered into and available but not utilised (495 million euro);
- committed Sustainability-Linked revolving credit facilities (RCF), entered into in December 2023 with Unicredit and BPER (200 million euro).

Significant events after the reporting date and outlook

Integrated Water Service of the Province of Piacenza

Following the signing of the agreement for the management of the Integrated Water Service of the Piacenza provincial area, which took place on 16 December 2024, as of 1 January 2025 Iren Acqua Piacenza S.r.l. is the new manager of the service for the duration of 16 years, taking over from the previous manager IRETI.

Iren Acqua Piacenza is the newly established territorial operating company, 100% controlled by the same IRETI that won the tender.

For users, the start of the new entrustment does not entail any fulfilment or formality: the existing supply contracts pass to the new management maintaining the same conditions applied by IRETI and defined by the current regulation in force and, starting from 2025, the bills are issued by Iren Acqua Piacenza in continuity with respect to the last issue of the outgoing operator.

In its business plan, Iren Acqua Piacenza envisages significant investments on the networks and plants of the integrated water cycle (mainly aimed at reducing water losses and energy consumption), including the restructuring, upgrading and construction of works and plants of the sewerage network.

Full consolidation of EGEA Holding

As reported in "Significant events of the year", on 12 November 2024, the Board of Directors of Iren S.p.A. resolved to exercise, as from 1 January 2025, the right to subscribe and pay up the capital increase in EGEA Holding reserved for the same, up to a maximum of 20 million euro (5.882 euro of share capital plus share premium of 19,994,118 euro), to be exercised also in several tranches, for the purpose of financing the development of the PNRR project relating to district heating in Alessandria, to be implemented through Telenergia, a subsidiary of EGEA Holding itself.

Following the acquisition of the Antitrust and Golden Power clearances, on 10 January 2025, Iren S.p.A. subscribed and paid in the capital increase in the amount of 10 million euro (2,941 euro of share capital plus 9,997,059 euro of share premium), coming to hold a total of 52.77%. On the same date, EGEA Holding's Shareholders' Meeting was held, which resolved to appoint a new board member upon nomination by Iren, which now appoints four members of the B.o.D. out of the total seven, thus achieving control and consequent full consolidation of EGEA Holding and its subsidiaries.

Finally, regarding the transaction, on 24 March the Board of Directors of Iren S.p.A. resolved to exercise the call option on 31 March 2025 for the acquisition of the entire remaining investment in EGEA Holding (47.23%), held by MidCo 2024, with the aim of holding all the shares. The consideration offered by Iren for the exercise of the option, determined based on the provisions of the contractual agreements in place, is equal to 74.8 million euros and is subject to the determination and verification mechanisms provided for in the same agreements between the parties.

Hybrid Bond issue

On 16 January 2025, Iren S.p.A. placed its first 'Hybrid Bond' issue, with a nominal value of 500 million euro, issued in a single tranche for the full amount: the settlement date is 23 January 2025. As set forth in the relevant terms and conditions, it is a non-convertible, subordinated, perpetual financial instrument payable only in the event of dissolution or liquidation of the Company.

The fixed annual coupon, payable annually in arrears in April starting in April 2025, is 4.5% and will be paid until the first reset date of 23 April 2030. From that date, unless fully redeemed, the security will accrue interest equal to the five-year Euro Mid Swap rate, increased by an initial margin of 221.2 basis points. The margin will increase by 25 basis points from 2035 and by a further 75 basis points from 2050, for a cumulative amount of 100 basis points.

The issue price was set at 99.448% and, therefore, the effective yield at the first reset date is 4.625% per annum.

The securities, which are intended for qualified investors, are listed on the regulated market of the Irish Stock Exchange (Euronext Dublin) and have been assigned a BB+ rating by the agencies Standard & Poor's Global Ratings and Fitch Ratings as well as an equity content of 50%.

The transaction, which received almost eight times more requests for subscription than the amount offered, totalling orders for 4 billion euro, is aimed at further strengthening the capital structure and sustaining the Group's financial flexibility, and is consistent with the Iren growth strategy aimed at the integration of EGEA, new potential development opportunities for external lines and the realisation of the investments envisaged in the Business Plan, confirming the commitment of Iren to maintaining its current investment grade rating.

Acquisition of the minority investment in Iren Acqua

On 20 February 2025 IRETI finalised the acquisition of the remaining 40% of the share capital of Iren Acqua (manager of the Integrated Water Service in 39 municipalities of the Genoa ATO) held by F2i SGR through its own funds.
The disbursement related to the transaction totalled 282.5 million euro, of which 100 million euro was paid at the closing. The remainder is deferred to 4 years and three months, and bears interest at a compound annual rate of 4.5%.
From a financial point of view, the transaction makes it possible to reduce the outlay for third-party dividends and to increase the group's profit for the tear, with positive economic/financial impacts related to the lower cost of the group's debt compared to the dividends paid to the non-controlling investor and, ultimately, to the increase in earnings per share to the benefit of Iren shareholders. By achieving full control, the transaction will also allow the merger of the company into IRETI itself.

Capacity Market Auction for 2027

At the beginning of March 2025, the result of the Capacity Market's parent auction for 2027 confirmed, as it did for 2022 to 2026, the allocation of 100% of the capacity offered by the Group: 2.055 MW in the Northern area at a price of 47,000 €/MW/year.

Outlook

In a complex and highly uncertain macroeconomic context caused by geopolitical tensions, the main risks with a potential impact on the Group's results are three: the trend in interest rates linked to macroeconomic dynamics, the volatility of commodity prices and climate effects.

The year 2025 will be characterised by the continuation of the investments planned in the Business Plan primarily aimed at improving the efficiency of energy and water distribution networks, developing waste collection, treatment plants and developing renewable generation capacity. It will also be characterised by the earlier consolidation of the EGEA Group than in 2026 envisaged in the Plan. To support the major investment plan, two Green Bond issues totalling 1 billion euro were issued in 2024 and a 500 million euro Hybrid Bond issue in early 2025. These instruments make it possible to further strengthen and diversify the Group's financial structure, while improving liquidity ratios.

The 2025 financial results are expected to increase compared to those of 2024 due to the organic growth of regulated businesses supported by the investments made in the past financial years, the improved profitability of waste treatment plants, the commissioning of the photovoltaic plant in Noto, the maintenance of the customer base in a more competitive scenario, as well as the anticipated consolidation of the EGEA Group.

The Group confirms its development trend in respect of financial sustainability as envisaged in the Business Plan.

Risks and uncertainties

The management of corporate risks is an essential component of the Internal Control System of the Corporate Governance of a listed company, and the Corporate Governance Code of Listed Companies assigns specific responsibilities on this aspect. The Enterprise Risk Management model applied by the Group includes the methodological approach to integrated identification, assessment and management of the Group risks.
For each of the following risk types:

- Financial Risks (liquidity, interest rate, currency);
- Credit Risk;
- Energy Risks, attributable to the procurement of gas for thermoelectric generation and to the sale of electricity, heat and gas, and to the hedging derivative markets;
- Cyber Risks, linked to potential events related to the loss of confidentiality, integrity or availability of data or information after which negative impacts on the organization, people, operations or other organisations could derive;
- Risks from Climate Change, which include risks due to the transition to a low carbon dioxide emission economy (transition risks) and risks of a physical nature (physical risks) that may result from catastrophic environmental events (acute risks) or from medium- to long-term changes in environmental patterns (chronic risks);
- Tax Risks, associated with potential transactions carried out in violation of tax regulations or in contrast with the principles or purposes of the tax system;
- Operational risks, associated with asset ownership, involvement in business activities, processes, procedures and information flows.

Specific "policies" have been defined with the primary goal of fulfilling strategic guidelines, organisational- managerial principles, macro processes and techniques necessary for the active management of the related risks.

The Group's Enterprise Risk Management model also regulates the roles of the various parties involved in the risk management process, which is governed by the Board of Directors, and calls for specific Commissions to manage the financial, tax, IT, credit, energy and climate risks.
The Cyber Risk Policy, the Climate Change Risk Policy and the Tax Control Model were adopted in 2020 following the approval of the Board of Directors of Iren S.p.A., while the other Policies have undergone some substantial revisions over time to adapt them to the current organisational models and to the evolution of risk factors.
The approach followed is also consistent with the commitments expressed in the Sustainability Policy: it takes into account the risks and opportunities associated with sustainability issues that are material to Iren Group, assessing, for each risk category envisaged in the Group's risk model, the environmental, social and governance (ESG) risk profiles, as also envisaged by EU Directive 2022/2464 - Corporate Sustainability Reporting Directive (CSRD).
As Iren Group pays particular attention also to maintaining trust and a positive image of the Group, the Enterprise Risk Management model manages also "reputational risks", which relate to the impacts on stakeholders of any malpractices.
Within the Group there is the Risk Management Department which reports to the Chief Executive Officer of the Company. Within the scope and within the limits of the powers granted by the Board of Directors of Iren S.p.A., the Chief Executive Officer, in liaison with the Chairperson and the Deputy Chairperson, is in charge of overseeing the functionality of the internal control system by (i) supporting the Control, Risk and Sustainability Committee in identifying the main corporate risks, taking into account the characteristics of the activities carried out by the Company and its subsidiaries, and in periodically submitting them to the Board of Directors for review; (ii) implementing the guidelines defined by the Board of Directors by ensuring that the competent corporate structures design, implement and manage the internal control and internal auditing system, constantly verifying its overall adequacy, effectiveness and efficiency, and adapting it to the dynamics of the operating conditions and the legislative and regulatory framework.
The Risk Management Department deals with:

- the integrated management of the Group's Enterprise Risk Management (ERM) System: methodological approach, definition of policies and monitoring of the System;
- management of insurance policies.

A periodic assessment process is in place with regard to adverse events in the various sectors and across all Group areas in order to describe in detail their causes and implement the most suitable methods for preventing and/or limiting the impacts of the events.
The Risk Management Department also oversees the Group's Business Continuity Management (BCM) model, the objective of which is to guarantee the resilience of the business in the face of unexpected events, ensuring the continuity of business processes deemed critical. The Group BCM includes the organisational and technological safeguards necessary to ensure continuity of processes, as well as a proactive and structured response to Emergency and/or Crisis events.

Below is a breakdown of the management methods active within the group for the different types of risk.

1. Financial Risks

Iren Group's business is exposed to various types of financial risks, including: liquidity risk, currency risk and interest rate risk. As part of its Risk Management activities, the Group uses non-speculative hedging contracts to limit currency risk and interest rate risk.

a) Liquidity risk
Liquidity risk is the risk that financial resources available to the company will be insufficient to cover financial and trade commitments in accordance with the agreed terms and deadlines.
The procurement of financial resources has been centralised in order to optimise their use. In particular, centralised management of cash flows at Iren makes it possible to allocate the funds available at the Group level according to the needs that from time to time arise among the individual companies. Cash movements are recognised in intra-group accounts along with intra-group interest income and expense.
A number of investees have an independent financial management structure in compliance with the guidelines provided by the parent.

b) Currency risk
Except as indicated in the section on energy risk, Iren Group is not significantly exposed to currency risk.

c) Interest rate risk
Iren Group is exposed to fluctuations in interest rates, especially with regard to financial expense related to debt. Iren Group's strategy is to limit exposure to the risk of interest rate volatility, maintaining at the same time a low cost of funding.

Compliance with the limits imposed by the Policy is verified during the Financial Risk Commission meetings with regard to the main metrics, together with analysis of the market situation, interest rate trends, the value of hedges and confirmation that the conditions established in covenants have been met.

2. Credit risk

The Group's credit risk is mainly related to trade receivables deriving from the sale of electricity, district heating, gas and the provision of energy, water and waste management services. The receivables are spread across a large number of counterparties, belonging to non-uniform customer categories (retail and business customers and public bodies); some exposures are of a high amount and are constantly monitored. Iren Group's Credit Management units devoted to credit recovery are responsible for this activity.
In carrying on its business, the Group is exposed to the risk that assets may not be honoured on maturity with a consequent increase in their age and in insolvency up to an increase in assets subject to arrangement procedures or unenforceable. This risk reflects, among other factors, also the current economic and financial situation.
To limit exposure to credit risk, various tools are adopted. These include analysing the solvency of customers at the acquisition stage through careful assessment of their creditworthiness, transferring the receivables of discontinued and/or active customers to external credit recovery companies and introducing new recovery methods for managing legal disputes. In addition, numerous payment methods are offered to customers through channels, including digital channels, and appropriately monitored payment plans are proposed.
Furthermore, starting from June 2023, a revolving without recourse project has been launched with reference to trade receivables relating to invoices of retail customers who do not use direct debit for their payments.

The credit management policy and creditworthiness assessment tools, as well as monitoring and recovery activities, are managed through automated processes and integrated with company applications and differ in relation to the various categories of customers and types of service provided.
Credit risk is hedged, for some types of business customers, with opportune forms of first-demand bank or insurance guarantees issued by subjects of leading credit standing.
An interest-bearing guarantee deposit is required for some types of services (water, natural gas, highly-protected electricity sectors) in compliance with regulations governing these activities. This deposit is reimbursed if the customer uses payment by direct debit from a current account.
The payment terms generally applied to customers are related to the legislation or regulations in force or in line with the standards of the free market; in the event of non-payment, default interest is charged for the amount indicated in the contracts or by the legislation.

The impairment losses on loans and receivables reflect, carefully and in accordance with the current legislation (applying the IFRS 9 method), the effective credit risks, and are determined on the basis of the extraction from databases of the amounts making up the receivable and, in general, assessing any changes in the said risk compared to the initial measurement and, estimating the related expected losses determined on a prospective basis, taking into due consideration the historical data.

The control of credit risks is also strengthened by the monitoring and reporting procedures, in order to identify promptly possible countermeasures. Furthermore, on a quarterly basis, a Group report is produced with the evolution of the trade receivables of the Group companies, in terms of customer type, contract status, business chain and ageing range. The assessment of credit risk is carried out both at the consolidated level and at the level of Business Units and companies. Some of the above assessments are carried out at intervals of less than three months or when there is a specific need.

3. Energy risk

Iren Group is exposed to price risk on the energy commodities traded, these being electricity, natural gas, environmental emission certificates, etc., since both purchases and sales are affected by fluctuations in the price of these commodities directly, or through indexing formulae. Currently no exposure to currency risk, typical of oil-based commodities, is present, thanks to the development of the European organised markets that trade the gas commodity in the euro currency and no longer indexed to oil products.
The Group's policy is oriented to a strategy of active management of the positions to stabilise the margin taking the opportunities offered by the markets; it is implemented by aligning the indexing of commodities purchased and sold, through vertical and horizontal use of the various business chains, and operating on the financial markets.
For this purpose, the Group plans the production of its plants and purchases and sales of energy and natural gas, in relation to both volumes and price formulae. The objective is to achieve sufficient margin stability through a policy of indexed purchases and sales that achieves a high degree of natural hedging, with adequate recourse to futures and spot markets.

For a more detailed analysis of the risks dealt with up to now, reference should be made to the chapter "Group Financial Risk Management" in the Notes to the Financial Statements.

4. Climate change risks

Iren Group has included in the Enterprise Risk Management system a Risk Policy dedicated to climate change risks, which are becoming increasingly important for organisations. Moreover, they affect the health of the planet, with estimates of significant effects already in the medium term. All companies, and in particular those operating in significantly exposed sectors such as Iren Group, must necessarily consider climate change risk analysis as an emerging and determining factor in the definition of their medium- and long-term strategies.
For a discussion of this, please refer to the section 'Climate Risk Resilience Analysis' in the chapter 'Facing the challenge of climate change' in the Sustainability Reporting section of this Report.

5. Tax risks

Iren Group has adopted a specific internal control and tax risk management system, understood as the risk of operating in violation of tax regulations or in contrast with the principles or aims of the legal system.
The tax risk control and management system, the "Tax Control Framework" (hereinafter "TCF"), enables the Group to pursue the objective of minimising its exposure to tax risk by identifying, updating, assessing and monitoring tax-related governance, processes, risks and controls.
The Group is committed to managing its tax affairs in accordance with all applicable laws and regulations.
For this reason, Iren has adopted the TCF as an internal control system that defines the governance for the management of taxation and related risk in line with the principles of the company strategy and, in particular, the Tax Strategy.
The Tax Control Framework adopted consists of a set of rules, guidelines, tools and models aimed at supporting the Group's employees in carrying out their daily activities, ensuring consistency on relevant tax matters.

Therefore, the TCF's structure provides for the presence of two pillars that outline its operating scheme: the Tax Strategy and the Tax Compliance Model.
The Tax Strategy defines the objectives and the approach adopted by the Group in managing the tax variable. The purpose of this document is to establish the Principles of conduct in tax matters in order to i) contain tax risk due to exogenous and endogenous factors, and ii) continue to guarantee over time the correct and timely determination and settlement of taxes due by law, and the performance of related obligations. The Tax Strategy has been approved and issued by the Board of Directors of Iren S.p.A..
The Tax Compliance Model is an element of the Internal Control and Risk Management System. This document contains the detailed description of the phases comprising the risk assessment, control and periodic monitoring processes carried out by Iren, and the subsequent reporting on tax issues to the Chief Executive Officer and the other relevant bodies and functions. It also aims to summarise the main responsibilities assigned to the various functions involved in tax-relevant processes. The Tax Compliance Model is prepared by the Tax and Compliance Function and is ultimately approved by the Board of Directors of Iren S.p.A..

The project for the creation of a TCF aligned with the best practices in the matter took shape with the presentation by Iren S.p.A. and Iren Energia of the application for access to the Collaborative Compliance institution, a regime between the Revenue Agency and the large companies introduced by Legislative Decree no. 128 of 5 August 2015 in order to promote the implementation of enhanced forms of communication and cooperation based on mutual trust between tax authorities and taxpayers, and to encourage, in the common interest, the prevention and resolution of tax disputes. The preliminary investigation for admission was successfully concluded in December 2021 with the admission of the two companies.

6. Operational risks

This category includes all the risks which, in addition to those already noted in the previous paragraphs, may influence achievement of the targets, i.e. relating to the effectiveness and efficiency of business transactions, levels of performance, profitability and protection of the resources against losses.
The objective of the Group's Enterprise Risk Management model is the integrated and synergistic management of risks.
For each business chain and operational area, the Group's risk management process provides for an analysis of the activities performed and the identification of the main risk factors related to the achievement of objectives. Following the identification activity, the risks are assessed qualitatively and quantitatively (in terms of magnitude and probability of occurrence), thus making it possible to identify the most significant risks. The analysis also involves an assessment of the current and prospective level of control of the risk, monitored by means of specific *key risk indicators*.
The phases mentioned above make it possible to structure specific plans to deal with each risk factor.
Along all the management phases, each risk is subjected on a continuous basis to a process of control and monitoring, which checks whether the treatment activities approved and planned have been correctly and effectively implemented, and whether any new operational risks have arisen. The process of managing operational risks is associated with a comprehensive and structured reporting system for presenting the results of the risk measurement and management activity. Each process stage is performed in accordance with standards and references defined at Group level. At least annually, the operational risk situation is updated, in which the dimension and level of control of the monitored risks are highlighted; financial, IT, credit and energy risk situations are updated quarterly.
Group risk reporting, updated every six months, is sent to top management and risk owners, who are involved in management activities. The risk analysis also supports the preparation of planning tools.
In this regard, Iren has equipped itself with a very detailed risk map that corresponds to the reality of the Group, with qualitative and quantitative assessments of each individual risk and with details of the controls and mitigation actions in place or planned. For each risk identified, the relevant ESG (Environmental, Social and Governance) impacts are associated.
Of particular note are:

a. Legal and regulatory risks
The legislative and regulatory framework is subject to possible future changes and, therefore, is a potential risk. In this regard Departments operate, dedicated to continual monitoring of the relevant legislation and regulations in order to assess their implications, guaranteeing their correct application in the Group.

b. Plant-related risks
In relation to the size of the Group's production assets, plant-related risks are managed with the methodological approach described above in order to correctly allocate resources in terms of control and preventive measures (preventive/predictive maintenance, control and supervisory systems, emergency and continuity plans, etc.). The Risk Management Department periodically performs surveys on the most important facilities, through which it can accurately detail the events to which these facilities could be exposed, and the consequent preventive actions. The risk is also hedged by insurance policies designed considering the situation of the single plants.

c. IT Risks
Cyber risks are defined as the set of internal and external threats which can compromise business continuity or cause civil liability damage to third parties in the event of loss or disclosure of sensitive data. From an internal point of view, the operational risks regarding information technology are closely related to the business of Iren Group, which operates network infrastructures and plants, including through remote control, accounting operational management and invoicing systems and energy commodity trading platforms. Iren Group is, in fact, one of the leading Italian operators on the Energy Exchange and any accidental unavailability of the system could have considerable economic consequences, connected with the non-submission of energy sale or purchase offers. At the same time, problems related to supervision and data acquisition on physical systems could cause plant shutdowns and collateral and even serious damage. A breakdown of invoicing systems could also determine delays in issuing bills and the related collections, as well as damage to reputation.
To mitigate such risks, specific measures have been adopted, such as redundancies, highly-reliable systems and appropriate emergency procedures, which are periodically subject to simulations, to ensure their effectiveness. Iren Group is also exposed to the risk of cyber attacks aimed both at acquiring sensitive data and at stopping operations, causing damage to plants and networks and compromising service continuity. Market benchmarks also show that attacks aimed at the acquisition of one's own and third parties' data, resulting in civil liability actions and even serious penalties, and the acquisition of trade secrets are becoming increasingly frequent.

In this regard, the Group Cyber Risk Policy is in force, approved by the Board of Directors of Iren S.p.A., which - like the other main risk policies - provides for the convening of specific Risk Commissions, the monitoring of performance indicators and dedicated reporting.
The operational risk management process also aims at optimising the Group’s insurance programmes.

7. Strategic risks

In the development of the 2030 Business Plan, the Group has structured three distinct areas of analysis: a qualitative-quantitative risk assessment, a specific focus on investments and a focus on climate change risks.
The qualitative risk assessment was based on an analysis of industry trends, the Group’s exposure to related strategic risks and the related ability of the Business Plan to mitigate these risks. Consequently, for the risk categories and related elementary risks mapped as part of the Group’s Risk Map, which also integrates the ESG impacts for each risk, a detailed analysis of the quantitative drivers relating to the risks with an impact in the years of the Plan was carried out. Once these risks have been identified, the relative impacts, probability of occurrence and mitigation actions have been quantified in order to quantify both the inherent and residual risk value. This assessment led to the enhancement of the Plan’s stress test and related rating indices.
With regard to the Plan investment analysis, the mitigating effect on risks and execution risks of the capital expenditure categories and major initiatives were identified.
Finally, an analysis of the risk factors from climate change impacting the Group was carried out, with modelling of the most significant assets and risk factors for different climate scenarios and time horizons. Model results were analysed and investments to mitigate Climate Change risks were evaluated.
M&A transactions and other initiatives of a strategic nature, which were assessed during the year, were also subject to detailed analysis, with a particular focus on the impact of these transactions on the Group’s sustainability objectives (environmental indicators, where significant, and social indicators relating, for example, to compliance with labour, health and safety regarding the target and governance policies) and consistency with the EU Taxonomy.

Transactions with related parties

The Procedure on Related Party Transactions ("RPT Procedure"), published on the Iren website (www.gruppoiren.it) was approved and adopted by the Board of Directors, then in office, on 28 June 2021, effective 1 July 2021, subject to the favourable opinion of the Related Party Transactions Committee ("RPTC", entirely composed of Independent Directors). Pursuant to Article 16 of the RPT Procedure, the current Board of Directors, having acquired the positive opinion expressed in this regard by the RPTC, approved the update of the same RPT Procedure with a resolution passed on 18 December 2024, setting the effective date of its effectiveness as of 1 January 2025. This update, it should be noted, is functional, on the one hand, to implementing the provision contained in the aforementioned Article 16 of the RPT Procedure (which, inter alia, provides for such a procedure to be carried out at least every three years, a term that expires in 2024) and, on the other hand, to constantly improve the efficiency of Iren management and supervision of related-party transactions. Lastly, it should be noted that the (updated) text of the RPT Procedure, dated 4 February 2025, was refined with certain clarifications of a non-substantial nature, applying the relevant Article 16.2.

The above document was prepared implementing:
- the provisions regarding transactions with related parties set out in section 2391-*bis* of the Italian Civil Code;
- the Regulation containing provisions on related party transactions, adopted by Consob by Resolution no. 17221 of 12 March 2010 and subsequent amendments and additions ("Consob Regulation"), in the version in force from time to time, taking into account the indications of Consob Communication No. DEM/10078683 of 24 September 2010;
- the provisions of art. 114 of Legislative Decree no. 58 of 24 February 1998 ("Testo Unico della Finanza"/ TUF - Consolidated Law on Finance) and the provisions of Regulation (EU) no. 596/2014 on market abuse.

The corporate documents adopted in accordance with the legislation on transactions with related parties, defined in coordination with the provisions of the administrative and accounting procedures pursuant to Article 154-*bis* TUF (Consolidated Law on Financial Intermediation), have the following purposes:
(i) regulate the performance of transactions with related parties by Iren, directly or through subsidiaries, identifying internal procedures and rules capable of ensuring the substantial and procedural transparency and correctness of such transactions, and
(ii) establish the methods for fulfilling the related disclosure obligations, including those provided for in legal and regulatory measures in force and applicable.

These, very briefly, provide for:
a) the identification of the scope of related parties as per the IFRS adopted in accordance with the procedure set out in section 6 of EC Regulation 1606/2002 in the version in force at the time;
b) the definition of a "related-party transaction";
c) the identification of cases of exclusion, among which transactions "for small amounts";
d) the procedures applicable to minor and major transactions, as the case may be;
e) the persons responsible for the paperwork on related-party transactions;
f) the transactions on which the Shareholders must resolve;
g) forms of publicity and information flows.

Iren and its subsidiaries carry out transactions with related parties in accordance with the principles of transparency and fairness. These transactions mainly concern services provided to customers in general (gas, water, electricity, heat, etc.) or following concessions and awards of services, in particular for the waste management sector, and are governed by the contracts applied in such situations.
Where the services provided are not the above, the transactions are governed by specific agreements whose terms are established, where possible, in accordance with normal market conditions. If these references are not available or significant, the contractual conditions are defined also in consultation with independent experts and/or professionals.

Information on transactions with related parties is included in the Notes to the Consolidated Financial Statements in sections "VII. Information on transactions with related parties" and "XIV. Annexes to the Consolidated Financial Statements", an integral part thereof.

Legislative and regulatory framework

This chapter reports the main legislative and regulatory changes (new rules or amendments to pre-existing rules) that occurred in 2024 in relation to the sectors of operation, as well as the scope of the concessions and franchises held by Iren Group.

European Framework

EPBD Directive
On 8 May 2024, the new Energy Performance of Buildings Directive (EPBD), also called the "Green Homes Directive", or "EPBD IV", was published.
The aim of the standard is to progressively reduce greenhouse gas emissions and energy consumption in buildings by regulating actions to be taken by the year 2030: the target to be reached is zero emissions in 2050.
The commitment required of Member States is to prepare a national plan for the complete renovation of the residential and non-residential, public and private housing stock.
A gradual decrease in average primary energy consumption will therefore have to be guaranteed for existing buildings until 2050, while new buildings will already have to be zero-emission by 2030 (the deadline is brought forward to 2028 for publicly owned buildings).
At least 55% of the reduction in average primary energy consumption will have to be achieved by renovating the worst-performing buildings. From 2025, heating systems that run only on natural gas ("stand-alone boilers") will no longer be eligible for incentives. From 2040, natural gas boilers will have to be totally eliminated.
There are also targets for the deployment of solar energy systems in buildings and for the creation of sustainable mobility infrastructure.

IED Directive
On 15 July 2024, the new Directive (EU) 2024/1785 was published, which makes additions and changes to Directive 2010/75/EU on industrial emissions (IED Directive) by setting standards to avoid or progressively reduce emissions to air, water and land, prevent waste generation, improve resource efficiency and promote the circular economy and decarbonisation, in order to achieve a high level of protection of human health and the environment as a whole.

Wastewater directive
On 27 November 2024, the new Urban Waste Water Treatment Directive (EU) 2024/3019 was published, which is part of the EU Zero-pollution Action Plan and repeals the previous Waste Water Directive. The regulation introduces important deadlines for connection to sewerage networks and waste water treatment, even for small agglomerations. The directive will enter into force on 1 January 2025 and Member States will have to transpose it by 31 July 2027.

Packaging Regulation
On 16 December 2024, the EU Council approved the Packaging and Packaging Waste Regulation, which now awaits publication in the Official Journal. The new regulation, which updates Directive 1994/62/EC, will enter into force 18 months after its official publication.
Among the main novelties are obligations for Member States to reduce packaging (by 5% by 2030, 10% by 2035 and 15% by 2040), with a special focus on plastic packaging waste. There will be a ban on certain single-use plastic packaging from 2030, including that for unprocessed fruit and vegetables and for food and drinks consumed in bars and restaurants. In addition, packaging must be recyclable by 2030, with specific reuse targets for beverages, excluding certain products.

SF6 Equipment Regulation
Regulation (EU) 2024/573 of 7 February 2024 on fluorinated greenhouse gases amends Directive (EU) 2019/1937 and repeals Regulation (EU) 517/2014.
The new regulation came into force on 11 March 2024 and pursues the goal of phasing out the use of climate-impacting fluorinated gases by incentivising the use of natural, climate-friendly refrigerant gases.
Fluorinated gases include SF6 (sulphur hexafluoride), an insulating gas contained in many high and medium voltage electrical equipment, among others.
The Regulation stipulates that the commissioning of equipment containing it will be progressively prohibited from 1 January 2026, depending on the voltage levels of the electrical equipment.

Methane Emissions - EU Regulation 2024/1787 of 13 June 2024 on the reduction of methane emissions in the energy sector
In July 2024, EU Regulation 2024/1787 was adopted, amending Regulation (EU) 2019/942, which sets out how the EU energy industry must properly measure, monitor, report and verify its methane emissions and take measures to reduce them. In particular, the regulation aims to reduce methane emissions along the entire energy chain, from production to consumption, and introduces monitoring and reporting requirements for methane emissions, providing very short deadlines for repairing methane leaks in energy infrastructure, including gas distribution networks. The first obligations came into force at the beginning of August 2024 and the competent authorities are expected to be designated by February 2025.

Gas Package - EU Directive 2024/1788 on common rules for the internal markets in renewable gas, natural gas and hydrogen and Regulation 2024/1789 on the internal markets in renewable gas, natural gas and hydrogen
In the EU Gazette of 15 July 2024, the 'Gas Package' was published as part of the 'Fit for 55', of which EU Directive 2024/1788 of the European Parliament and of the Council of 13 June 2024 on common rules for the internal markets in renewable gas, natural gas and hydrogen and Regulation 2024/1789 of the European Parliament and of the Council of 13 June 2024 on the internal markets in renewable gas, natural gas and hydrogen are part.
The two measures define the rules for the organisation and operation of the sector, market access, criteria and procedures for the granting of authorisations for the transport, distribution, supply and storage of natural gas and common rules for the transport, supply and storage of hydrogen.

National Framework

GAS

Gas Networks

Res. 556/2023/R/com - Update of the rate of return on invested capital for infrastructure services in the electricity and gas sectors for the year 2024 and Res. 513/2024/R/com - Update of the rate of return on invested capital for the sub-period 2025-2027 and of the beta asset parameter for infrastructure services in the electricity and gas sectors
The first measure in question provides for the updating of the rate of return on invested capital for infrastructure services in the electricity and gas sectors, valid for the reference tariffs for the year 2024, pursuant to Article 8 of the TIWACC, which provides for the activation of a trigger mechanism for updating the WACC for the sub-period 2022-2024 if as a result of the updating of some specific parameters (RFnominal, inflation embedded in the RF, SPREAD, iBoxxspot index, iBoxx10y index), there is a change in the WACC, for at least one of the services, equal to or greater than 50 basis points compared to the value in force. In this respect, a remuneration rate of 6.5% (+0.9% over 2023 values) was set for gas networks and gas metering.

For the 2025 reference tariffs, the rate of remuneration was updated to 5.9% by Resolution 513/2024/R/com. This resolution defines the update of the parameters, common to all infrastructure sectors, relevant for the determination of the rate of return on capital and subject to revision for the sub-period 2025-2027, also pursuant to the TIWACC. The measure also updates the beta asset parameter, with reference to the various infrastructure services of the electricity and gas sectors. In particular, the resolution adjusts the values in consideration of the most recent parameters and substantially confirms the reference methodology for the quantification of remuneration, including that for the calculation of the cost of debt.

Res. 131/2024/R/gas - Approval of the procedures transmitted by SNAM Rete Gas S.p.A., pursuant to Authority Resolution 220/2023/R/gas, concerning biomethane production plants
The measure approves the two procedures submitted by SNAM Rete Gas, pursuant to Resolution 220/2023/R/gas, concerning the mapping of transport capacity and the optimisation of connections of biomethane plants to natural gas transport and distribution networks.
With regard to connection optimisation, as of 1 June 2024, connection verification requests are sent by applicants to SNAM Rete Gas, which carries out a preliminary analysis on the basis of technical and safety criteria and, where necessary, an economic assessment, aimed at allocating the request to the competent distribution system operator (DSO) or transmission system operator (TSO). Subsequently, the applicant will proceed to send the connection request to the identified operator, who will proceed to prepare the quote for the connection.

Res. 134/2024/R/gas - Redetermination of reference tariffs for gas distribution and metering services for the years 2017 to 2022

With Resolution 134/2024/R/gas, ARERA redetermined the tariffs for gas distribution and metering services for the period from 2017 to 2022 in order to take into account the acceptance of tariff redetermination requests and rectification requests submitted by distribution companies. In the redetermination of the reference tariffs, the share relating to the coverage of the operating costs recognised for the distribution service was updated to take into account the correction of the calculation error detected by the Regional Administrative Court (TAR) as part of the appeals against Resolution 570/2019/R/GAS, which took place with Resolution 409/2023/R/GAS.

The resolution produced effects both for the recalculation of the recognised operating costs and for the granting of tariff recalculation/adjustment petitions (exit from the tariff regime ex officio of some served locations and adjustment of some physical measurement data).

Res. 173/2024/R/gas - Recognition, on an extraordinary basis, of the effects resulting from revisions of the ISTAT data used to determine the change in the GFCF deflator for gas distribution and metering services

With reference to the proceedings initiated with Resolution 66/2024/R/gas, Resolution 173/2024/R/gas was published, with which ARERA implements the recognition, on an extraordinary basis, of the effects deriving from the revisions of the ISTAT data used to determine the variation of the deflator of gross fixed investments valid for the determination of the tariffs for the distribution of natural gas and gas other than natural gas.

The measure, for natural gas distribution, has an effect on the updating of the deflator valid for the 2024 tariff year, which is set at +5.3% (replacing the value of +3.8%, which had been published at the time of the RAB GAS 2023 data collection and confirmed with Res. 631/2023/R/gas).

For further updates, please refer to the section on 'Other general matters' below.

Res. 186/2024/R/gas - Determination of provisional reference tariffs for gas distribution and metering services for the year 2024 and redetermination of definitive reference tariffs for the year 2023 Amendments to the RTDG

The measure approves the provisional reference tariffs for gas distribution and metering services for the year 2024. The reference tariffs incorporate the effects of the aforementioned Resolution 409/2023/R/gas (correction of the material error committed by ARERA in the calculation of the operating costs recognised for distribution as of 2020) but still do not fully incorporate the effects of the Council of State rulings annulling part of Resolution 570/2019/R/gas.

The same measure redetermines the values of some tariff components, as per Table 5 of the Gas Distribution and Metering Tariffs Regulation (RTDG), following the redetermination of the rate of change of the deflator for the year 2024, which took place with Resolution 173/2024/R/gas.

Res. 376/2024/R/gas - Redetermination of reference tariffs for gas distribution and metering services for the years 2015 to 2023

The measure approves the redetermination of the reference tariffs for natural gas distribution and metering services for the tariff years 2015 to 2023, updated with the recognition of the residual amortisation of early decommissioned smart meters produced up to 2016 and put into operation up to 2018 (application of the operating methods indicated in Determination 1/2023 DINE).

DCO 427/2024/R/gas - Compliance with the sentences of the Council of State, Sec. II, Nos. 10185/2023, 10293/2023, 10294/2023, 10295/2023 and 1450/2024 concerning tariffs for the natural gas distribution and metering service

As part of the proceedings initiated by Res. 231/2024/R/gas, with DCO 427/2024/R/gas the Authority presented its guidelines on the changes to the regulation of the tariffs for the gas distribution service for the regulatory period 2020-2025 in compliance with the rulings of the Council of State in question, taking into account what was also clarified in the rulings of the Lombardy Regional Administrative Court, Sect. I, Nos. 507/2024, 877/2024, 883/2024, 884/2024 and 1029/2024.

Among the guidelines described, it is of importance, for large companies (with more than 300,000 Redelivery Points), to introduce the possibility of applying for an individual X-factor (annual rate of reduction of recognised operating costs for distribution), which is lower than the standard parameter, with positive effects for the tariff recognitions of operating costs.

Res. 147/2024/R/gas - Pilot projects for the optimisation of the management and innovative use of infrastructure in the natural gas sector: payment of the advance payment referred to in paragraph 4.9 of Annex A to Authority Resolution 404/2022/R/gas and Determination 6/2024 – DINE – Extension of the deadlines for the transmission of technical and economic reports

With this resolution, the Authority approved the payment on account of 30% of the contribution requested for pilot projects to optimise the management and use of infrastructure in the natural gas sector. In addition, the measure postponed the submission of the first interim report under Determination 9/2022 - Infrastructure, Energy and Unbundling Directorate (DIEU) to 31 July. By a subsequent determination, the deadlines for submitting the second interim (technical) report - by 30 April 2025 - and the interim (economic) report - by 30 June 2025 - were extended.

Determinations DSME/4/2023 and DSME/3/2024 - Standardisation of regulatory accounting documents for natural gas distribution service and Res. 94/2024/R/gas - First provisions on the discipline of guarantees for access to the natural gas distribution service and DCO 356/2024/R/gas - Update and modification of the discipline of guarantees of the Standard Network Code for natural gas distribution

With these measures, the Authority (Directorate for System Services and Energy Monitoring) initiated the updating of the Standard Network Code to ensure greater standardisation of processes. In particular, with the two Determinations, ARERA published the Operating Instructions on the subject of accounting data standards for the natural gas distribution service, which became fully operational as of 1 October 2024. Resolution 94/2024/R/gas defined the first provisions concerning the introduction of the security deposit in the list of admissible guarantees for gas distribution contracts. Furthermore, with consultation document 356/2024/R/gas, it put forward proposals for updating and amending the regulation of guarantees in the Standard Network Code for Natural Gas Distribution.

Res. 303/2024/R/gas – Entry into force of the Mechanism for the accountability of distribution companies on the IN-OUT delta

In relation to the simplified mechanism for making distribution companies responsible for the IN-OUT delta, i.e. the difference between the volumes injected at the city gates and those withdrawn by end customers at the redelivery points of the distribution network, introduced by Res. 386/2022/R/gas, the Authority postponed the calculation of the penalties, in order to allow the Single Buyer to implement the corrective measures in relation to certain calculation criticalities encountered by the operators concerning the adjustment data, necessary for the determination of the penalty by the Balancing Manager. The calculation of the penalty for the first two three-year periods will take place in the second half of 2025.

Res. 377/2024/R/gas - Amendments to the RMTG and the Snam Rete Gas Network Code

The Regulation of the Metering Service on the Natural Gas Transmission Network (RMTG), introduced by Res. 512/2021/R/gas, provides for a system of fees to be paid by distribution companies in the event of non-compliance with the standards defined in connection with metering activities at ReMi substations as of 2024. The provision was incorporated into the update of the Snam Rete Gas Network Code and refined with subsequent provisions. In particular, with Resolution No. 377/2024/R/gas, for the purposes of calculating the fees for distribution companies, the Pgas (equal to the minimum between the price of gas and 30 €/MWh) was replaced by the unit fee provided for at the charge of transportation companies to cover the deviations of Unaccounted for Gas referred to in Article 33.6 of the RTTG which, for the period 2024-2027, is set at 6.86 €/MWh, significantly reducing the impact of the fees charged to distribution companies. In addition, the aforementioned resolution provided for an exemption from fees for smaller plants.

Res. 255/2024/R/com and Res. 379/2024/R/gas - Simplification of the rules for submitting requests for partial payment/exemption from penalties in cases of failure to physically disconnect the PdR (redelivery point) and revision of the annual withdrawal level of the PdR served within the default distribution service beyond which the distribution company is required to take legal steps to obtain the physical disconnection of the PdR

As part of the distribution default service, with Resolution No. 255/2024/R/com the Authority introduced a number of simplifications in the assessment of requests aimed at reducing or exempting distribution companies from payment of penalties in the event of failure to physically disconnect the redelivery points supplied as part of the distribution default service, at the same time initiating the procedure for the revision of the level of annual consumption of the Redelivery Point served within the framework of the default distribution service beyond which the distribution company is obliged to take legal steps aimed at obtaining the physical disconnection of the point referred to in Article 13-bis of the TIMG. Therefore, with Resolution 379/2024/R/gas the Authority raised from 500 to 5,000 sm3/year the consumption threshold of the redelivery point beyond which the distribution company is obliged to take legal action if it is unable to disconnect the point and is subject to the application of penalties. The measure also defined how pending cases should be handled at the time of entry into force.

Gas market

Storage Filling Thermal Year 2024-2025

Res. 129/24, in implementation of Ministerial Decree of 28 March 2024 - the Authority also confirms for the thermal year of storage 2024/2025, in continuity with as was regulated for the previous Thermal Year 2023/2024:

- that storage companies' technical consumption costs are not charged to storage users but are covered through the storage companies' financial balance mechanism (Art. 28 RAST - Regulation for Access to Storage Services);
- that, for the purpose of covering the gas quantities for the management of the technical consumption of the storage companies, the quantities still available in the storage stocks supplied by the balancing manager may be used;
- if, at the end of the month of October 2024, the storage user's storage capacity is lower than the minimum (paragraph 17.1 RAST), the storage company shall charge the higher of the fee pursuant to subsection 26.1 RAST or 1.5 €/MWh;
- the allocation to the GSE and to the largest transport company of space capacity (for the thermal year 2024/2025) and corresponding injection and withdrawal capacity, equal to the stocks in the storage facilities as at 31 March 2024.

DCO 103/24 - Compliance with the rulings of the Council of State no. 8523 of 5 October 2022, and no. 7386 of 27 July 2023, concerning the criteria for regulating natural gas transport service tariffs for the regulatory periods 2014-2017 and 2018-2019.

In March, the Authority published its final guidelines regarding the Council of State rulings on the tariff regulation of the gas transport service for the periods 2014-2017 and 2018-2019. In this regard, it is recalled that the Council of State annulled the 4PRT transport tariff regulation (2014-2017) and the transitional regulation (2018-2019) for violation of Article 23(3) of Legislative Decree 164/2000 on the principle of non-penalisation of areas with a low level of infrastructure/south.

The background to the ruling and the Authority's initial guidelines presented with DCO 424/23 in October are summarised below: the plaintiff company (ENEL) contested the high levels of entry fees at entry points in southern Italy and in this regard, the Authority's corrective proposals were (i) the elimination of discounts on counter-flow sections and (ii) the use of standard diameters for the pricing of sections. The effect of the corrections thus proposed is a reduction in the cost of entry points in

the south and a consequent increase in the cost of entry points located in the north; there would also be an impact on exit points, with exit costs increasing in the north and decreasing in the south.
In DCO 424/23, the Authority is oriented to apply such corrected tariff method to entries only; finally, with the last DCO 103/24, it provides that each transport user recalculates its net position, both for entry and exit, for the period 2014-2019, in terms of higher or lower costs of the transport service using the recalculated values of the fees according to the alternative methodology proposed by ARERA itself. The consequence would be that only transport users in credit with the system would be compensated in the recalculation of fees, with no adjustment for debit positions.
Resolution 314/24 of July closes the proceedings for compliance with the CoS rulings. In particular, it confirms the guidelines of Consultation No. 103/24: it limits the application of the redetermined fees to the entry fees only, thus excluding the exit points and storage hubs; it uses the redetermined values of the entry fees only for the purpose of allowing each Shipper to verify the possible positive variance between the transportation costs incurred and those it would incur in application of such fees (so-called net position) and provides that the Shippers may receive compensation for the higher costs incurred.

Gas Sellers List - Res. 157/2024/R/gas
The resolution defines the proposal addressed to the Minister of the Environment and Energy Security (MASE) for the establishment of an official list of gas sellers to end customers. Among the criteria for registration, the requirements already introduced for the list of electricity sellers have been confirmed, including good repute, financial soundness and technical competence. Companies already operating in the sector will be obliged to register within 90 days of the publication of the ministerial decree, thus ensuring the regularity of their activities. The resolution also provides for specific mechanisms of exclusion from the list in the event of non-compliance. Particular attention is paid to holding companies liable for non-payment by Dispatching Users (DSO) of Default Service bills.

Extension of the Scope of the ETS - ETS Committee Resolution No. 127/2024
The resolution extended the perimeter of the Emission Trading System (ETS) to include entities that release fuels for combustion in the building sector, such as suppliers of natural gas and LPG. These entities are required to have the authorisation to release fuel for consumption by 1 January 2025. Starting in 2025, these entities will have to monitor the emissions of fuels released for consumption and report them to the National Competent Authority by 30 April each year, on the basis of a Monitoring Plan. During the first implementation phase, all companies were required to submit their permit application and monitoring plan to the ETS Committee by 30 September 2024, with the deadline postponed to 21 October.
In December 2024, the applications submitted by the Group companies were preliminarily accepted. The obligation to cover climate-changing gases will start in the year 2027 (Purchase of ETS2 allowances)

ELECTRICITY

Electricity market

Ministerial Decree CACER - Self-Consumption Configurations for the Sharing of Renewable Energy (in implementation of Legislative Decree 199/21 and 210/21 and as already regulated by ARERA pursuant to Resolution 727/22-TIAD)
On 23 January 2024, the Decree of the MASE (Ministry of the Environment and Energy Security) was published, which incentivises the spread of Renewable Energy Communities and diffuse self-consumption (so-called "Decree CACER"). The Ministerial Decree came into force the day after its publication (i.e. 24 January 2024).
Relevant topics include:

- the way in which the capital contribution is to be accounted for/paid, in advance up to 10% (with methods identified in the Rules of Operation); alternatively, the contribution is paid in a single payment or in several installments, in consideration of the amounts to be paid and the power of the plants to be incentivised and in relation to the progress of the works;
- eligible expenses: it is specified that VAT is not eligible for subsidies, unless it is not recoverable;
- the application of reductions in the case of capital contributions;
- the distribution threshold of the shared energy incentive: the excess beyond this threshold is intended only for consumers other than companies and/or used for social purposes.

In addition, on 23 February, the MASE approved the Rules of Operation (RO) through which the GSE regulates the procedures for accessing the incentive tariffs and capital grants under the PNRR (National Recovery and Resilience Plan). Subsequently (18 March), the MASE published the Decree on the definition of the fees that the GSE will charge to the beneficiaries of the incentives and PNRR contributions set out in the CACER Decree according to the procedures defined in the Rules of Operation, the latest version of which was updated by the GSE in April.

Terna - DCO on MACSE - Mechanism for the Procurement of Electricity Storage Capacity

On 12 April, Terna published for consultation further documents relating to the MACSE Guidelines, which were previously consulted in October 2023. In particular, it released the Technical Report on the parameters of the technologies identified by Terna in the Reference Study: lithium-ion batteries and hydroelectric pumping for new authorised capacity were identified as mature technologies capable of meeting its needs.
As regards the obligations (already defined above) to be fulfilled by the successful bidders, these concern, in addition to the contracted capacity that will be the subject of time-shifting contracts for third-party operators on the GME platform, the making available of the contracted capacity on the Market Service Dispatching (MSD) within the bidding limits. In this respect, with respect to the previous version of the Guidelines, Terna makes some changes:

- the elimination of the bidding limits that had been set for the formulation of bids on the MSD: if the bid cap (+/- 20% for bids upward and downward on the DAM - Day Ahead Market zonal price) on the capacity committed to the MACSE had been confirmed, this could have generated distorting effects for the services market;
- the reduction of the percentage of the contribution margin return realised as a result of the MSD and MB (Balancing Market) markets: instead, limits are applied that are consistent with the Capacity Market strike price for upward bids (also to ensure linearity with existing market mechanisms) and with a minimum limit of 0 €/MWh for downward bids.

Publication Ministerial Decree MACSE of 10 October 2024

The Decree in question:

- approves the MACSE Guidelines limited to the forward procurement of new storage capacity related to lithium-ion batteries for which the auction (so-called short auction) is scheduled to take place by June 2025 (delivery period 2028);
- envisages that Terna shall submit to the MASE by 31 March 2025 the proposal to amend the MACSE Guidelines concerning the terms and conditions for the participation of pumping plants in the mechanism, whose auction (so-called long auction) yet to be defined would have a delivery period of 2028. In both auctions, the auction base is in €/KWh, remunerating operating and investment costs.

Terna - DCO December 2024: Reconnaissance on how pumping plants participate

The consultation document published by Terna contains, in particular, initial proposals regarding possible additions to be made to the Guidelines with respect to the participation of hydroelectric plants, as well as the rules for the participation of upgrades of the same plants.
Terna specifies that once the reconnaissance phase has been completed (consultation deadline: 20 January 2025), a consultation process of the new version of the Guidelines will be launched, which will take into account the findings of the reconnaissance process.

DCO GME 2/2024 - Time Shifting Contract Market Regulation

The Energy Market Operator in November published, for consultation until 11 December 2024, the draft regulation of the Time Shifting Contracts Market (MTS). The proposal takes into account the technical requirements and constraints defined by Terna pursuant to Legislative Decree 210/2021 within the MACSE Guidelines (approved by Ministerial Decree of 10 October 2024). Specifically, the regulation will allow for the negotiation on the Electricity Market and the Energy Accounts Platform (PCE) of standard time-shifting contracts (GME counterparty) for the allocation to third-party operators of storage capacity procured by Terna as a result of MACSE procedures. The MTS articulation thus consists of a Primary Market (MP) and a Secondary Market (MS), to further trade contracts for the release of capacity (total or partial) purchased in the Primary Market itself.

Anomalies and critical issues on imbalance prices

Res. 60/2024/R/eel - in March, the Authority closed its fact-finding investigation (initiated with Resolution 475/2023) concerning the formation of anomalous imbalance prices, following the start of Terna operations on the European "PICASSO" platform (European balancing platform for secondary reserve exchange).
With the start of Terna participation in the Platform on 19 July 2023, the Italian system became part of the integrated cross-border Automatic Frequency Restoration Reserve (aFRR, secondary reserve) market, the outcomes of which depend on overall market conditions in terms of operators' offers, TSO requirements and trading capacity, also exposing itself to the risk of propagation of price spikes identified on the Platform.
In this context of an integrated market, which was solved by means of a marginal price auction, was the acceptance of offers outside the national perimeter, resulting in negative marginal prices and/or significantly higher, in absolute value, than the national historical average values, which were then reflected in the national imbalance prices. Therefore, the Authority requested Terna to further investigate the resolution and pricing rules of the platform algorithm and ordered the suspension of Terna operational participation therein, pending the approval and implementation of mitigation measures. This suspension took place on 15 March.

Res. ARERA 401/2024/R/eel: Launch of a fact-finding investigation to assess the outcomes of the electricity auction markets with short-term delivery in the period 2023-2024.

In particular, the resolution in question envisages closing the investigation of the above by 30 June 2025 and publishing an investigation report:

- by 31 March 2025 for the evaluation of the results of the DAM and the auction sessions of the Intra-day Market (MI);
- by 30 June 2025 for the assessment of the outcomes of the balancing energy market (from RR, mFRR and aFRR), also taking into account the results of the ongoing investigations pursuant to Resolution 60/2024/R/eel.

Adequacy and Capacity Market Regulation
With the approval of MASE Decree of 9 May 2024 and ARERA Resolution 145/24, Terna published the First Implementation Regulation for the post-2024 delivery years: from 2025 to 2028.
The Capacity Market instrument, as noted by the Terna Adequacy Report 2023, proves to be essential to accompany the energy transition, the objective of which is to guarantee the adequacy of the electricity system according to the standards defined by the Italian Authorities in the face of an increasing penetration of non-programmable renewable sources necessary to achieve national and European climate objectives.
The Capacity Market will have to become structural in order to maintain the adequate function of combined cycle plants (CCGT), maintaining the efficiency of the existing thermoelectric park and avoiding an excessive exit of these plants from the market. To this end, the mechanism is designed to stimulate interventions to convert the cooling systems of thermoelectric cycles from water to air, so as to support the system in the extreme climatic situations that often occur in the summer months.
Resolution 199/24 defined the economic parameters of the competitive procedures for the delivery years from 2025 to 2028, the auctions of which were held in July and December 2024 respectively for the delivery years 2025 and 2026 and are expected in February 2025 for the delivery year 2027. Auctions for delivery 2028 are considered likely after the MACSE procedures.
In this regard, the Authority has identified the premium for existing capacity at 45,000 €/year/MW for the 2025 delivery period, incremental in the delivery years up to 48,000 €/year/MW for the 2028 period.

Exceeding the PUN as of 1 January 2025 (in implementation of MASE decree of 18 April 2024 and pursuant to Legislative Decree 210/21)
DCO GME 01/24 - On 19 April, the Energy Market Operator (GME) launched the consultation on the subject of the passing of the PUN as of 1 January 2025, from which point in time energy purchase offers on the DAM will no longer be valued at the PUN but at a zonal price. Among the contents of the consultation, the main topics are:

- The GME calculation of the reference price of energy traded on the DAM (so-called PUN Index):
  (i) calculated as the average of the weighted zonal prices on purchases for withdrawal portfolios belonging to the geographical zones;
  (ii) carried out on the basis of the zonal outcomes of the DAM;
  (iii) defined for each minimum time interval (Market Time Unit-MTU 15 minutes) and then calculated every quarter of an hour;
- from the point of view of operations on the Electricity Market, the GME introduces:
  (i) timing for the implementation of multiple Market Time Units (MTU) against which products offered on the markets can be referenced;
  (ii) the possibility of formulating block products to optimise operators' trading possibilities, in order to align the MTU of the day-ahead and auction markets with the 15-minute Imbalance Settlement Period (ISP), which will be mandatory from 2025 (in accordance with European regulation).

DCO 194/24 - on 21 May, the Authority launched the consultation regarding the application of an equalisation mechanism (at least until 31 December 2025) to compensate, through a special component, the difference between the PUN Index and the market zonal prices. It identifies, in particular, two alternatives for the application of this component:

a) applied to purchases on the DAM: this would imply that in the wholesale market all offers would be brought into line with the PUN Index, while the retail market would see the adjustment of the fees of the greater protection, gradual protection and PLACET offers brought into line with the PUN Index, which would also qualify as a price index in free market contracts. This first alternative, which would in fact leave the regulatory framework unchanged, would be the option preferred by ARERA;
b) applied to all energy withdrawn and managed by Terna: as regards the wholesale market, Terna would manage the component as part of dispatching, and this would entail: the elimination of the non-arbitrage fee; the application of the CCT (Transport Capacity Fee) also to purchase offers; and the redetermination of guarantees. In the retail market, on the other hand, there would be a possible change for services of last resort and PLACET offers, with the possible alignment to the zonal price in the free market.

Res. 304/24 (following DCO 194/24)
As far as the wholesale market is concerned, the application of the equalisation component on purchases on the DAM relating to zonal withdrawal portfolios is confirmed; it is also expected that the GME PUN Index will be published by GME at the same time as the results of the DAM. With regard to the retail market, the indexing to the GME PUN Index of the price components covering energy purchase costs for services of last resort and the PLACET Offer is confirmed; on the free market, finally, sellers are expected to inform in their bills about the new index.

Communication *NEMO Committee - ENTSO-E:* this communication indicated 12 June 2025 as the first flow date for the introduction of the 15-minute product within the Single Day Ahead Coupling (SDAC), i.e. the DAM.

TIDE Implementation - Integrated Electricity Dispatch Text
DCO 204/24, changes for the entry into force of the TIDE - in May, the Authority launched the consultation in which it outlined the guidelines for the entry into force of the TIDE, in conjunction with the consultation on the chapters of the Terna Network Code. In particular, the Authority provides:

- transitional phase - from 1 January to 30 September 2025 - in which the TIDE will enter into force with the current version of the Network Code;

- publication by Terna of the relevant grid model by 1 April 2025;
- definitive phase, in which the TIDE will be in force from 1 October 2025 (with the application of the new Network Code- currently under consultation). The Authority specifies that transitional provisions will also be defined after that date concerning the:
  (i) Frequency Containment Reserve (FCR);
  (ii) frequency ultra-rapid reserve procurement;
  (iii) definition of the Integrated Scheduling Process optimisation model and algorithm for the MSD.

Res. 304/24: follows DCO 204-24 and outlines the timeline for TIDE implementation.
- 1 January 2025: start of implementation of transitional mode, with application of the 15-minute imbalance settlement period; generating units currently enabled under Res. 111/06 and the UPR project (pilot project for the voluntary enabling on MSD of the relevant PUs) remain enabled as UAS (individually enabled units), UVAMs (mixed virtual enabled units) are transformed into UVAZs (zonal enabled units) with the rules provided for in the UVAM pilot project being maintained;
- 1 February 2026: start of the consolidation phase of the TIDE with implementation of all provisions except market procurement of the FCR (started only experimentally for additional needs compared to supply obligations);
- 1 August 2026: start of the second phase of the FCR transitional period, with reduction of the band with supply obligations and increase of the share supplied to the market;
- 1 January 2027: potential separation between BSP and BRP for essential facilities is implemented. For plants in the ordinary or cost reintegration regime, the functions of BRP and those of BSP are carried out by the same entity in order to facilitate management by Terna;
  - 1 August 2028: FCR procurement entirely on the market without supply obligations.

White Certificates - November MASE consultation on updating the Energy Efficiency Certificates mechanism
In the consultation, there are proposals to revise national legislation and implementing administrative-technical acts, which are intended to be introduced in order to simplify and enhance the mechanism in the context of updating the national quantitative energy savings targets to be achieved in the years 2025 to 2028.
The main proposals are:
- elimination of the cap (unit tariff contribution paid to the obligated distributor);
- elimination of virtual EECs issued by the GSE;
- measures to facilitate the entry of more projects into the mechanism (e.g. adjustment of the life of "replacement" projects with "new construction" projects; merging interventions with different Entities into a single project proposed by a Delegated Entity; updating the list of eligible interventions)

We are awaiting the release of the Ministerial Decree that will define the objectives to be set by the obliged parties (DSOs).

Gradual Protection Service for non-vulnerable domestic customers - Res. 362/2023/R/eel
Resolution 362/2023/R/eel governed the allocation of the Gradual Protection Service (STG) for non-vulnerable domestic customers, starting on 1 July 2024. The auctions for the allocation of the service took place on the basis of bids based on the valuation of the marketing component. A spatial configuration was adopted that divided the country into 26 territorial areas, each comprising between 250,000 and 300,000 PODs. An antitrust threshold was also introduced at 30% of the total points tendered. The Service, which lasts three years, provides for the supply of electricity of last resort at economic and contractual conditions regulated (respectively by the Integrated Sales Text - TIV - and by the PLACET offer regulations) and is aimed at customers still served in greater protection on 1 July 2024, as well as at all end customers who, during the period of operation, should find themselves without a supplier on the free market.
Following the competitive procedures, the temporary grouping of companies formed by Salerno Energia Vendite and Iren Mercato was awarded lots Sud 6 (provinces of Brindisi, Matera, Potenza, Salerno and Taranto) and Sud 7 (provinces of Barletta-Andria-Trani, Campobasso, Cosenza, Foggia and Isernia).
ARERA, in transposing the provisions of Law 193/2024, has again intervened on the discipline by allowing, until 30 June 2025, all vulnerable domestic customers to request access to the graduated protection service for non-vulnerable domestic customers.

Gradual Protection Service for SMEs - Res. 119/2024/R/eel
The resolution regulated the assignment of the Gradual Protection Service (STG) for the Small and Medium-Sized Enterprises segment, effective 1 July 2024. The auctions for the allocation of the service took place on the basis of bids based on the spread (c€/MWh). Iren Mercato was awarded three lots (in the regions of Tuscany, Calabria, Emilia-Romagna, Piedmont, Apulia, Abruzzo, Basilicata, Molise, Umbria, and Sicily) for a total of about 38,000 PODs, which it will manage until 31 March 2027.

Electricity Production facilities

Decree Law Agricoltura (DL 63/2024)
Article 5 of the regulation, which came into force on 16 May 2024, introduced a nationwide ban on the installation of new ground-mounted photovoltaic systems, and the territorial extension of existing ones, in agricultural areas.
The prohibition does not apply to projects that started before the entry into force of the rule and to certain categories of areas, including ceased quarries and mines and areas adjacent to the motorway network within a distance of no more than 300 metres.

In addition, installations for the purpose of establishing Renewable Energy Communities are not affected.

Ministerial Decree Eligible Areas
On 3 July 2024, Decree No. 236 of 21 June 2024 of the Minister of the Environment and Energy Security, in agreement with the Ministers of Culture and Agriculture on Eligible Areas came into force, concerning the identification by the Regions of suitable and unsuitable surfaces and areas for the installation of renewable energy plants, functional to the achievement of the national 2030 objectives. The main points of the Ministerial Decree are as follows:
- target of 80 GW of additional power by 2030;
- the Regions identify by their own law within 180 days the areas suitable and unsuitable for the installation of renewable energy plants;
- compliance monitoring, by the MASE and the GSE, is verified by 31 July each year on the power from renewable sources not only installed, but also authorised or licensed;
- in the process of defining suitable areas, the Regions must balance the need to protect cultural heritage and the landscape, agricultural areas, air quality and water bodies has been added, giving preference to the installation on areas of built structures, as well as areas for industrial, artisan, service and logistic use, and verifying the suitability of areas that cannot be used for other purposes (among which the Regions may also include areas classified as agricultural);
- the regions are not obliged to include among the eligible areas those provided for by the reference standard at national level (Art. 20 par. 8 of Legislative Decree 199/2021) and may identify a buffer zone (qualifying as Unsuitable Areas) up to 7 km from the perimeter of the protected property;
- identifies as areas in which the installation of ground-mounted photovoltaic systems is prohibited the agricultural areas subject to the provisions of paragraph 1-bis, art. 20, Legislative Decree 199/2021 recently introduced by Decree Law Agricoltura (DL 63/2024).

It is precisely on the choice of leaving discretion to the Regions on the implementation of the suitable areas provided for in Article 20, paragraph 8 of Legislative Decree 199/2021 on which is based on the appeal brought by an operator in the sector before the Lazio Regional Administrative Court for the annulment of the Ministerial Decree of 21 June 2024, on which the Council of State also intervened, ordering the suspension of the Ministerial Decree limited only to Article 7, paragraph 2, letter c), which, as already pointed out, gives the Regions the "possibility to save the eligible areas referred to in Article 20, paragraph 8", of Legislative Decree 199/2021. The hearing on the merits of the Lazio Regional Administrative Court is set for 5 February 2025. As a result, the path to transposition of the Regional Laws for the identification of the Eligible Areas has come to a halt (with the exception of the Region of Sardinia, which has adopted its own Regional Law) pending the ruling of the Lazio Regional Administrative Court.

Legislative Decree RES Reorganisation No. 190/2024
On 30 December 2024, the Legislative Decree on the overall reorganisation of the regulations on the permitting of Renewable Energy Sources (RES) plants came into force, in order to bring them into line with EU law and reduce regulatory burdens, promote competitiveness and facilitate the start-up of economic activities and the installation and upgrading of plants. The decree provides for three administrative regimes for the construction and operation of RES plants: free activity, simplified authorisation procedure (PAS) and single authorisation (or single authorisation procedure in the case of projects subject to environmental assessments). There is a transitional regime for ongoing procedures and a special discipline for 'acceleration zones'.

Electricity Networks

Electricity distribution concessions
Law No. 207 of 30 December 2024 (Budget Law 2025) introduces important novelties in the field of electricity distribution concessions. The main objective of this regulatory intervention is to improve the security, reliability and efficiency of the grid, contributing to the energy transition and decarbonisation, in line with the European Union's 2050 targets.
In particular, it states that distributors may submit Extraordinary Investment Plans aimed at improving the resilience and reliability of networks, increasing the integration capacity of distributed generation, enhancing network infrastructure (to support electrification of consumption), flexibility (to favour the procurement of ancillary services from third parties) and infrastructure defence.
The law introduces a procedure for the evaluation and approval of extraordinary plans, which involves collaboration between the Ministry of the Environment and Energy Security, the Ministry of Economy and Finance, ARERA, the Unified Conference and the Parliamentary Committees.
The approval of these plans may entail a reshaping of the existing concessions in terms of duration with a maximum limit of 20 years, against payment of concessionary charges by the distributors that will be included in the invested capital subject to depreciation and remuneration.
An inter-ministerial decree is scheduled to be issued by June 2025, defining the deadlines and procedures for the submission of the Plans and their subsequent evaluation and approval, as well as the criteria for determining the concession charges.

Res. 556/2023/R/com - Update of the rate of return on invested capital for infrastructure services in the electricity and gas sectors for the year 2024
As anticipated for the gas networks, with Resolution 556/2023/R/com, ARERA defined the update of the rate of remuneration of invested capital for infrastructure services in the electricity and gas sectors valid for the reference tariffs of the year 2024, due to the activation of the trigger mechanism, establishing for the electricity networks a rate of remuneration equal to 6.0%

for both distribution and metering (+0.8% compared to the 2023 amounts). Similarly to the gas grids, the remuneration rate for the 2025 reference tariffs for electricity grids was updated to 5.6% by Resolution 513/2024/R/com.

Launch of new Regulation by Objectives of Spending and Service (ROSS Regulation)
The year 2024 is the start of the new tariff regulation for electricity distribution and metering. In particular, with Resolution 163/2023/R/COM the Authority approved the Integrated Text of the general criteria and principles of Regulation by Objectives of Spending and Service for the period 2024-2031 (TIROSS).
With Resolution 497/2023/R/COM, the ROSS application criteria were defined and with Resolution 616/2023/R/EEL (TIT), the Authority defined the criteria for the determination of some characteristic parameters of the ROSS criteria, such as the operating cost baseline for the year 2024 and the capitalisation rate for the electricity distribution and metering service. Therefore, a specific collection of information and data necessary for the determination of these parameters was initiated.
On the basis of the data received, the Authority, in order to define the 2024 provisional reference tariffs, proceeded to calculate the operating cost baseline for the year 2024, the capitalisation rate and the efficiency recoveries achieved as at the cut-off date (31 December 2023) due to each DSO.
With Determination 4/2024-DINE, containing general equalisation provisions for the regulatory period 2024-2027 for companies serving at least 25,000 withdrawal points, the Authority completed the regulatory framework for companies subject to the ROSS criteria.

Energy Network Development Plans
Following Consultation 239/2024/R/com, with Resolution 392/2024/R/com the Authority defines its guidelines in relation to:

- joint transmission and transport scenarios, resulting in the Scenarios Document;
- scenarios of electricity distribution networks, instrumental in the drafting of distributor development plans.

In addition, Resolutions 472/2024/R/con and 521/2024/R/com updated the rules for accessing the incentives provided for the development interventions contained in the 2025 Plans, establishing that:

- the ceiling for incentivised expenditure is functional to the number of users served and equal to 85 €/user;
- the premium is equal to a maximum of two years' benefits;
- the benefits that can be valued for the calculation of incentives are reformulated;
- a Restricted Working Group is initiated to define the taxonomy of benefits for the 2025 Distributor Plans.

Resolution 521/2024, on the other hand, defines which of the shared documents sent to it by the DSOs can be used as guidelines for drafting the 2025 Plans.

ENERGY EFFICIENCY - ECOLOGICAL TRANSITION

Superbonus and other building bonuses

On 23 May 2024, the conversion into law of DL 39/2024 was approved, which contains new provisions on building tax bonuses, and in particular on the assignment of credit. In a nutshell, among other provisions, the DL also provides for:

(i) the inhibition of the rebate and assignment options in cases of no expenses for work already carried out on the date of entry into force of the DL;
(ii) the obligation to deduct tax benefits from expenses incurred over 10 years from 2024 onwards.

The Budget Law 2025 intervenes on the structure of building tax bonuses: a single 50% deduction is envisaged for the main building bonuses (Renovation Bonus, Ecobonus, Sismabonus and Sismabonus Purchase) until 31 December 2025 and limited to the main home.
Interventions on dwellings other than first homes benefit from a 36% deduction for 2025.
The rates are lowered further in the years 2026/2027: 36% for work carried out on first homes, 30% for work carried out on dwellings other than first homes and other types of property.

Ecological transition
The Ministerial Decree of the Ministry of Enterprise and Made In Italy (MIMIT) 'Piano Transizione 5.0' was published in the Official Gazette on 7 August 2024. In implementation of Art. 38 DL PNRR, it sets out the implementation modalities of the Piano Transizione 5.0, aimed at supporting companies in their green and digital transformation, supporting technological modernisation processes and encouraging more sustainable business practices.

WASTE

ARERA - regulatory activities

Tariff regulation of treatment plants

Following the Council of State rulings nos. 10548, 10550, 10734, and 10775 of 2023 concerning the tariff regulation of treatment plants, the Authority issued Resolutions 7/2024/R/RIF and 72/2024/R/RIF, which amended the second Waste Tariff Method (MTR-2) in the part concerning the relative regulation, postponing its application from the year 2024 (PEF 2024-2025).

Subsequently, with Decision 2/DTAC/2024, the standard outlines of the acts constituting the tariff proposal for the two-year period 2024-2025 and the relevant transport modalities were approved.

Res. 574/2024/E/RIF

Following the activation of the round table discussion held on 14 June 2024 with various stakeholders and consumer associations and the consultation phase following DCO 420/2024, the Authority approves the provisions for the gradual extension to the municipal waste sector of the system of protections for the empowerment and settlement of disputes of customers/end users of the regulated sector, providing for different timeframes of intervention:

- 1 April 2025: start of activities related to the first macro-area (contact centre, reporting and Help Desk);
- 1 October 2025: activation of the activities related to the second macro-area (second instance complaint and Conciliation Service).

Res. 596/2024/R/RIF

At the end of the consultation phase, the Authority defined the model outline of the call for tenders for the entrusting of the integrated municipal waste management service. The new call for tenders scheme will come into force as from 2026, it being understood that for the procedures started before the aforementioned deadline, the Territorial Authorities are required to prepare calls for tenders consistent with the pro tempore regulatory framework in force, to which service contracts complying with the minimum essential contents set forth in Resolution 385/2023/RRIF on the model service contract scheme must be attached.

Accounting Unbundling Waste Sector

With Resolution 27/2024/R/RIF, the Authority started the procedure for the definition of the accounting and administrative unbundling of the waste sector, which is to be completed by 30 June 2025.

WATER SERVICE

DCO 245/2024/R/Idr - Guidelines for the definition of the model outline of the call for tenders for IWS entrustment

Consistent with the provisions of Article 7(2) of Legislative Decree no. 201 of 23 December 2022, the Authority illustrates the general framework elements and guidelines relating to the definition of the model outline of the call for tenders, with regard to the procedures for entrusting to third parties by means of a public procedure and to the institutional public-private partnership (mixed company). The adoption of a standard contract call for tenders scheme is aimed at ensuring greater uniformity of the criteria and modalities that can be used in awarding procedures.
The document provides proposals in relation to the various profiles concerning the subject and value of the tender, the participation requirements, the technical offer and the economic offer; there are also specific provisions for cases where the minimum information requirements are not available.

Res. 570/2024/R/Idr - Identification of the theoretical purchase mix for the definition of the electricity reference cost for the financial year 2025

For the purpose of identifying the reference cost (benchmark) for the calculation of the adjustment for the year 2025, the Authority set the incidence of variable and fixed unit prices of electricity at 90% and 10% respectively (instead of 70% and 30% set for 2024).

Res. 595/2024/R/Idr - Introduction of water resilience indicator at superordinate level

Following technical round table meetings with the various stakeholders, the Authority resolved to start the experimental phase of monitoring and collecting the quantities proposed for the construction of the water resilience indicator, with particular reference to the relative superordinate indicator (inherent, in addition to potable uses, also agricultural and industrial uses), with effect from 1 January 2025. The start of the application of the fully-fledged incentive mechanism for this macro-indicator starts in January 2026.

OTHER GENERAL MATTERS

DCO 340/2024/R/com - Criteria for the revaluation of capital costs for electricity and gas infrastructure services. Authority Guidelines

As part of the proceedings initiated with Resolution 339/2024/R/com, with DCO 340/2024/R/com the Authority presented its guidelines on the possible adoption of alternative capital cost revaluation criteria to the use of the rate of change of the gross fixed capital formation deflator, with reference to infrastructure services in the energy sectors. The options developed by the Authority in the document concern:

- deflator maintenance, with extraordinary updating in the event of ISTAT corrections above certain thresholds;
- adoption of alternative statistical indicators to the deflator (e.g. FOI, NIC, HICP-It, HICP-EU);
- adoption of nominal WACC and RAB at historical cost instead of the current approach with real WACC and RAB at revalued historical cost.

The proceedings are expected to be closed by 30 April 2025.

Incentives - RES development

Ministerial Decree FERX - Transitional (draft October 2024)

The FERX Ministerial Decree will have a longer genesis than expected: for this reason the MASE has, in implementation of Legislative Decree no. 199/2021, wanted to introduce a transitory "Twin" Ministerial Decree valid only for 2025 to support the production of electricity from renewable energy plants with generation costs close to market competitiveness, through the definition of a support mechanism that promotes their effectiveness, efficiency and sustainability to an extent appropriate to the pursuit of the decarbonisation objectives to 2030. Specifically, in the draft circulated in October, the points of emphasis are:

- the contingent estimate at 14.65 GW of Renewable Energy Sources (RES) with a capacity greater than 1 MW incentivised through auctions (to be launched in 2025) of which 10 GW for photovoltaic;
- quotas by technology: photovoltaic, wind, hydro power and residual gas;
- a dynamic demand curve has been introduced in terms of capacity to be supplied, which identifies a minimum contingent, a target (auction target) and a maximum power one;
- direct access for plants with a capacity of less than 1 MW (up to the maximum quota of 5 GW);
- the provision of an all-inclusive tariff for plants with a capacity below 200 KW and a tariff through Contracts for Difference (CFD) for those with a capacity above that threshold;
- the adjustment of the tender price to inflationary dynamics;
- compulsory MSD qualification for plants with a capacity above 1 MW (optional below this threshold);
- the provision of an incentive on producible energy in cases of:
  (i) stops by orders of the Network Manager;
  (ii) zero or negative zonal prices on DAM (day-ahead market);
  (iii) production cut due to Terna orders on MB

Plants that do not qualify lose the incentive in cases (ii) and (iii): this loss does not seem to apply to plants that qualify for the all-inclusive tariff (i.e. those with a capacity of less than 200KW).

The outline of the transitional Ministerial Decree forwarded by the MASE was approved by the EU Commission in January 2025: compared to the last circulated draft (October), the EU letter shows that:

- final approval of the transitional FERX Ministerial Decree is expected by January 2025 by the MASE, from which the deadlines (maximum 90 days) will begin for ARERA, Terna and GSE to publish the operating procedures and other technical documentation required to launch the first auctions, estimated to take place in late spring/early summer;
- there will be a minimum of two auctions from the decree, which will cease to apply on 31 December 2025, pending the publication of the 'twin' Fer-X decree, from which there should be no major deviations except in terms of the quota that can be procured and, perhaps, some corrections to the Exercise Prices (due to the progressive decrease in energy prices in general expected).

Decree Law Ambiente

Environmental Decree Law No. 153/2024, converted into Law No. 191/2024, in force since 18 October 2024, intervenes with amendments and additions with respect to the provisions on Environmental Impact Assessment (EIA), Environmental Managers Register, End of Waste, 'Salvamare' Decree Law, mowing and pruning (allowing their transfer to collection centres), landfills, reclamations and urgent provisions for strengthening investments in African countries to protect the environment and energy security.

In the area of permitting, the regulation affects the regulation of the EIA and EIA-assessment, the availability of areas and the priority criteria for the examination of projects by the EIA-SIA and PNRR-PNIEC Commissions.

Electricity and gas social bonuses - General System Charges and Additional Components

Res. 113/2024/R/com - Update, as of 1 April 2024, of the tariff components intended to cover general charges and other components of the electricity and gas sectors. Provisions on the TIVG and RTTG components. Provisions to the energy and environmental services fund. Changes to the TIPPI

The measure updates the general electricity and gas charge components valid as of 1 April 2024.

DISTRICT HEATING

District Heating Tariff Method - Res. 597/2024/R/tlr
The resolution provided for the extension to 31 December 2025 of the deadline for the conclusion of the procedure for the definition of the full-scale tariff method, at the same time extending the transitional tariff method. Refinements to the transitional tariff method have been envisaged, with a focus on avoiding disincentives to the use of less CO2-emitting sources, in contrast to the decarbonisation goals of the district heating sector. Among the changes introduced is the increase in the Revenue Constraint resulting from the inclusion of the avoided CO2 cost component in the efficient RCE: the valorisation of environmental externalities, calculated on the CO2 emissions avoided through the use of district heating as opposed to gas boilers, has been included. The calculation is based on an ETS allowance price for 2025 of 65 €/tonne, with a ceiling set at 9 €/MWh.

Concessions and Assignments of Iren Group

HYDROPOWER GENERATION

The following is a summary of the major concessions for hydroelectric use and the related expiry dates for Iren Energia's plants.

Region	Facility	Average rated concession power (MW)	Expiry
Piedmont	Po Stura - San Mauro	5.58	31 December 2010
Piedmont	Pont Ventoux – Susa	45.64	13 December 2034
Piedmont	Agnel - Serrù – Villa	12.53	31 December 2010
Piedmont	Bardonetto – Pont	8.92	31 December 2010
Piedmont	Ceresole – Rosone	32.92	31 December 2010
Piedmont	Telessio - Eugio – Rosone	26.10	31 December 2010
Piedmont	Rosone – Bardonetto	9.71	31 December 2010
Piedmont	Valsoera – Telessio	1.76	31 December 2010
Campania	Tusciano	8.49	31 March 2029
Campania	Tanagro	12.85	31 March 2029
Campania	Bussento	17.06	31 March 2029
Campania	Heat	3.27	31 March 2029

In relation to the aforementioned concessions expiring on 31 December 2010, concerning Valle Orco (Agnel - Serrù – Villa, Bardonetto – Pont, Ceresole – Rosone, Telessio - Eugio – Rosone, Rosone – Bardonetto, Valsoera – Telessio) and Po Stura-San Mauro, a project financing proposal was submitted to the Piedmont Region.
With Resolution of the Piedmont Regional Council of 17 April 2023 no. 17/6747, the feasibility of the two project financing proposals presented by Iren Energia was resolved, pursuant to Article 183, paragraph 15 of Legislative Decree 50/2016, concerning, respectively, the expired Concessions for large hydroelectric derivations on the Torrente Orco and the expired Concession for large hydroelectric derivations of the Po Stura - San Mauro plant.
By Resolution No. 28-6999 and 29-7000 of the Regional Council of 5 June 2023, the Piedmont Region resolved, pursuant to Articles 3 and 4 of Regional Law 26/2020, that "*there was no overriding public interest in a different use of the derived waters, incompatible with the maintenance of the use for hydroelectric purposes, and the definition of the public evidence procedure for the relative assignment*".
With DGR no. 7387 of 3 August 2023 and Executive Decision no. 578 of 7 August 2023, the Piedmont Region verified the correctness of the 'end-of-concession reports' of expired large hydroelectric derivations and ordered their publication on its institutional website.
In relation to the dispute against the measures adopted by the Piedmont Region brought by a competitor of Iren Energia pending before the Superior Court of Public Waters, the Court rejected the appeal, upholding the company's position. and the sentence was not appealed within the terms of the law. We are waiting for the call for tenders.

NATURAL GAS DISTRIBUTION

Liguria area

As far as ATEM Genova1 is concerned, on 15 July 2024, Ireti Gas provided the Contracting Authority, at the latter's request, with the data needed to prepare the tender for the award of the new concession.
With regard to the tender issued by ATEM Genoa2, the Council of State confirmed the unlawfulness of the call for tenders in ruling no. 3150/23. The new tender has not yet been called.
With reference to the tender for the assignment of the ATEM La Spezia, following the award on 25 November 2022 in favour of Italgas, IRETI, which was taken over by IRETI Gas, continued the litigation commenced in 2022 before the Regional Administrative Court (TAR) of Liguria by filing an appeal with the Council of State, which, with its ruling of 12 March 2024, confirmed the ruling of the Regional Administrative Court in the first instance case and the award in favour of Italgas Reti.

Emilia Romagna area

In the Reggio Emilia ATEM, Ireti Gas provided the Contracting Authority, at the latter's request, with the data necessary for the preparation of the tender for the award of the new concession.

Piedmont Area

Following the completion of the so-called "Romeo 2 Project", as of 1 January 2024, ASM Vercelli acquired the gas distribution concessions in the following municipalities in the Province of Vercelli: Albano Vercellese, Carisio, Greggio, Olcenengo, Oldenico, San Germano Vercellese-Strella district, Quinto Vercellese, Tronzano Vercellese and Villarboit.
In the ATEM of Vercelli, the Contracting Authority asked ASM for the data needed to prepare the tender for the award of the new concession: the answer is currently being processed.

Also as a result of this Project and again with effect from 1 January 2024, IRETI Gas, following the merger of the company Romeo 2, took over from the latter as concessionaire of the gas distribution service in the municipalities of the Province of Savona Albenga and Ceriale. In this context, the company has already acquired, with effect from 1 February 2023, the gas distribution concessions in the Emilian municipalities of Pontenure (ATEM Piacenza 2) and Solignano (ATEM Parma), as well as the management of the private village of Grazzano Visconti in the municipality of Vigolzone.

Iren also operates in numerous other areas throughout Italy through assignments or concessions given to mixed capital companies in which Iren Group companies have a direct or indirect investment.
The main assignments and concessions are:
- ATEM Ancona/Macerata 2- ASTEA (associate, in which a 21.32% investment is held by the GPO Consortium, 62.35% of which IRETI controls in turn): Municipalities of Osimo, Recanati, Loreto and Montecassiano - management is under an extension ex lege;
- ATEM Livorno - ASA (associate, 40% owned by IRETI): Municipalities of Livorno, Castagneto Carducci, Collesalvetti, Rosignano Marittimo and San Vincenzo - management is under an extension *ex lege*;
- ATEM Alessandria 3 / Alessandria 4 – RETI S.r.l. (controlled by ACOS, which in turn is associate as a 25% investee of IRETI): Municipality of Novi Ligure and 21 other municipalities - management is under an extension ex lege; Acqui Rete Gas S.r.l. (controlled by Reti Metano Territorio S.r.l., in turn controlled by EGEA Holding, 50% owned by Iren): Municipality of Acqui Terme;
- ATEM Alessandria 1 –Valenza Rete Gas S.r.l. (controlled by Reti Metano Territorio itself): Municipality of Valenza;
- ATEM Cuneo 3 - Reti Metano Territorio: Municipality of Alba and 42 other municipalities in the Province of Cuneo;
- ATEM Lecco 1 - Reti Metano Territorio: Municipality of Calolziocorte;
- ATEM Milan 3 - Reti Metano Territorio: Municipality of Casarile;
- ATEM Monza and Brianza 1 - Reti Metano Territorio: Municipalities of Burano di Molgora and Vimercate;
- ATEM Monza and Brianza 2 - Reti Metano Territorio: Municipality of Besana in Brianza.

ELECTRICITY

The ministerial electricity concessions expire on 31 December 2030; Iren manages the public electricity distribution service in the cities of Turin and Parma (through IRETI) and Vercelli (through ASM Vercelli).
Iren is also present with DEA S.p.A., part of the group of the related party ASTEA, which manages the electricity distribution service in some municipalities in the Marche region (Agugliano, Magliano di Tenna, Montelupone, Offida, Osimo, Polverigi, Recanati, Santa Maria Nuova) and in the Abruzzo region (Ortona, San Vito Chietino), as well as in Sanremo (Liguria, Province of Imperia) and, through its subsidiary ASPM, in the municipality of Soresina (Lombardy, Province of Cremona).

DISTRICT HEATING

Iren Energia manages the district heating distribution service through concession, award or authorisation to lay networks in the following areas:

- Municipality of Turin
- Nichelino (TO);
- Beinasco (TO);
- Rivoli (TO);
- Collegno (TO);
- Grugliasco (TO);
- Reggio Emilia;
- Parma;
- Piacenza;
- Genoa.

Through Dogliani Energia, it holds the concession for the district heating service in the municipality of Dogliani (CN). In this regard, the construction of the cogeneration plant with attached network is currently underway.
In addition, through its investment in the EGEA group, it manages the district heating service in the municipalities of Alba (Cuneo), Piossasco (Turin), Canale (CN), Acqui Terme (Alessandria), Cairo Montenotte (Savona), Carmagnola (TO), Bra (CN), Nizza Monferrato (Asti), Alessandria, Cortemilia (CN), Narzole (CN).

Lastly, following a public evidence procedure concluded with Municipality of Moncalieri decision No. 2727 of 20 December 2024, Iren Mercato is the concessionaire of the public district heating service in the territory of the Municipality of Moncalieri as from 1 January 2025 (it was also concessionaire on a transitional basis of the same service from 1 November 2023 to 31 December 2024).
Iren Energia, which supplies heat to Iren Mercato, owns the existing production plants and network infrastructure and is party to an agreement with the municipality for the occupation of public land, which has now expired. This situation of land occupation is continuing under a prolongation regime pending determinations by the municipality on the modalities of new assignment or renewal. At present, there is the possibility of renewing the concession to Iren Energia.

INTEGRATED WATER SERVICE

Liguria area

IRETI holds the management assignment for the Integrated Water Service in the 67 municipalities of the Province of Genoa. The assignment was granted by Decision No. 8 of the Genoa Optimal Territory Agency (ATO) on 13 June 2003 and will expire in 2032.
The Integrated Water Service in the territory of the municipalities of the Province of Genoa is managed by IRETI through the safeguarded operators. The authorised and/or safeguarded companies of Iren Group that perform the function of operational manager are Iren Acqua (60% controlled by IRETI), Iren Acqua Tigullio (66.55% controlled by Iren Acqua) and AMTER (fully controlled by IRETI after the acquisition, on 2 August 2024, of the remaining 49% previously held by Iren Acqua). The latter was merged into IRETI with effect from 1 January 2025.
IRETI also directly operates the drinking water distribution service in the municipalities of Camogli, Rapallo, Coreglia, Zoagli, Sestri Levante, Casarza Ligure and Moneglia, and the Integrated Water Service in the municipalities of Né and Carasco, in the Genoa ATO.
The company manages only the segment of the water service in the following ATOs:

- Savona Centre West 1, in the municipalities of Albissola Marina, Albissola Superiore, Quiliano, Vado Ligure, Celle Ligure, Noli, Spotorno, Bergeggi, Savona, Stella, Varazze;
- Savona Centre West 2 - municipalities of Altare, Cairo Montenotte, Carcare, Cengio;

As far as the Province of Imperia is concerned, IRETI participated in the tender called on 19 July 2024 by the ATO Ovest Provincia di Imperia for the selection of the private partner in the company Rivieracqua S.p.A. The tender was then awarded to another economic operator.
IRETI continues to manage, pending the takeover by Rivieracqua, the water service in the municipalities of Camporosso, San Biagio della Cima, Perinaldo, Soldano, Vallebona, Isolabona, Vallecrosia, Dolceacqua, Seborga, Bordighera and Ventimiglia.

Finally, in La Spezia and its Province, in 31 municipalities, Iren Group manages (through ACAM Acque) the water service with a concession valid until 31 December 2033.

Emilia Romagna area

The Group manages the Integrated Water Service in the provinces of Reggio Emilia, Piacenza and Parma.

In the aforementioned territories, the ownership of the assets and networks relating to the water sector is held by companies wholly owned by public bodies, so-called "equity companies", respectively for the Municipality of Parma - Parma Infrastrutture, for the ATO of Piacenza - Piacenza Infrastrutture (for the capital Municipality, Consorzio Val d'Arda and Consorzio Val Nure for other municipalities in the Province of Piacenza) and AGAC Infrastrutture for the ATO of Reggio Emilia. These companies made their networks and assets available to Iren Group on the basis of a rental contract and against the payment of an annual fee.

Reggio Emilia Territorial Basin - as of 1 January 2024, the management of the Integrated Water Service for the Province of Reggio Emilia, excluding the Municipality of Toano, will be the responsibility of the "Azienda Reggiana per la Cura dell'Acqua", or ARCA for short, 60% owned by the public partner AGAC Infrastrutture and 40% by the private partner IRETI, which won the tender announced by ATERSIR for the selection of the private operating partner of the joint company for the assignment of the service in ATO3 Reggio Emilia until 31 December 2043.
ARCA, by means of a specific agreement, on the basis of the provisions of the tender deeds, entrusted the management of the operating tasks to the territorial operating company (SOT) Iren Acqua Reggio, which was set up for this purpose by the private operating partner (IRETI).

Piacenza Territorial Basin - With regard to the tender announced by ATERSIR in 2022 for the awarding of the Integrated Water Service for the Province of Piacenza, with Management Determination no. 66 of 22 March 2024, ATERSIR awarded the Open Procedure to IRETI for the awarding of the concession for the service starting from 1 January 2025. In consideration of this assignment, IRETI, in execution of the provisions of the call for tenders, established on 20 June 2024 the territorial operating company Iren Acqua Piacenza S.r.l., a company to which goods, assets and resources were conferred through a deed of partial demerger with spin-off of IRETI's "Integrated Water Service of Piacenza" branch of business effective as of 1 January 2025. On 19 December 2024, the Service Management Agreement was signed, effective from 1 January 2025 and expiring on 31 December 2040.

Parma Territorial Basin - the Convention stipulated with the ATO of Parma set the expiry date of the assignment at 30 June 2025. The aforementioned deadline was extended by Emilia-Romagna Regional Law No. 14/21 until 31 December 2027.

Piedmont Area

The Group manages, through ASM Vercelli, the services related to the integrated water cycle in Piedmont ATO2 "Biellese Vercellese, Casalese". The services provided by the company extend beyond the city of Vercelli to 14 municipalities in the province.
Management expired on 31 December 2023. The Area Governing Body, which is currently under external administration, initiated the procedure for the choice of the new form of management, which has not yet been concluded. In the meantime, the management of the service continues under an extension. In this regard, the Conference of the Area Governing Body (EGATO2) was unable to deliberate on the choice of the management model due to the lack of a quorum and therefore the same body was affected by a provision of Commissionership by the Piedmont Region. The Commissioner's appointment ended on 28 February 2025 with the publication of Decree no. 1 of the same date and having as its object the "Choice of the management model and start of the procedure for the assignment of the Integrated Water Service for the Optimal Territorial Area 2 Piedmont to the in-house company BCV S.p.A.", which provides:
- the approval of the "in-house" assignment as a management model of the IIS in ATO 2 Piedmont;
- to initiate the process and procedures described in detail in the timetable for the assignment of the IIS within the Optimal Territorial Area no. 2 "Biellese, Vercellese, Casalese" to the single area manager pursuant to Article 149-bis of Legislative Decree no. 152 of 2006, identified as BCV S.p.A.;
- failure to comply with the milestones "allocation of networks – phase 1 and phase 2 – deliberation", "preparation of the sworn PEF" and "update of the organisational model of the PdA" and any failure to approve the Report pursuant to art. 17, c. 2, of Legislative Decree no. 201 of 2022 within the terms set out in the Timeline will entail the immediate activation, by the Area Authority, of the procedures necessary for the use of the model of awarding the service through a public tender procedure or to a mixed company whose private partner is selected through a public tender procedure and the simultaneous definitive shelving of the solution consisting in the "in-house" assignment of the service. On the to do-list, there is the signing of the loan contract and the acquisition of the availability of resources for the liquidation of ASM Vercelli.

In 2024, the management of the IIS by ASM Vercelli was therefore carried out under an extension regime, which will reasonably continue until the completion of the path undertaken by EGATO2, aimed at definitively appointing the sole operator, both with the in-house model and if other models with public procedures have to be used.

The Group also manages, operationally through IRETI, the water cycle services in the municipalities of Nizza and Canelli.

Sicilian area (Enna)

AcquaEnna manages the Integrated Water Service in ATO 5 Sicily, relating to the Province of Enna, with the concession expiring on 19 November 2034. IRETI, which already held an investment in the company's capital, acquired a further investment in May 2023, bringing its investment to 50.867%, consolidating the company.

The table below therefore summarises the data on the existing agreements in the Group's main areas of operation:

ATO	REGIME	SIGNING DATE	EXPIRY DATE
Genoa area	ATO/operator agreement	16 April 2004/05 October 2009	31 December 2032
Reggio Emilia	ATO/operator agreement	20 December 2023	31 December 2043
Parma	ATO/operator agreement	27 December 2004	31 December 2027
Piacenza	ATO/operator agreement	19 December 2024	31/12/2040.
Vercelli	ATO/operator agreement	13 March 2006	31 December 2023 (*)
La Spezia	ATO/operator agreement	20 October 2006	31 December 2033
Enna	ATO/operator agreement	19 November 2004	19 November 2034

(*) In prorogatio

<u>*Other geographical areas*</u>

Iren Group also operates in the Integrated Water Service sector in other parts of Italy through assignments or concessions given to mixed-capital companies in which it has a direct or indirect investment. The main assignments and concessions are:

- ATO "Toscana Costa": ASA (associate, in which IRETI has a 40% investment) for the municipality of Livorno and other 31 municipalities;
- ATO3 "Marche Centro Macerata": ASTEA (associate, in which Consorzio GPO has a 21.32% investment, which is in turn 62.35% controlled by IRETI) only for the municipalities of Recanati, Loreto, Montecassiano, Osimo, Potenza Picena and Porto Recanati;
- ATO5 "Astigiano Monferrato": ASP (associate, 45% owned by Nord Ovest Servizi, itself 45% owned by IRETI and 30% owned by AMIAT) for the Municipality of Asti;
- ATO6 "Alessandrino": Gestione Acqua (a subsidiary of ACOS, which in turn is a 25% subsidiary of IRETI) for the municipality of Novi Ligure and 69 other municipalities.
- ATO4 "Cuneese": EGEA Acque (a subsidiary of EGEA Holding, 50% owned by Iren) for the municipality of Alba and 45 other municipalities under an extension.

ENVIRONMENTAL SERVICE MANAGEMENT

IREN Group provides waste management services on the basis of specific assignments from the local authorities, governed by agreements signed with the provincial ATO. The table below contains details of existing agreements in the Group's main areas of operation:

ATO	REGIME	SIGNING DATE	EXPIRY DATE
Reggio Emilia	ATO/operator agreement	10 June 2004	31 December 2011 (*)
Parma	ATO/operator agreement	28 December 2022	31 December 2037
Piacenza	ATO/operator agreement	28 December 2022	31 December 2037
Turin (Municipality)	ATO/operator agreement	21 December 2012	30 April 2034 (**)
Vercelli (municipality)	Municipality/operator agreement	22 January 2003	31 December 2028

COVeVaR Consortium (Vercelli municipalities)	Tender contract with COVeVaR /ASM Vercelli - San Germano - RIMECO	1 January 2022	31 December 2029 extendable for a further 12 months (****)
ATO waste province of La Spezia (Municipality of La Spezia)	Municipality/operator agreement	10 June 2005	31 December 2028 (collection and sweeping) 30 January 2043 (waste disposal)
ATO Toscana Sud	ATO/operator agreement	28 March 2013	27 March 2033
Cuneo Ecological Consortium	Contract with San Germano	1 March 2024	28 February 2031 (renewable for a further 2 years + 1)
Turin (Wide area consortium)	ATO/operator agreement (SETA) (waste collection service in 31 municipalities in the Turin area)	27 November 2014	27 November 2029 (***)
ATO Toscana Costa - Municipality of Lucca	Service contract Municipality/operator (Sistema Ambiente, 36.5% owned by Iren Ambiente)	27 February 2001	31 December 2029
Consorzio Bacino Rifiuti Astigiano (CBRA)	Tender contract Consortium CBRA/ATI (38% owned by San Germano)	22 March 2024	6 October 2026 renewable for a further 12 + 6 months (tot. 18 months) (*****)
STR (Consortium of Langhe and Roero Municipalities)	Subcontracting EGEA Ambiente/ San Germano - subcontracting EGEA Ambiente/Asti Servizi Pubblici	07 October 2024	06 October 2026 (******)
STR (Consortium of Langhe and Roero Municipalities)	EGEA Ambiente/Municipality of Alba (CN) tender contract	05 July 2021	04 October 2026
ACEM (Consortium of Monregalese municipalities)	Tender contract EGEA Ambiente/Municipalities of Cortemilia - Castelletto Uzzone (CN)	1 March 2023	28 February 2025
CSEA (Consortium of Fossano municipalities)	ATI tender contract (S. Germano, Coop Proteo and EGEA Ambiente)/4 municipalities in the Cuneo area (EGEA share 12.86%)	1 January 2020	31 August 2025
Province of Imperia	EGEA Ambiente tender contract with some municipalities in the Imperia area	1 January 2021	31 December 2025 (*******)
Municipality of S. Giuliano Milanese	Tender contract ATI (AMSA, EGEA Ambiente) EGEA share 16%)	1 January 2020	30 September 2027
Marche Multiservizi spa	EGEA Ambiente/Province of Pesaro tender contract	1 June 2021	31 May 2025

(*) Service extended ex lege until new agreements are defined
(**) the duration is 20 years starting from the day following the end of the provisional operation of the waste-to-energy plant of TRM S.p.A. on 31 August 2014
(***) the service is carried out by SETA, 48.65% owned by Iren Ambiente, which manages the waste collection service in 31 municipalities in the Turin area (Torrazza Piemonte, San Benigno Canavese, Brandizzo, Rivalba, Verolengo, Cavagnolo, Brozolo, Monteu Da Po, Castagneto Po, San Sebastiano Da Po, Lauriano, Brusasco, Verrua Savoia, San Mauro Torinese, Casalborgone, Borgaro Torinese, Castiglione Torinese, Montanaro, Gassino Torinese, Cinzano, San Raffaele Cimena, Sciolze, Volpiano, Rondissone, Mappano, Lombardore, Chivasso, Caselle Torinese, Leinì, Foglizzo and Settimo Torinese)
(****) ASM Vercelli SpA 60.01%; San Germano SpA 20.78%; RIMECO soc. coop. 19.21%
(*****) The territorial area covered by the contract is made up of 114 municipalities belonging to the Consorzio Bacino Rifiuti Astigiano/ATO Astigiano (excluding the municipality of Asti which, although a member of the consortium, is currently subject to autonomous contractual regulations).
(******) The contract area consists of 113 municipalities in the province of Asti (with the exception of Villanova d’Asti)
(*******) The contract area consists of the following municipalities in the province of Imperia: Andora, Cervo, Cesio, Chiusanico, Diano Arentino, Diano Castello, Diano Marina, Diano San Pietro, San Bartolomeo Al Mare, Stellanello, Testico, Villa Faraldi

On 28 December 2022, the contracting authority Agenzia Territoriale dell'Emilia-Romagna per i Servizi Idrici e Rifiuti (ATERSIR) signed with Iren Ambiente the contracts for the concession of the public service for waste management in the Parma and Piacenza territorial basins for a duration of 15 years, starting from 1 January 2023.
The two concessions - awarded following public tenders - cover 89 municipalities: 43 in the Parma area and 46 in the Piacenza area.
As of 1 January 2024, the management companies named Iren Ambiente Piacenza and Iren Ambiente Parma, which took over from Iren Ambiente for the management of the urban waste management service in the territorial basins of Piacenza and Parma respectively, became operative.

ACAM Ambiente, controlled by Iren Ambiente and active in La Spezia and its Province, manages the integrated waste cycle service in 32 municipalities belonging to the Optimal Area of the Levante (including the municipality of La Spezia).

The duration of the Municipality of Turin concession is 20 years starting from the end of the provisional operation of the TRM waste-to-energy plant on 31 August 2014.

It should be noted that SEI Toscana is the owner, by virtue of an agreement with the ATO Toscana Sud, of the integrated waste management in 98 municipalities in the provinces of Grosseto, Siena, and Arezzo, expiring on 27 March 2033, and in six municipalities in the province of Livorno (Piombino, San Vincenzo, Sassetta, Suvereto, Castagneto Carducci, and Campiglia Marittima).
For COVeVaR, the Mandatory Consortium of Municipalities of Vercelli and Valsesia for the management of urban waste, which concerns other Municipalities of Vercelli (except Borgosesia), in particular the Municipalities of Albano Vercellese, Alice Castello, Arborio, Balocco, Borgo D'Ale, Buronzo, Carisio, Casanova Elvo, Collobiano, Crova, Formigliana, Gattinara, Ghislarengo, Greggio, Lenta, Lozzolo, Moncrivello, Olcenengo, Oldenico, Quinto Vercellese, Roasio, Rovasenda, Salasco, San Germano Vercellese, San Giacomo Vercellese, Santhià, Tronzano Vercellese, Villarboit, the tender was awarded to the temporary consortium (RTI) composed of ASM Vercelli (60.01%, group leader), San Germano (20.78%) and RIMECO Soc. Coop. (19.21%), with 8-year validity from 1 January 2022 with possibility of extension of a further 12 months.

San Germano carries out its main activity as a collection operator as a contractor in several areas, including Sardinia, Lombardy, Piedmont and Emilia-Romagna. Of note, in terms of relevance and size, is the awarding of the contract called by the Consorzio Ecologico Cuneese for the management of municipal waste collection services in the 54 municipalities of the province of Cuneo (including the provincial capital) for a total of 163,000 inhabitants. The 7-year contract was initiated by San Germano on 1 March 2024 (subject to any renewals or extensions).

With regard to assignments concerning associates, SETA, in which Iren Ambiente holds a non-controlling interest (48.65%), manages the waste collection service in 31 municipalities in the Turin area. It should also be noted that the signing of the new Service Contract (with unchanged expiry date) drafted in accordance with the outline provided by ARERA will soon be ratified.

Furthermore, Iren Ambiente holds a 36.5% investment in the share capital of the company Sistema Ambiente, which manages urban and environmental hygiene services for the municipality of Lucca, including waste collection and disposal, under a (non-renewable) service contract expiring on 31 December 2029.

The ATI, composed of Asti Servizi Pubblici -ASP- (62%) and San Germano (38%), won the contract for environmental hygiene services in the 114 municipalities of the province of Asti, i.e. those falling within the Asti Waste Basin Consortium, where approximately 135,000 people reside (excluding the municipality of Asti, which, although it is a consortium member, is currently subject to autonomous contractual regulations). The assignment, following an open procedure that evaluated the most advantageous offer, with a contract signed on 22 March 2024, is effective from 7 October 2024 with a duration of 2 years, with the possibility of extension for another year and a further 6 months. The basic services mainly concern the collection and transport of municipal solid waste (organic, paper, plastic and aluminium fractions, glass, unsorted waste, mowing and pruning and bulky waste), as well as the management of the ecocentre in Nizza Monferrato. In addition to these services, there are optional services that can be activated at the request of individual Municipalities.

Finally, with regard to the EGEA group, which is 50% owned, the contractual forms in place are those of tenders, plus a subcontract. There are no concessions.

SERVICES FOR PARTNER MUNICIPALITIES

Municipality of Turin

Iren Smart Solutions is party to the following agreements with the municipality of Turin for the provision of public services:

- Agreement for the management of the public lighting and traffic light service, expiring on 31 December 2036;
- Agreement, entered into following a project financing proposal submitted by the Company pursuant to Article 183, paragraph 15 of Legislative Decree 50/2016, for the awarding of services for the design and implementation of technological and construction upgrading, operation, maintenance (including the supply of energy vectors) of municipal thermal, electrical and special plants, with a duration of 27 years from the signing of the Take-over Notice of the Plants (30 June 2049).

Municipality of Genoa
- GEN-IUS Programme: Concession for the rehabilitation and energy maintenance services of 32 buildings in the Municipality of Genoa;
- Matitone of Genoa: service concession through public/private partnership, concerning energy performance, upgrading, management and maintenance services under guaranteed energy performance regime of the building called "Il Matitone", seat of the Genoa City Council offices. The duration is 15 years (maturity 14 April 2035);
- ARTE Genoa ENERSHIFT: ongoing post-rehabilitation management of 14 buildings owned by ARTE and the Municipality of Genoa; the duration of the contract is 15 years (expiring on 31 December 2036).

Services to other municipalities
Iren Smart Solutions manages the public lighting service, including by means of plant efficiency upgrades, in Piedmont (some municipalities in the Biella and Cuneo areas) and in Emilia Romagna (Fidenza, Fiorenzuola, Rivergaro and Tizzano Val Parma).
The company provides energy efficiency services in some municipalities in Veneto (including San Donà di Piave and Monselice), Piedmont (including Grugliasco), Emilia Romagna (Castelnovo ne' Monti) and Lombardy (Morbegno).
In addition, the Group manages public lighting in Vercelli (through ASM Vercelli) and Asti (through Asti Energia e Calore).
Lastly, through its investment in the EGEA Group, it manages the public lighting service, including by means of plant efficiency upgrades, in a number of municipalities in Piedmont (Savigliano, Alba, Santo Stefano Belbo, Nizza Monferrato, Canale, Verzuolo, Cherasco, Treiso, Centallo, Sommariva, Fossano, Envie, Chiusa Pesio, Govone, Priocca, Mondovì, Racconigi and Marene) and Liguria (Camporosso).

ELECTRICITY GRADUAL PROTECTION SERVICE

Gradual Protection Auction for domestic customers
The auction, governed by the Regulation of the Single Buyer concerning the competitive procedures for the assignment of the gradual protection service for non-vulnerable domestic customers in the electricity sector pursuant to Law no. 124 of 4 August 2017 (annual law for the market and competition) and ARERA Resolution 362/2023/R/eel as amended and supplemented, was held on 10 January 2024 in a single round in a closed envelope with bidding on the PCV component.
The 5 million non-vulnerable electricity customers throughout the country were divided into 26 lots and Iren Mercato and Salerno Energia Vendite (SEV) participated in the auction as a temporary consortium (RTI) and were awarded the following two lots, totalling about 300 thousand POD, which will be managed by SEV for the period from 1 July 2024 to 31 March 2027:
- Southern Area 6: Brindisi, Matera, Potenza, Salerno and Taranto;
- Southern Area 7: Barletta-Andria-Trani, Campobasso, Cosenza, Foggia and Isernia.

Gradual Protection Auction for SME customers
The auction, governed by the Regulation of the Single Buyer concerning the competitive procedures for the assignment of the gradual protection service for small businesses pursuant to Law no. 124 of 4 August 2017 (annual law for the market and competition) and ARERA resolution 119/2024/R/eel and subsequent amendments and additions, was held on 23 May 2024 in a single round in a closed envelope with bidding on the spread.
Iren Mercato participated by winning the following 3 lots, totalling about 38 thousand POD, which will be managed by it for the period from 1 July 2024 to 31 March 2027:
- Lot 1: Tuscany and Calabria;
- Lot 4: Emilia-Romagna and Piedmont;
- Lot 7: Apulia, Abruzzo, Basilicata, Molise, Umbria and Sicily.

Other information

Control of companies abroad

It is noted that the Parent does not control companies established and regulated by the laws of non-EU countries. Furthermore, it is noted that Iren S.p.A. is not subject to management and coordination by another company.

Report on Corporate Governance and Ownership Structures and Report on the policy on the subject of remuneration and on fees paid

The Report on Corporate Governance and Ownership Structures and the Report on the policy on the subject of remuneration and on fees paid, approved by the Board of Directors and published within the legal deadline, include information not mentioned in the chapter "Iren Group Governance" of the Sustainability Reporting of this Report, as required by articles 123-*bis* and 123-*ter* of Legislative Decree no. 58 of 24 February 1998, and subsequent amendments and additions.

Independent Auditors

With the approval of the financial statements at 31 December 2020, the statutory audit assignment was completed regarding the Company's financial statements conferred on PricewaterhouseCoopers SpA for the nine-year period 2012-2020 by the Shareholders' Meeting of 14 May 2012.
In light of the above, on the recommendation of the Board of Statutory Auditors, in its capacity as the "Internal Control and Audit Committee", the Shareholders' Meeting held on 22 May 2019, has already appointed KPMG S.p.A. to audit the financial statements of Iren for the nine-year period 2021-2029. This resolution was taken at the end of a complex selection procedure that was carried out in accordance with the provisions of art. 16 of Regulation (EU) 537/2014 (the "*Tender Process*").
Subsequently, on 25 November 2019, the Parent and KPMG S.p.A. signed a Framework Agreement containing terms and conditions (technical and financial) for the performance by KPMG S.p.A. (i) of the statutory audit of Iren's financial statements for the nine-year period 2021-2029 and (ii) of the statutory audit of the financial statements of the consolidated companies included in the scope of the Tender Process for the three-year period 2021-2023 with renewal option for two further three-year periods (the "Framework Agreement"). Moreover, the same Framework Agreement contains (technical and financial) terms and conditions for carrying out the assurance engagement on the consolidated non-financial statement ("NFS") of Iren Group for the three-year period 2021-2023, with an option to renew for two further three-year periods.
The Shareholders' Meetings of each consolidated company included in the Tender Process, on the basis of a reasoned proposal from their respective Boards of Statutory Auditors, have therefore appointed KPMG S.p.A. to audit their accounts for the three-year period 2021-2023 (with an option to renew for two further three-year periods), in accordance with the terms and conditions of the Framework Agreement.
In the course of 2024, the Shareholders' Meetings of the aforementioned consolidated companies, again based on the reasoned proposal of their respective control bodies, renewed the engagement of KPMG S.p.A. to audit their financial statements for the period 2024-2026 (with an option to renew for a further three years), the formalisation of which took place, in accordance with the provisions of the Framework Agreement, through the signing of specific application contracts.
In addition, during 2024, the Board of Directors of Iren, in the absence of any remarks by the Control Body of the same, approved the renewal of the assignment, in favour of KPMG S.p.A., relating to the assurance engagement on the NFS for the financial years ending 31 December 2024 to 31 December 2029, in compliance with the provisions of the Framework Agreement.
Without prejudice to the foregoing, as already noted in previous reports, after the signing of the Framework Agreement, the dynamism that has characterised Iren Group, both in terms of growth through external lines and in terms of internal reorganisation, has given rise to situations such as to entail changes to the original audit scope entrusted by Iren to KPMG S.p.A. In view of these mid-term changes, it was necessary to amend the Framework Agreement in April 2021, April 2023 and April 2024. For the same reasons, the Framework Agreement will be amended by the first quarter of 2025. To this end, in line with the practice already adopted, the Company, also in the name and on behalf of the companies directly and indirectly controlled by it, and KPMG S.p.A. will execute, by the approval of the 2024 financial statements, an Addendum to the Framework Agreement, to, *inter alia:* (i) extend the statutory audit that KPMG S.p.A. is required to perform, starting from 2024, also with respect to the financial statements of companies consolidated in the medium term, following the approach of the sole auditor of the group on which the Tender Process was based; (ii) reformulate the terms, also payment, and conditions of certain statutory audit engagements assigned to KPMG S.p.A. (hereinafter "Addendum"). More in detail, also in relation to the aforementioned growth in size of the Group and to the dimensional variations, either increasing or decreasing, undergone

by the aforementioned companies, the remodelling of audit services provided for in the Addendum concerns the following activities: (i) Statutory audit of the financial statements of subsidiaries, (ii) review of the half-yearly financial statements of subsidiaries, (iii) Compliance examination of the separate annual accounts prepared in accordance with the Integrated Accounting Unbundling Act, (iv) Audit of the statement of debit and credit balances with Public Entities, (v) assurance engagement on the NFS (now Sustainability Reporting Directive) of Iren Group in order to fully comply with the provisions of Directive (EU) 2022/2464 of the European Parliament and of the Council of 14 December 2022 (CSRD - Corporate Sustainability Reporting Directive), including the compliance of the Sustainability Reporting with the ESRS, the procedures adopted to identify the information disclosed in accordance with the ESRS, the compliance with the obligation to mark the Sustainability Reporting in accordance with the provisions of Delegated Regulation 2019/815 as well as compliance with the disclosure requirements set forth in art. 8 of Regulation (EU) 2020/852. The Addendum also takes into account the remodelling that took place during 2024 for the activity of: (vi) Certification of the reporting package prepared in accordance with the OIC (Italian accounting standards) for a subsidiary.
The increase in consideration recognised for the entire Iren Group, in accordance with the indications set forth in article 5 of the Framework Agreement, is equal to, on an annual basis, respectively: 83,516.95 euro, plus VAT, with respect to the activities indicated in (i) to (iv) and (vi); 101,422.89 euro, plus VAT, with respect to the activity indicated in (v).
As far as may be necessary, finally, it should be noted that the Addendum also considers certain services rendered by KPMG S.p.A., in favour of Iren or of the companies directly or indirectly controlled by the same, on a one-off basis, therefore not on a continuous basis, the amount of which is 129,904 euro.

Organisation and Transversal Projects

The year 2024 was characterised by a significant increase in activities supporting corporate operations, both acquisition or new incorporation and rationalisation and integration into the Group, also following the start of the new concessions for the integrated water service; furthermore, important initiatives continued to improve the functioning of the Group's organisational model and the competitiveness of the companies.
With regard to corporate operations, the main activities carried out are reported:

- coordination of Working Groups (Project Management Office activities) with the aim of finalising corporate operations (acquisition, consolidation, new incorporation, rationalisation) and process integration;
- organisational integration: centralisation, in accordance with the Group's model, of the main corporate functions of the companies involved in the 2024 rationalisation and integration plan;
- for the same companies, integration of information systems with the centralisation of applications (with priority to the AFC area).

In 2024, the EGEA operation was the most significant for Iren; from an organisational point of view, the oversight of processes in the company took place through the sharing of the Group's main operating methods and the placement of Iren and Iren Mercato personnel in senior roles in EGEA Holding and EGEA Energie, initiating the first stages of an integration process.

In order to support development and pursue the Group's objectives, punctual organisational activities were carried out during the year in order to adapt organisational structures to the needs of the business, as well as analysis activities in the new subsidiaries, for a total of 62 projects completed.
In particular, the following specific projects on topics of strategic importance were initiated and completed, consistent with the Business Plan guidelines, such as:

- a project to revise and update the organisational model of the Networks BU, particularly with regard to the integrated water service, in order to align it with the territorial requirements set forth in the Concession Tenders, with the creation of new territorial companies (ARCA and Iren Acqua Piacenza), as well as the completion of the remote control model by line of business;
- start-up of the new territorial companies in Parma and Piacenza as provided for in the Atersir concessions for the management of collection and sweeping services. In addition, the new organisational model of the transversal structures of the Waste Management BU was implemented, with an adaptation of Operations, in order to make the organisational model more scalable and adapted to the integrated management of the new BU companies. Corporate rationalisation and integration activities also continued, such as the operational start-up of Valdarno Ambiente, the merger of TB into it, and the integration of Semia Green;
- launch of the Iren Smart Solutions and Iren Mercato organisational review project, aimed at enhancing the Group's competence centres (effective February 2025);
- creation and start-up of Project Groups aimed at controlling strategic Group activities such as: PNRR, Green District Heating, TLR EGEA, AI Act, Relevant Initiatives, Active Billing and CSRD;
- implementation of active cycle approval chains through dedicated workflow;
- optimisation of the organisational structure of Iren Mercato's Commercial Retail;
- organisational project for participation in the Rivieracqua concession tender;
- reorganisation of the company Alegas, consistent with corporate integration;
- reorganisation of the legal structure, with the creation of a new business unit for the management of Intra-group contracts.

Important transformation projects also continued, developed together with a Change Management programme: in particular, the Lean programme was expanded to support the streamlining of processes and the improvement of business performance, with the articulation of various projects focused on the main central departments of the Parent and on some areas of the Networks and Market BUs, extending training to Master Black Belt, Champion and White Belt courses, in addition to the Green and Yellow Belt courses already underway.

Finally, the activity of identifying and monitoring synergies continued with renewed focus, with the aim of improving Group EBITDA. In particular, in 2024, a new programme called 'TRIM' was launched to complement the existing 'Performance Improvement' programme, aimed at identifying and implementing further Group improvement and efficiency projects (with a focus on the years 2025-2026). The overall synergies were thus included in the new Business Plan 2024-2030. By the year 2024, more than 90 projects with synergies were activated or continued.

Technologies and Information Systems

The year 2024 saw the continuation and/or completion of important projects which are strategic for the Group, as presented below.
In general, in addition to the necessary adjustments, the computerisation and digitalisation plan envisaged by the Business Plan is being implemented, which continues to support the process of transformation, increase in IT security and development of the Group. With regard to company acquisitions/incorporations, systems were integrated or standardised from the administrative-management area.
To support this change and achieve the expected results, the organisational redesign of some areas of the Information Technologies and Systems department and the strengthening of the staff aimed at improving internal service levels have also been implemented.
In particular, regarding the ICT Governance area, the main initiatives concerned:

- ISO 27001: in July, the certification 'maintenance' audit was successfully passed, after which the transition to the new version of the standard scheduled for July 2025 began;
- PSNC (Perimento di Sicurezza Nazionale Cibernetica - Cybernetic National Security Perimento): during the year, work was carried out on the relevant risk analysis as part of the dedicated group project;
- 5 audits on security and compliance issues on IT suppliers;
- the release of a new system for the centralised monitoring of the IST Directorate's economic data (economics).

In the M&A and PostMerger areas, IT integration activities were completed for recently acquired companies. In particular, cybersecurity assessments were carried out, corporate systems for the Administration, Finance and Control and Personnel (payroll and attendance) areas were integrated, systems for energy management and commodities trading were started up, and IT infrastructures for the relevant facilities were implemented.

In 2024, project initiatives aimed at raising the level of Information Security against cyber events continued, the most significant of which are:

- continuation of the awareness campaign on IT security issues, addressed to all employees
- implementation and adoption of a new SOAR (Security Orchestration, Automation and Response) platform for IT security incident management;
- introduction of the Security Score Card platform, which allows the cyber posture of partners and suppliers to be calculated/assessed. This solution also makes it possible to 'measure' the exposure of Iren itself and/or to conduct possible analyses on companies undergoing M&A;
- start of analyses for the adoption of the new NIS2 regulation;
- also with regard to the PSNC, security measures were implemented and the monitoring activities required by the regulations were carried out.

In the area of Enterprise Architecture, the drafting of the 'Architectural Guidelines' document was initiated, which aims to provide a set of guidelines, directives and recommendations for the design and implementation of software architectures within the organisation.

At the level of transversal initiatives on the Infrastructure front we can note in particular:

- extension of the perimeter of the PAM (Privileged Access Management) solution;
- extension of the perimeter of the WAF (Web Application Firewall) solution;
- completion of the High Reliability Internet Connectivity Project;
- completion of activities related to the enhancement of resilience for the fluid remote control application;
- extension of the perimeter of the end-to-end monitoring solution;
- completion of the project to migrate the company's contact centre platform to the cloud;
- completion of the pilot and related choice of NAC (Network Access Control) platform for access control on the corporate client network;
- conclusion of the project to implement MFA (Multi Factor Authentication) on all company devices;
- continuation of the project to migrate minor connectivity to a wholesale network in order to increase security and reduce costs.

In the area of Digital Solutions and Data, the main solutions released during the year were:

- industrialisation of Data Process Mining: out of the 4 processes on the roadmap at the Market BU, in line with the objectives, two use cases (Claims and Bank direct debit) have already been released for production;
- release of several use-cases in the Advanced Analytics/Artificial Intelligence field, among them:
  - Energy Management - Gas Imbalance Optimiser: a tool is available in the production environment of the Analytics Portal that allows the Operations & Demand Forecasting function to calculate the company's gas position on a daily basis, taking into account expected consumption, sources and storage;
  - Energy Management - Long Term Scenarios (L/T) and Trading Reporting: a data platform, with consumption tables, was developed for reporting purposes;
  - Energy Management - L/T PUN Modulation: this is a solution that provides the forecast of the PUN over short, medium and long term horizons;
  - Energy Management - the Data Product 2024 programme was completed, which saw the implementation of a useful architecture for storing "data products", including "Gross Plant Production", "Net Plant Production" and "Plant Gas Consumption (Methane)".
  - Market - the extension of the margin simulator and Life Time Value (LTV) and churn models on the subsidiaries (Salerno Energia Vendite in primis) and the small business segment;
  - Market - the industrialisation of the model that optimises repricing;
  - Corporate - the launch of the initiative to develop a data platform for the HR department with related management reporting;
  - roadmap for the introduction of Generative AI in Iren;
  - management of the pilot project on Microsoft CoPilot in GenAI (Generative Artificial Intelligence) on Digital Workplace.

Furthermore, the Energy Management unit, through the dedicated IT Solution, as well as benefiting from the AI programme provided by the Digital Solutions and Data Office, completed the following activities:

- harmonisation of IT systems: consolidated the "TO BE" scenario and defined the key initiatives for 2025 to rationalise the IT systems used by business users;
- revamping of the Strategic Bid Planner to automate bid planning processes and interfacing with bidding tools;
- the adaptation of IT systems by virtue of the entry into force of the TIDE (Integrated Text of Electricity Dispatching) by ARERA.

As regards the Corporate Solution, the main projects carried out in 2024 were:

- in the Procurement, Logistics and Services areas:
  - after going live in its entirety (Warehouse Management System, Pick&Go and advanced reporting and optimisation functionalities) at the end of 2023, the Logistics 5.0 project introduced some new functionalities and improvements to some existing ones in 2024. In particular:
    - revision of the cycle count process for faster inventory;
    - improvement and optimisation of WMS functionality and interface;
    - improvement of certain Pick&Go functionalities;
  - with regard to the fleet management project, the release of the planned functionalities (Management and Car-Sharing App) was completed and important evolutions on the function pool management, enabling the scope project, were started. GSM signal coverage is also being extended to all Group garages involved in Car Sharing in order to enable the use of the App for booking vehicles wherever necessary;
- in the area of Personnel, work was completed to make the web portals and main company tools (pay slip, training portal, intranet) accessible to people with disabilities;
- in the Administration, Finance and Control area:
  - activities were completed for the recognition of estimated revenue related to the water commodity and corrective measures were initiated for the energy commodity;
  - in the SAP area, implementations were carried out for the investment monitoring and reporting project;
- in the area of Corporate Social Responsibility, the important project of technical/functional revision of the current sustainability reporting platform according to the new European principles (ESRS), issued pursuant to the CSRD Directive, was initiated.

In the area Energy Solution:

- phase 1 (standardising the collection of data from automatic sources) of the 'Energy Database' project has been completed and will continue in 2025; the aim of the project is to rationalise the management of energy data from the production areas (thermo/hydroelectric, renewable, TLR), bringing together application functions for plant management and energy management;
- for District Heating, the first part of the 'Renewal Construction Portal' project was completed, aimed at renewing the IT platform for the management of the laying of the transport network, connections and district heating plants;
- in the hydroelectric area, initiatives were carried out to ensure wireless connectivity on remote facilities and the project to close the Valle Orco fibre optic ring was started, which will be completed in 2025;
- in the area of Smart Solutions, the 'Job Control' projects, consisting of the introduction of dashboards and operational and management control tools relating to the company's performance, and the 'Efficien-TO' building energy monitoring system were finalised and made operational;

- within Alfa Solutions, the first part of the project to create the new CRM was completed and made operational, with the aim of optimising and enabling a more effective management and monitoring of customer orders.

With regard to the Market Solution, in 2024, system evolution projects continued with regard to the operational efficiency of Digital Sales & Post Sales processes (in terms of market and competitiveness):

- there were 4 releases (February, May, July and November) to support Business As Usual on core CRM and Billing systems in response to regulatory adjustments, marketing and sales strategies and operational improvements;
- there were periodic monthly releases on the IrenPlus and IrenGo systems to support the marketing strategy;
- the release and adoption of the new Iren Force portal was completed, useful for the centralised management of new customer acquisitions by the sales force, integrated with an Advanced Electronic Signature solution;
- release of the Flat offer;
- release of the motor liability offer;
- the new IrenGo e-mobility app and related E-Mobility platform has been released;
- the procedure for joining the water purification reimbursement procedure was implemented;
- in addition, project initiatives related to M&A transactions and tenders were completed.

With regard to the Networks Solution, system evolution activities continue, especially concerning regulatory issues; this activity is managed in releases to ensure the best stability of the systems.
Furthermore, the project activities related to the following digitalisation initiatives are continuing:

- BC1 - Predictive Plant Maintenance and Operation;
- BC2 - Asset/Equipment Tagging;
- BC3 - Advanced maintenance and operation procedures;
- BC5 - Advanced Analytics Networks;
- BC6 - AM-WFM external enterprise extension;
- BC7 - AM-WFM evolutionary with controlling and asset enhancement
- BC8 - BIM-GIS Vertical evolutions and systems integration;
- BC9 - Data Management Extension.

For the Waste Management Solution, the main initiatives have concerned in particular the evolution and extension of the systems. In particular, the following are noted:

- the activation from January 2024 of the two new Territorial Operating Companies in Parma and Piacenza on SAP and Salesforce systems;
- the extension of the SAP SD component for the management of invoicing processes;
- the activation, as of April 2024, of the TQRIF - Contractual and Technical Quality of Municipal Waste Management Service reporting functionalities;
- the activation of systems and functionalities supporting Customer Care and fee-based billing for SEI Toscana;
- the activation of the Salesforce system for the management of the Cuneo Ecological Consortium (San Germano);
- the completion, in June 2024, of the transition to the new Genesys cloud-based platform;
- the extension of the InPlant solution to several of the Group's treatment plants;
- new functionalities were released in December 2024 to allow full interoperability between Iren's systems and RENTRI (National Electronic Waste Traceability Register).

Innovation, Research and Development

Technological innovation in Iren Group is central to the strategic choices and the definition of the products and services offered.
The Business Plan to 2030 provides for important investments in innovative technologies and for digitalisation. This confirms the centrality of innovation in the Iren Vision, which will be expressed in the development Plan of all the sectors in which it operates with the objective of making the Group an example of excellence and innovation in the multi-utility sector. In particular, the Business Plan is in line with the sector macro-trends identified, namely the decarbonisation and development of renewables, the circular economy, energy efficiency and the protection of natural resources.
From this perspective, the main innovation activities underway within the Group are aimed at researching and adopting technologies and processes to support the sustainable development of the reference businesses.
Iren Group manages innovation processes through an open innovation model and, consistently, has launched profitable collaborations with Universities, Research Centres, Innovation Hubs and Start-ups. Additionally, it takes an active part in working groups and associations on specific research and development and promotes events such as conferences, workshops and hackathons. As proof of its commitment to innovation, in 2024, Iren received the Smau 2024 Innovation Award for the water leak detection service it developed in collaboration with the start-up Finapp and extensively tested on the La Spezia network managed by ACAM Acque.

Iren Innovation Lab
The year 2024 was the third full year of Iren Innovation Lab, which hosts all of the Group's open innovation initiatives, allowing both to further strengthen the culture of innovation at all levels of the hierarchy and to continue extending the boundaries of the innovation ecosystem.
During 2024, Iren Innovation Lab saw the conclusion of the Group's second Call4Ideas. This initiative involved 65 colleagues who, divided into 15 teams, had the opportunity to dedicate time and resources to the development of their projects with the training support of coaches and mentors. An initial selection event was held in May 2024, during which the 8 finalist groups were identified and presented their work to a jury composed of the Group's top management during the initiative's closing event in Reggio Emilia, during which the three best projects were awarded and development work continued over the following months.
After the success of the first editions, the third edition of Call4Ideas was launched in December 2024, to once again give the Group's employees the opportunity to submit their innovation ideas, regarding new solutions to strengthen the Group's positioning, launch new businesses and improve existing processes or working methods.
In October, a debate was held in Reggio Emilia dedicated to fostering internal knowledge and discussion on the topic of CCUS (Carbon Capture, Utilisation and Storage), with the sharing of the main results of the Ideas Workshop, an Open Innovation initiative set up in 2022 to address the decarbonisation challenge for the Group from a variety of perspectives, such as, for example, the main evolutions of the legal and regulatory framework, the ranking of the Group's main plants based on emission profiles, available areas and potential supply chain developments, the technical and economic characteristics of CO_2 capture solutions and the most promising utilisation options able to convert or fix carbon.

The platform supporting open innovation was also used for the new edition of the Iren ESG Challenge 2025 award, intended to reward the 10 best theses that deal with the topic of sustainability and ESG challenges. Between September and November, the platform received applications from over 400 degree, master's and doctoral theses.

The year 2024 was also characterised by the continuation of technical activities related to the Group's various co-financed projects and by the development, also in partnership with innovative companies and start-ups, of internal technological projects on the basis of planning which, starting from an analysis of the long-term scenario, is aimed at giving the Group the tools needed to seize the opportunities and mitigate the risks deriving from the evolution of the markets in which it operates.

Iren Up
The activities of Iren Up, the Corporate Venture Capital programme, launched in 2018 with the aim of supporting the highest potential Italian start-ups in the cleantech sector, from clean technologies to the circular economy, continued. The programme provides for direct and indirect investments with different tickets depending on the life phase of the Start-up and needs.
In 2024, a new edition of the Iren Startup Award was launched, dedicated to the topic of artificial intelligence. The competition will end in February 2025 with the awarding of prizes to the two start-ups that have proposed the best AI solutions for Iren's businesses.

Furthermore, the management of investments in start-ups in which the Group has invested continued, with the provision of investment tranches provided for in previous investment agreements. During the year, the entry into the second venture capital investment fund MITO Tech Ventures was concluded, with Iren as Limited Partner, ensuring visibility on the dealflow of investment transactions and thus increasing the opportunities in terms of venture customers. With regard to indirect investments, moreover, through CDP VC, Tech4planet contributed 28 investments in the pre-seed and seed sectors.
The year also saw the start of a project to expand the scouting of international innovation opportunities with presence in the world's major hubs. In this context, a contract was activated to support the search for innovative solutions and network with leading Silicon Valley players.

Lastly, as part of its networking activities and participation in the external innovation ecosystem, Iren took part in networking initiatives by companies and start-ups such as:

- SMAU, with which a call in HR tech was launched, as well as participating in events related to the European roadshow, including a restricted one among corporations interested in exploring the potential of the Nordics;
- Elis, which joined the Open Italy 2024 programme, with which the Proof of Concept of the Skillgym solution in the field of staff training was completed;
- Startup Intelligence of the Milan Polytechnic University, involving participation in several inter-corporate working tables on different aspects of technological innovation;
- House of Emerging Technologies, with which collaborations were developed in the area of 5G and urban intelligence solutions;
- participation in acceleration programmes such as Techstars, in the smart cities area, and Magic Spectrum, dedicated to the 5G Internet of Things;
- support for regional competitions dedicated to start-ups, the StartCup Emilia Romagna and the SmartCup Liguria;
- sponsorship of the National Innovation Award (PNI), participating in the jury and awarding the winner of the Cleantech category.

Among the initiatives in which Iren has participated, bringing its contribution in terms of process innovation and applied research, there are the collaborations with the Competence Centres (promoted by the Ministries of Economic Development and Economy) in Turin ("Competence Industry Manufacturing 4.0 – CIM 4.0") and Genoa ("Competence Centre for the Security and Optimisation of Critical Infrastructures" Association – "START 4.0").

Completed and ongoing funded research projects

Also in 2024, Iren contributed to the creation of important innovation projects co-financed with public funds for research. On this point, the main projects underway are presented below. The total investment for Iren Group is approximately 6.5 million euro, of which over half being financed. In relation to these amounts, the co-financeable costs incurred during the year amounted to 1.1 million euro, of which 0.8 million euro covered by non-repayable financing.
The projects completed and in progress in 2024 are presented below.

INCIT-EV (Horizon 2020)
The objective of the INCIT-EV project is to develop and field test a set of electric vehicle charging infrastructure, hardware and software technologies and business models to drive large-scale adoption of electric mobility.
Iren Group participated, with the companies Iren S.p.A., Iren Mercato and IRETI, in the project for the development of a pilot area in the Caio Mario interchange car park in Turin, aimed at testing a system of DC columns (both slow and fast charging), directly connected to the direct current power cabin of the tram line. In the course of 2024, work was carried out on the Piazzale Caio Mario lot and an agreement was signed between the partners involved in the project in order to complete the work. In particular, the necessary works were then carried out to complete the relevant transformation cabin, to allow the integration of an electric car charging infrastructure connected directly to the DC network of the City of Turin's tram network. In addition, tests were carried out by IRETI on the meter, and the setting up of the container with the appropriate instruments for the testing phase was completed.
The project was concluded in June 2024.

PRELUDE (Horizon 2020)
The objective of the project, started at the end of 2020, is to test, in several pilot projects in Europe, solutions in the field of innovative management of buildings and plants, free-running mode, self-consumption and integration of renewable sources. From the technological point of view, PRELUDE intends to integrate multiple physical and mathematical models developed by the partners, databases of the different pilots and monitoring and control systems of the assets of the pilot projects in a single modular/middleware platform that is based on FusiX (metadata infrastructure and DSS - Decision Support System), developed by partner EMTECH in previous EU projects.
Iren Group participates in the project with Iren Smart Solutions and Iren S.p.A. with the aim to provide a sample apartment building representative of the Italian building stock. The building was identified in Turin and 8 model flats were selected to be used as case studies by installing smart devices to monitor and control energy consumption and comfort. In 2024, work continued on refining the comfort and consumption optimisation modules. A survey was also conducted among the inhabitants of the pilot flats, with the aim of assessing the user experience with the smart devices (for air quality monitoring, smart thermostatic valves and smart sockets) and the related smartphone apps: the feedback gathered was positive both in terms of usability and appreciation for the monitoring functions and self-implementing actions.
The pilot project was concluded on 30 November 2024.

Multipliers (Horizon 2020)
The project aimed to introduce new scientific ideas, practices and approaches in schools, which can offer to the communities, of which teachers and pupils are part, a space for open innovation, on scientific issues that have an impact on citizens' lives. Since November 2021, the establishment of multiplayer partnerships (Open Science Communities - OSCs) has started, involving schools, families, civil society organisations, policy makers, media, scientific institutions and companies in six EU countries, diverse in terms of geographical location and economic status. The OSCs have jointly selected the socio-scientific issues to be addressed to develop concrete projects to be implemented in schools involving more than 1500

students of all levels of education in the same six countries. The students interacted with teachers and were involved in data collection and decision-making processes. Through open community events, they shared their experiences, collaborating with families and companies acting as knowledge multipliers. During 2024, the phases (implementation and dissemination) of the open-school project launched with the Pascal Institute of Reggio Emilia were completed. A blogpost for the Multipliers newsletter was defined and implemented; with the contribution of all project partners, the draft for the "Planning of New Open School Learning Projects" was drafted; and finally, a water-saving good practice demonstration point was installed in the institute; the installation consists of a drinking fountain and illustrative panels.
The Project was finally concluded at the end of October 2024.

FlexCHESS (Horizon Europe)
The project, which started in December 2022, aims to study the use of Energy Storage Systems (ESS) of different kinds (e.g. batteries, electric vehicles, flexible loads) for balancing electricity grids, evaluating possible flexibility services. Iren S.p.A and Iren Energia are participating in the project and are involved in the development of the Italian pilot at the company headquarters in Corso Svizzera (Turin), with the aim of studying the potential of a Virtual Energy Storage System. During 2024, the main activities involving the Group concerned the definition of the technical characteristics of the pilot, focusing on how to computerise the data from the assets used for the test with the project platform for forecasting electricity demand and production, and the study of possible flexibility scenarios applicable in the field. The group was also engaged in communication and dissemination activities, including the organisation of an online workshop to present the objectives of the project and the Italian pilot.

CaLby2030 (Horizon Europe)
The project, launched in October 2022, focuses on the demonstration at TRL6 of CO_2 capture systems based on Calcium Looping (CaL) circulating fluidised bed (CFB), starting with three pilot plants in Europe operating under industrially relevant conditions and projecting this technology towards large-scale commercial implementation in major high-emission sectors by 2030 (target sectors: steel, cement, Waste-to-Energy).
Specifically, the contribution of Iren and, as a related party, Iren Ambiente to the project takes the form of support for the definition of test protocols to be implemented at foreign demonstrator plants and in the performance of a pre-engineering and integration study of a CFB-CaL system with the definition of an initial retrofit concept on the Piacenza waste-to-energy plant. During the project, a comparison with LEAP and PoliMI should be noted in which the stabilised dry fraction produced at the Integrated Environmental Hub in Parma was chosen as feedstock for carbonate regeneration. In 2024, on the basis of Iren's input and the operational data of the Piacenza waste-to-energy plant, the project's technological partners carried out preliminary simulations with mass and energy balance assessments, providing technical information to be able to carry out the pre-engineering study and integration of the CFB-CaL system upstream of the stack in 2025.

DATA-CELLAR (Horizon Europe)
The project, initiated in June 2022, intends to develop a platform (Data Space) capable of collecting data from different sources operating in the Energy Community sector, in order to enable new business models related to data interchange. With reference to the operational data generated by the emerging Energy Communities, particular focus will be placed on the following aspects (i) Interoperability and standardisation of data interchange protocols; (ii) Data privacy (also through blockchain); (iii) Data valorisation with tokenization mechanisms. Iren Group participates in the project with Iren S.p.A, Iren Mercato and Iren Smart Solutions and has the task of providing the use cases of the Italian pilot, represented by a Renewable Energy Community in a 'rural' context and one in an 'urban' context. During the project, the Group identified the two validation cases and provided a description of the characteristics and type of data that could be acquired for the two nascent energy communities. In 2024, activities were carried out to support the definition of the possible services offered by the project platform and to test the functionalities of the tools that are being developed in the project; the monitoring of the data availability of the two validation cases continued with the aim of contributing to the populating of the data space.

WOODCIRCLES (Horizon Europe)
The project, initiated in June 2023, aims to study and demonstrate solutions to enable the recycling and reuse of wood waste from construction and demolition activities. The role of Iren in the project (participating with Iren Ambiente as related party) is included in the Italian pilot involving the City of Turin and Environment Park. On three building renovation sites managed by ATC (Agenzia territoriale per la Casa del Piemonte Centrale) (Territorial Housing Agency of Central Piedmont) the wood material to be disposed of during the renovation of housing units will be collected and separated (at pilot level). The wood will be sent to the ASM Vercelli recycled wood pallet and pallet block production plant, with the ultimate goal of transforming the wood collected on construction sites into products for the creation of innovative artistic objects and street furniture, to be used in the city of Turin. During 2024, the collection of wood waste was completed at one of the three sites, while at the other two, the doors and windows were removed, and the roof wood will be removed in early 2025. The recovered wood was transformed into pallets and used for art installations (during the Paratissima event) and for furniture in a school building in the City of Turin.

TIPS4PED (Horizon Europe)
The project, which started in January 2024, aims to develop an Integrated Assessment Tool to support municipalities in planning urban actions for the development of Positive Energy Districts (PEDs). Its potential will be tested in four different European cities: Turin, Cork (Ireland), Budapest and Kozani (Greece). The Municipality of Turin expressed interest in participating in the project with a pilot, identifying a district consisting of two office buildings owned by the Municipality and managed by Iren Smart Solutions, one of which is equipped with a roof photovoltaic system and the other with a car park (in which Iren wallboxes are being installed), in addition to the Energy Centre building. During 2024, technical roundtables were held with the Italian project partners to identify descriptive data of the Italian pilot context, both at city and district level, and a focus group on PEDs was organised to identify the needs and viewpoints of possible stakeholders.

ReBioCycle (Horizon Europe)
The project, which started in October 2024, aims to demonstrate the sustainability and circularity of bioplastics by recovering them from different waste flows (plastics from sorted waste collection in the case of the Italian HUB) and to develop innovative technological solutions for the recycling and reuse of bioplastics collected in the waste flow.
The role in the project of Iren Group, represented by AMIAT and I.Blu, is included in the Italian pilot involving NOVAMONT.
Since the start of the project, IREN has conducted several activities to collect information on the fate of bioplastics in the waste flow. Analysing the waste flow of the Borgaro Torinese plant, it was found that bioplastics constitute between 1% and 2% of the waste flow. In 2025, the implementation of a robotic arm to remove these plastics from the waste flow is planned at the AMIAT plant in Borgato Torinese.

EU-DREAM (Horizon Europe)
The project, which started in July 2024, focuses on the creation of digital tools and services to actively involve consumers in the EU energy market. The aim is to simplify the management of relations between the consumer and the energy network by providing an assistant based on artificial intelligence. EU-DREAM will develop a Digital Twin (a virtual model of a physical object) of domestic systems, based on real-time data acquired from sensors for the analysis of energy markets, and the creation of new consumer-oriented business models. Living Labs will be established in 6 European countries, including Italy, where Iren will play a leadership role.
The Group, represented in the project by Iren S.p.A and Iren Mercato, will be directly involved in the activities of setting up a testbed environment (lab) to test the interoperability of the protocols, the feasibility of remote control between different devices and the effectiveness of the control responses in the context of Demand-Response and energy flexibility; downstream of the lab experimentation, 1-2 residential homes will be identified among Iren's customers to analyse the technical feasibility of different flexibility models with real users and customer acceptability.
During the second half of 2024, executive design work was carried out on the Italian laboratory, which was built in December in the car park of Iren's headquarters in Corso Svizzera, Turin. In particular, the container housing the laboratory was positioned and all the necessary construction, hydraulic and electrical work was carried out, so that the set-up with the planned devices and devices can begin in the first quarter of 2025. At the same time, the technical round table was opened with the Italian partners to identify the correct instrumentation to be tested and to define the appropriate case studies, consistent with the project objectives.

in-grHYd (Resolution ARERA 404/2022/R/GAS)
The 'in-grHYd' project, presented by IRETI Gas with the participation of Iren and IRETI and started in January 2024, is co-financed with 1.2 million euro under ARERA Resolution 404/2022/R/Gas 'Pilot projects to optimise the management and use of infrastructures in the natural gas sector'. Starting from the previous analysis of the hydrogen readiness of IRETI Gas' assets and the definition of a research and development pathway aimed at the progressive acceptability of hydrogen mixtures, the project aims to create an ad hoc pilot gas network, small in size and representative of the materials and components adopted on the networks to contribute to the training of operating personnel, also experimenting and refining any methodological modifications necessary for the characteristic operating activities during the interventions, as well as carrying out tests and analyses on fugitive phenomena, persistence of odour at the end of the line, etc. on the network in operation in a hydrogen-natural gas mixture.
During the first half of 2024, the Group finalised and delivered to ARERA, as part of the first technical report, the executive project of the experimental plant, starting in July, after obtaining the necessary authorisations from the relevant bodies, the procurement of materials and site activities, which are being completed together with the creation of the remote control and monitoring architecture. Protocols have been defined for field tests, which will be carried out during the experimental period until the end of the project (31 December 2026), and for laboratory tests on materials and parts carried out with the support of a third party.

RAIN4UTILITY (POR-FESR 2014-2020)
The project, which started in March 2024, aims to develop a multi-context DSS (Decision Support System) for managing the physical security of assets in the charge of multi-utilities in the face of extreme weather events.
It foresees two demonstration areas for reference assets: flooding in urban areas (for the roadside drains serving the drainage network in Genoa Sampierdarena) and surface landslides (for the Val Noci adductor in Genoa Trensasco).
Iren Group is represented in the project by Iren S.p.A and Iren Acqua. In 2024, in addition to identifying the suppliers of the sensors to be installed, specifications were defined to implement and make usable the flooding and landslide susceptibility scenarios in the identified demonstration areas. The configuration identified will allow the system to be implemented according to operational standards and open data, ensuring a highly replicable product applicable to different sectors and fields in the future.

HERO (Start 4.0)
The HERO project, which started in October 2024 and was developed by Iren S.p.A. and HIRO Robotics, aims to create a robotic cell for the treatment of heterogeneous and complex WEEE waste that by number does not justify the creation of a specific line (e.g. dismantling of small household appliances with up to a hundred items).
In the first months of the project, the work focused on the analysis of the current electrical and electronic waste management scenario in Italy, with particular attention to the mapping of the R4 (consumer electronics) category supply chain, the subject of the study. The collection volumes and complexities inherent in the treatment of this subcategory were examined, using two real-life use cases, and then a specific technical solution was developed. The aim is to develop a pre-industrial prototype (of Technology Readiness Level 7) with advanced self-learning algorithms, improving safety, ergonomics and reducing processing and energy costs.

SMARTEE-PLANTS (POR FESR 2014/2020)
The Smart Energy-Efficiency wastewater treatment Plants project, which started in November 2022, has as its overall objective the energy and environmental efficiency of wastewater treatment processes, to be achieved through highly monitored, continuous management of the related bio-chemical and physical processes, using an innovative network of low-cost sensors coupled with appropriate control and automation systems.
Iren Group is represented in the project by Acquaenna S.C.p.A..
During 2024, the complete installation of all sensors and equipment necessary for the monitoring phase of the plant took place. In particular, sensors were installed in the biological reactor to measure ammonia, nitrate, dissolved oxygen, redox potential, pH and suspended solids. The latter sensor was also installed at the outlet of the final sedimentation station. The relevant data acquisition unit was then installed and the monitoring phase of the purification cycle started, with data transmission and weekly sampling of the aerated mixture.

PNRR-funded projects
During 2024, the activities of projects financed under the PNRR 'Extended Partnerships (EP) to Universities, Research Centres and Companies' continued. Iren is involved as a partner in projects, NEST and RETURN respectively.

- PE NEST - Network 4 Energy Sustainable Transition, coordinated by the Bari Polytechnic University. IREN is involved in the Partnership as Adhering Party of the Hub and related party to Spoke 4 "Clean hydrogen and final uses" (coordinated by the University of Genoa) and Spoke 6 "Energy Storage" (coordinated by the Polytechnic of Turin). In particular, the research lines developed on the two spokes concern the hydrogen value chain and energy storage (with a focus on heat storage connected to district heating networks, a theme in synergy with part of the activities of the joint working group GDH – Green District Heating), with a focus on the technical and technological development of innovative solutions and on regulatory and market analyses;
- PE RETURN - multi-Risk sciEnce for resilienT commUnities undeR a changiNg climate, coordinated by the University of Naples Federico II. IREN is involved in the Partnership as Founder Subject of the Hub and affiliated party to Spoke 6 "Resilience of Critical Infrastructures" (coordinated by the Polytechnic of Turin) and 8 "Climate services for risk mitigation and adaptation" (coordinated by the University of Bologna). The activities of interest to Iren concern (i) modelling and analysis of the impact of natural forcings (landslides, ground settlements and subsidence, earthquakes) in the model of water resources and aqueduct networks, evaluating their behaviour in different climatic scenarios (extreme flooding or drought events and heat waves); (ii) monitoring and back-tracking of parasite water infiltration and illicit discharges into sewer networks; (iii) evaluation of the impact of climate change (i.e. heat waves) on surface water quality, the behaviour of flood discharges and the effectiveness of drinking water and sewage treatment systems. The issues were dealt with in synergy with Iren Energia (slope stability monitoring) and with the Risk Management function (IPCC6 Intergovernmental Panel On Climate Change update and extension of risk probability estimation models to include wind farms).

In addition, within the NODES 'NODES-North West Digital and Sustainable' cascade calls, an innovation ecosystem financed by the Ministry of University and Research (PNRR framework), Iren participates, together with a start-up, in the project BRIDES - Boosting Resilience through Innovative Decentralised Energy Storage for sustainable mobility.
This project, which started in December 2023, aims to develop a high-capacity, high-power portable charging system, implemented with Vehicle-to-Grid (V2G) functionality, reusing second-life vehicle batteries to create a decentralised energy storage solution to serve Energy Communities and ancillary energy markets, to maximise self-consumption of renewable energy locally and to meet grid flexibility requirements. In the course of 2024, preliminary market analyses and development scenario studies were conducted for the innovative recharging system, including interviews with various stakeholders to learn the technical and market state-of-the-art for the identified use cases; the recent developments in the regulatory framework for Renewable Energy Communities and ancillary services were then investigated in order to understand what opportunities are open to the technology under consideration. Furthermore, the functional requirements and technical specifications for the control software of the charging device were determined, defining the architecture of the system control software and the preliminary design of the user interface mockup.

Other innovative activities

During 2024, alongside the financed projects, Iren launched initiatives and self-financed projects, which engaged resources internal and external to the company. In particular, as regards external collaborations, Iren activated multiple research contracts with Italian Universities which regarded aspects such as the design and testing of innovative plant solutions in support of the Iren businesses, the creation of models and the identification of new processes and services.
Some significant self-financed projects are presented below:

NETWORKS

This section includes research and development activities carried out in 2024 that concerned the networks segment, broken down into networks and plants serving the integrated water cycle, the natural gas distribution service and the electricity distribution service.

Water service

Research activities continued for optimisation of water pipeline networks during the year. In particular, some Proof of Concept of technologies that can be used in asset management activities were realised, with particular reference to the localisation and pre-localisation of water losses through the installation of fixed noise loggers in network control sections (PoC Von Roll Hydro technology in the pilot in Cengio and PoC Aquarius Spectrum in the Umbertino district in La Spezia).
Iren also continued its collaborations with the start-up Finapp aimed at perfecting specific probes to detect the presence of water in biomasses by measuring cosmic rays in the aqueduct. In particular, the collaboration concerned the application of the large-scale prelocalisation technique for one year at the entire network in the province of La Spezia.
During 2024, collaboration continued with the University of Modena and Reggio as part of the research project on the impact of climate change on the quality of water resources, and collaboration continued with Royal Askoning aimed at applying innovative methodologies for the energy optimisation of aqueduct systems.
During 2024, Iren and the Networks BU also dedicated themselves to the PoC on Biosensor technology for monitoring and detecting illegal discharges, applying it to the drainage network underlying the Roncocesi purification plant.
The activities foreseen by the three agreements stipulated with the University of Genoa for the financing of a PhD scholarship on the following topics also continued: "Development of an innovative and unconventional photocatalytic technology for the degradation of emerging pollutants and the green management of water resources", "Development and testing of new methodologies aimed at the prevention, detection and mitigation of cyber threats in the OT (Operational Technology) field" and "Wastewater valorisation for sustainable reuse of the resource and mitigation of the impact of climate change".
Work continued on researching new technologies to be applied to the management of drainage networks by improving their underlying purification processes. During 2024, scouting focused on technologies for energy efficiency and on-line process monitoring, in which specific PoCs were launched. Reference is made in particular to the development of an algorithm using AI techniques for regulating the air in oxidation tanks as well as the deployment of energy-efficient technologies for inverter-driven pumps.
In addition, preparatory activities for the implementation of PoCs for monitoring parasitic water and pre-locating water leaks by inserting fibre optics into the aqueduct and sewerage networks continued during 2024.
In the area of sludge reduction and recovery of materials and energy, collaboration with start-ups and research bodies continued, with the aim of assessing the yields and applicability of innovative processes such as hydrolysis, gasification/pyrolysis or biotechnological processes for the extraction of high-value compounds, such as biopolymers. In particular, in 2024, it is important to highlight the continuation of the activities related to the construction of the industrial pilot plant for sludge pyrogasification at the Reggiolo purification plant.
The research activity involving Hera, Iren, SMAT, and A2A also continued. In particular, in 2024, an addendum to the agreement was signed, which provides for the entry of additional utilities (Acquedotto Pugliese, Metropolitane Milanesi and NEPTA of the Italgas Group), which will pool their experiences and knowledge through joint developments of innovative projects, with benefits for the companies themselves, with the aim of developing applied research, innovation and technological development in the field of water service management.
Iren (with its subsidiary Iren Laboratori) confirmed its participation in the Epidemiological Surveillance of SARS-COV-2 in wastewater, coordinated at a national level by the Istituto Superiore di Sanità, with the aim of acquiring useful indications on epidemic trends and early warning of outbreaks, by measuring, through molecular biology analysis, the levels of COVID in the wastewater entering the Group's major wastewater treatment plants.
In the same context, in 2024, Iren formalised a collaboration contract with a start-up company for the prototype development of a direct-reading instrument/case consisting of a measuring sensor integrated in the microfluidic cartridge, a sampling and preparation kit, a reading reader and functioning software for three types of sensors used for the real-time detection of the target pollutants Zinc, Nickel and Copper present in aqueous matrices.

Gas Distribution Service

Among the project initiatives carried out in the area of gas networks, it is important to highlight that, under the same ARERA Resolution 404/2022/R/GAS that co-financed the in-grHYd project, the Group obtained a second co-financing worth about 660 thousand euro for the construction of a new plant, identified as 'C.eMi. The plant is aimed at the process of re-introducing (Reverse-Flow) into the Snam Rete Gas natural gas transportation network a portion of the gas mixture available in the distribution plant owned by IRETI Gas, with the objective of enabling and increasing the absorption capacity of renewable gas injected captively into the distribution networks.
In addition, during 2024, IRETI carried out a project that included the installation in two regulation and measurement cabins (REMI) and two final reduction groups (GRF) in the municipality of San Martino in Rio (RE) of an electromechanical device to

remotely modify the setpoint of the piloted pressure regulators, optimising the accuracy and performance of the closure by means of real-time control of the pulse width modulation. Prospective goals include decreasing leakage and maintaining the rangeability of flow meters in the case of multiple REMIs.

Electricity Distribution Service

Iren continued its collaboration with RSE aimed at researching topics of common interest in the following areas:
- diagnostic methodologies to detect possible critical points in the MV cable network;
- planning methodologies for the distribution network, capable of taking into account the presence of flexibility services and assessing possible coordination schemes between distribution system operators (DSO) and transmission system operators (TSO);
- IT techniques to facilitate the digitalisation of business processes through semantic technologies;
- testing of the introduction of portions of the DC grid into the medium- and low-voltage distribution networks and the associated physical and fiscal metering requirements (synergistically with the INCIT-EV project, which ended during the year).

During 2024, the set-up and testing of an innovative system for fault detection on electricity distribution networks using artificial intelligence techniques, developed by the start-up Zaphiro, was started. The system involved the installation of a number of measuring instruments connected to feeders of the lines fed by the 'Stura' primary cabin and will allow real-time data to be collected from the network by building a digital twin capable of simulating the operation of the network portion from a limited number of field data. With this tool, it will then be possible to pre-localise the occurrence of faults and speed up the possibility of intervention on the network, improving the quality indicators against which the performance of the DSO is assessed.

Projects included in the AMGA Foundation's research programme

During 2024, Iren continued its collaboration in the context of research projects funded by the AMGA Foundation relating to economic-regulatory issues and technical-scientific aspects related to water, energy and environmental resources. Research projects completed in 2024 include:
- characterisation and automatic selection of electronic boards using intelligence and machine vision algorithms;
- joint valorisation of OFMSW from sorted waste collection and of superfluous sludge for the production of biogas and volatile fatty acids (VFA);
- technical efficiency in water and/or gas distribution in Italy. Some policy considerations;
- design, implementation and testing of innovative solutions for the resilience of water and energy networks.

During 2024, the Board of Directors contracted and initiated the following research projects included in the annual activity programme:
- the dynamics of retail energy prices and the transition to the free market;
- Sister Water: Third Sector guidelines for the efficient use of water resources and updated Third Sector Sustainability Guidelines, Energy;
- research under agreements with the University of Genoa to carry out and develop the following specific and qualified lines of research concerning: (i) European policies and local measures for land and industrial development: the role of local authorities in comparative perspective and (ii) sustainable development, environment and energy transition;
- evaluation of the spread of antibiotic resistance in the wastewater treatment chain for reuse (project realised in memory of Franca Palumbo).

WASTE MANAGEMENT

During 2024, an in-plant demo was conducted on the use of an enzymatic catalyst in the aerobic process of treating digestate from OFMSW, to improve the aerobic process of stabilisation and compost production. Monitoring the results of the use of the material without air insufflation confirmed the effectiveness of the catalyst, evidenced by the attainment of the temperatures characteristic of the aerobic process and the absence of leachate production, while the subsequent cost-benefit analysis also confirmed the economic advantages. In the course of 2025, industrial-scale testing will take place using the enzymatic catalytic material in an OFMSW treatment plant.

The year 2024 saw a confirmed interest in research and innovation on Critical Raw Materials (CRM) recovery processes from waste, in line with the European Union's commitment to create a circular economy and in synergy with the hydrometallurgical precious metal recovery plant inaugurated in December 2024 at Terranuova Bracciolini. Collaboration with research institutions and a company specialising in the extraction of precious metals was initiated for the recovery of certain critical raw materials (e.g. lithium, cobalt, etc.) by means of a hydrometallurgical process from waste. In parallel, Iren continued monitoring and researching start-ups and companies that recover CRM from other types of WEEE, such as permanent magnets and disused photovoltaic panels.

In addition, the trial of the use of exoskeletons by workers performing repetitive tasks under sub-optimal ergonomic conditions was concluded, conducted under the supervision and verification of results by the Department of Public Health and Paediatric Sciences of the University of Turin. The trial showed the effectiveness of the devices in terms of supporting the worker and preventing the onset of musculoskeletal disorders. Based on the results obtained, it is planned to procure exoskeletons for lumbar support in 2025 and make them available to waste collection operators who request them.

In the course of 2024, the growing interest in the use of AI (artificial intelligence) in various applications to support collection, waste management, sorting and material valorisation activities led to several tests on the use of different technologies. In

2024, the trial on the use of AI to check the quality of waste and the filling level of skips in ecocentres was completed. The projects launched during 2024 on different topics and technologies included:

- use of AI for the assessment of biomechanical overload risk for harvesting operators;
- implementation of a mobile phone app to simplify and reduce work order management time for collection drivers;
- image recognition and augmented reality solutions to facilitate the sorting of plastic packaging.

Lastly, applied research continues, self-financed by Iren, stemming from the in-depth technological needs of the Group's companies and/or emerging issues arising from regulatory updates or process innovations.

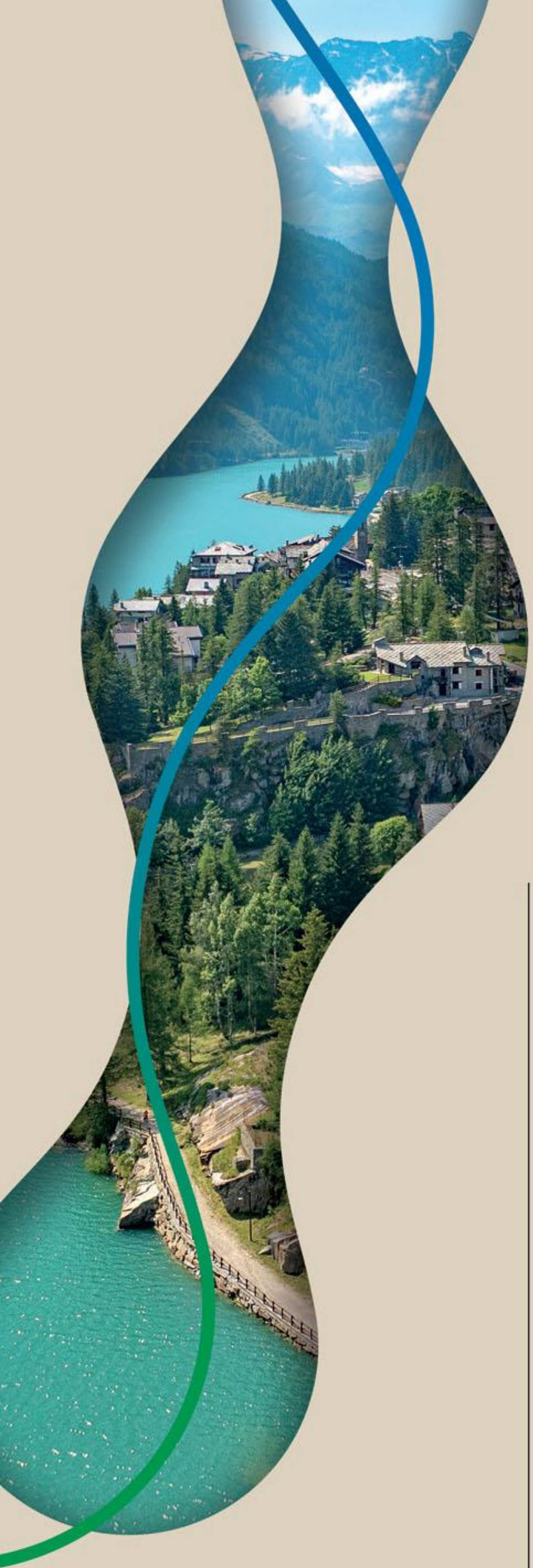
ENERGY

During 2024, the activities of the joint Iren - Politecnico di Torino Green District Heating (GDH) working group continued, launched in 2023 with the aim of supporting the decarbonisation process of Turin's district heating network through the study of technologies and strategies that enable greater integration of renewable sources and thermal waste.
The project, which has a total duration of 24 months, involves several structures of Iren Group, including Iren Energia, Iren Mercato, Iren Smart Solutions, and intends to address all the aspects (technical, economic, regulatory, etc.) that may represent a barrier or a possible criticality in the transition process towards efficient and green district heating networks, also taking into account the obligations dictated by the regulatory-normative context. A number of working tables were carried out in 2024, which focused on the study and modelling of solar thermal, photovoltaic, heat pump (with particular attention to geothermal) and storage system technologies, in order to study their possible integration with the district heating network at the micro (at user premises), meso (at barycentre) and macro (at large-scale producers) scales; in addition, a number of solutions or strategies are being explored to optimise substation management and increase the useful life of networks. The activities are supported by a network modelling activity (currently under the responsibility of the Polytechnic of Turin), which is necessary to support analyses of the reduction of the network's operating temperatures, with related impacts on the network itself and on the operation of the plants connected to it.
In synergy, during 2024, a feasibility study was successfully concluded for the implementation in Iren information environments of a dynamic model for the near-real time and optimised management of district heating networks, based on the operating data of the network and production groups, to evaluate the update of the static model currently in use.
Iren Group, as an external stakeholder, is involved in the financed project LIFE Support DHC (Supporting a fast implementation of low-grade renewable energy and waste heat for district heating and cooling), within which the Politecnico di Milano is carrying out a study on the Reggio Emilia district heating network to support the definition of the relative decarbonisation plans by Iren, preparing simulations on the actual state of the network and on possible scenarios of integration of waste heat and renewables (e.g. solar thermal, heat pumps).
Also in the area of district heating, collaborative activities with start-ups continued, leading to the launch of a feasibility study at the end of 2024 for the analysis and development of an innovative repair solution for district heating pipes.
In addition, the Call4Ideas 2022 trial of the installation of temperature, humidity and flooding sensors in district heating substations to detect any leaks in a timely manner continued; the trial installation was successful, also in relation to the integration of the sensors with the remote management panel and the correct display of the measured data on the remote management platform.
For the hydropower sector, 2024 saw the continuation of testing activities for the industrialisation of a rover for the inspection of hydroelectric plant diversion tunnels, the development of which was completed: the rover was in fact delivered and tested at the Chiomonte plant.
In the field of renewables, work mainly focused on the topic of maintenance of photovoltaic systems. In particular, in 2024, the information development activity for the use of machine learning algorithms for the optimisation of cleaning interventions for panels: the developed tool was adopted by the relevant business unit. In addition, production data of a photovoltaic plant managed by the Group was monitored to verify the effectiveness of an innovative spray solution based on titanium semiconductor oxide for the maintenance and cleaning of panels: the comparative analysis of the production and yield data of strings treated with this solution, deposited on the panels in June 2024, and of strings washed with the traditional method made it possible to verify the benefit in terms of yield and plant maintenance.

ENERGY EFFICIENCY AND MARKET

In the field of Energy Communities, following the positive results in 2023 of a solution proposed by a start-up for the analysis and processing by means of AI of data for the identification of the potential for the installation of photovoltaic panels on buildings for commercial offers, further tests were carried out in 2024 to assess the robustness of the solution by moving to the scale of primary cabin analysis.
Furthermore, the update, following the change in the regulatory framework, of rapid estimate tools to support the offer of Energy Communities continued with the integration of both incentive distribution logics among the different participants depending on the role played within the Energy Community and set-up optimisation both in terms of installed renewable power and in terms of aggregate loads serving the Energy Community.
The testing of the Iren Energy Monitoring app continued, an experimental app based on NILM (Non Intrusive Load Monitoring) technology that with machine learning algorithms is able to recognise and catalogue the main household appliances in a home and provide indications on how to optimise consumption, with a view to offering the customer home energy monitoring and coaching services. Following the trial test, the industrialisation of the service was started, including integration with the Iren You customer management app.

A test was also developed for the use of an artificial intelligence tool applied to natural language, aimed at customer profiling with respect to the range offered by Iren Mercato. The test highlighted the potential of the tool, although, at present, not immediately applicable to the type of service.
Finally, in the last quarter of 2024, a trial of augmented and extended reality solutions to support sales activities in customer-focused stores was launched. The test will end in February 2025, and will allow the effectiveness of the tool in relation to improving customer engagement to be evaluated.



Consolidated Sustainability Statement

2.2

Shaping tomorrow
everyday

Governance and sustainability strategy

2.2.1

General basis for the preparation of the Consolidated Sustainability Statement and disclosures in relation to specific circumstances

[BP-1_01, BP-1_02, BP-1_03, BP-1_04, BP-1_05, BP-1_06, BP-2_01, BP-2_03, BP-2_04, BP-2_05, BP-2_06, BP-2_07, BP-2_08, BP-2_09, BP-2_16, BP-2_17]

Iren Group's Consolidated Sustainability Statement has been prepared on a consolidated basis in accordance with Legislative Decree no. 125/2024 implementing Directive 2022/2464/EU (Corporate Sustainability Reporting Directive (CSRD), and in compliance with the European Sustainability Reporting Standards (ESRS) for the period 1 January 2024 - 31 December 2024.

This Statement is the first to be prepared in accordance with ESRS standards, in place of the previous Consolidated Non-Financial Disclosure prepared in accordance with GRI standards. Therefore, in view of the possibility of making use of the phase-in measures provided for the first year of reporting, no comparative data have been presented.

The scope of the Consolidated Sustainability Statement is the same as that for the Consolidated Financial Statements: all fully consolidated legal entities are included and are indicated in the List of Fully Consolidated Companies in the "Annexes to the Consolidated Financial Statements". It should be noted that no operational control was identified for any of the Group's investees.

This Consolidated Sustainability Statement does not include any additional information from applicable legislation, with the exception of the information required by the European Taxonomy (Art. 8 of Regulation (EU) no. 2020/852) (see chapter European Taxonomy in section Green Transition).

Iren Group's Consolidated Sustainability Statement considers the entire value chain, thus including information on upstream and downstream segments when relevant. In particular, the upstream segment of the value chain includes first-tier suppliers and investees, assessing impacts, risks and opportunities related to the sustainable supply chain management approach adopted, while the downstream segment includes different types of customers and investees. The value chain information includes quantitative metrics on Scope 3 emissions for each significant category (see paragraph "Scope 3 GHG emissions" in chapter Meeting the challenge of climate change), qualitative information on relevant impacts, risks and opportunities (see paragraph "Double materiality assessment" in chapter Strategy for sustainable development) and related policies, actions and targets. For the reporting of Scope 3 GHG emissions related to the supply chain, methods aligned with the recommendations of the GHG Protocol were used: partly Scope 3 emissions were calculated through direct access to supplier emission data, partly they were calculated through a spend-based approach using sectoral emission factors. As part of its commitments to sustainable supply chain management, the Group aims to increase as much as possible the proportion of scope 3 emissions calculated using direct data, in order to carry out monitoring increasingly linked to the actual performance of suppliers, through the gradual extension of data collection directly from suppliers.

Iren Group mainly uses quantitative data derived from its management systems and standardises the calculation of emissions through the use of emission factors derived from authoritative scientific and institutional sources. In cases where the use of estimates is necessary, these and the underlying assumptions are based on historical data, recognised regulatory or scientific methodologies, which are deemed to provide soundness and reliability. Detailed information on any estimates used can be found in the chapters on each specific disclosure where the assumptions used and potential sources of uncertainty are also described.

Iren Group did not omit any specific information on relevant issues relating to intellectual property, know-how, innovation, upcoming developments or matters under negotiation.

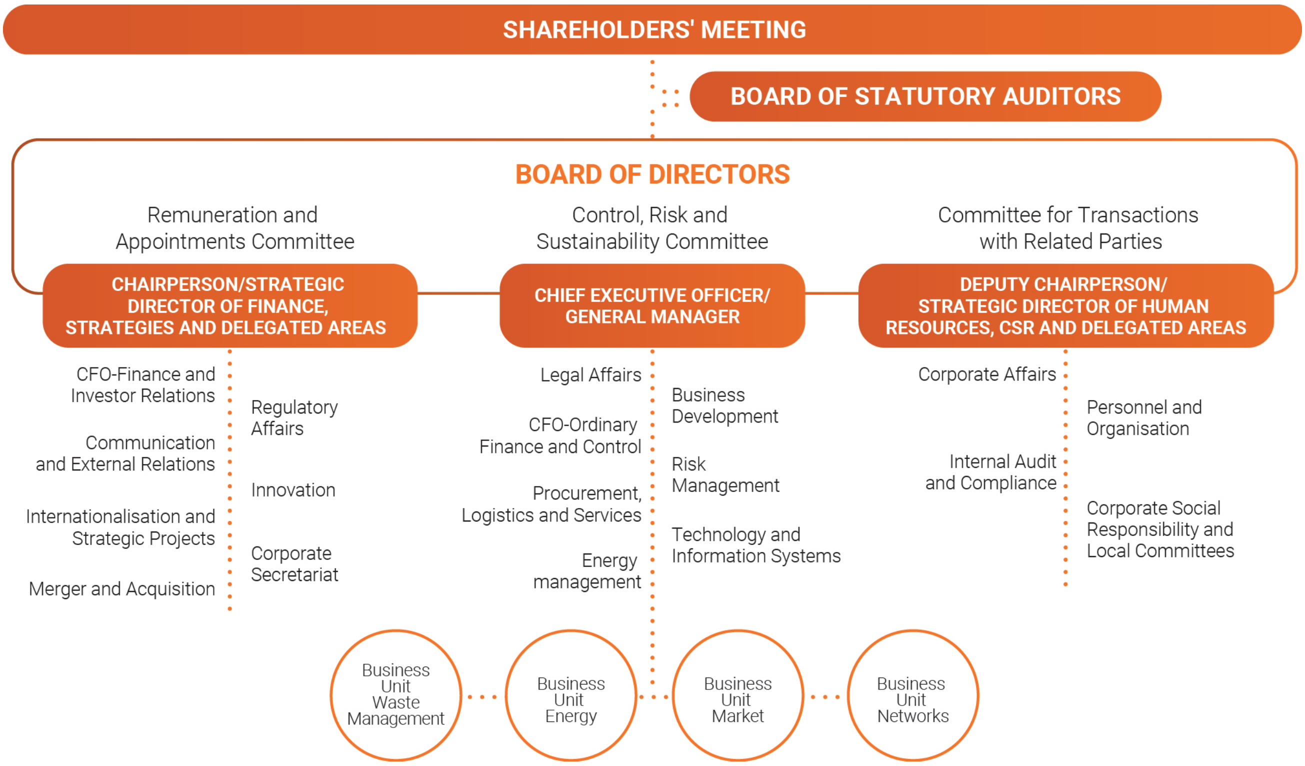
In order to provide greater comprehensibility of its business model and strategy, the Group decided to supplement the reporting required by ESRS standards with entity-specific information, highlighted by the code "IREN_XXX" shown in grey.

Indicators and data on future sustainability investments that are based on the assumptions underlying the 2030 Business Plan are included in the Statement. These include data on the green transition plan whose sources of uncertainty are related to regulatory and technological developments, changing market conditions also in relation to the geopolitical context, the development of climate policies and possible updates in the measurement methodologies used. The main assumptions used in the forecasts concern population development, municipal and special waste production, energy consumption trends, deployment of emission-capture technologies and low-carbon fuels, and cost estimates for implementing the actions of the ecological transition plan.

The time horizons adopted by Iren Group in line with its strategy are: short-term (up to one year), medium-term (up to 5 years) and long-term (more than 5 years).

Iren Group governance

Iren Group's governance is based on shared rules that inspire and direct strategies and corporate activities. The policies and instruments adopted guarantee respect for ethical values, principles and behaviours within an industrial model that plans for sustainable growth. In order to ensure consistency between behaviours and strategies, Iren has adopted a system of internal rules that configure a corporate governance model based on the division of responsibilities and on a balanced relationship between management and control, which guarantees that risks and opportunities are duly taken into account in the decision-making processes, contributes to spreading the corporate culture at all levels and enhancing skills, increasing awareness among internal resources and contractors that the Group plays a vital role in creating value for the community.



Composition of governance bodies

[GOV-1_01, GOV-1_02, GOV-1_03, GOV-1_04, GOV-1_05, GOV-1_06, GOV-1_07, GOV-1_08, GOV-1_15, GOV-1_16, GOV-1_17]

The **Board of Directors** in office as of 31 December 2024 consists of 15 Members. For the appointment, in addition to the provisions of the Shareholders' Agreements between Iren Public Shareholders, the list voting mechanism was adopted, as provided by the Articles of Association, which guarantees an adequate presence of the less represented gender (equal to at least two-fifths of the total) and of Members designated by non-controlling investors, as well as at least two Members who meet the independence requirements prescribed by law.

[GOV-1_01, GOV-1_02, GOV-1_05, GOV-1_06, GOV-1_07]

Board of Directors as of 31 December 2024	Men		Women		Total	
Board members	7	47%	8	53%	15	100%
Executive members	3	20%	0	0%	3	20%
Non-executive members	4	27%	8	53%	12	80%
Independent non-executive members	3	20%	8	53%	11	73%
Non-independent non-executive members	1	7%	0	0%	1	7%
Members aged between 30 and 50	1	7%	1	7%	2	13%
Members over 50 years of age	6	40%	7	47%	13	87%

The assessment of the existence of the **independence requirements** for Directors is carried out by the Board of Directors - based on the criteria defined by the Consolidated Law on Finance and the Corporate Governance Code - after appointment and, subsequently, on an annual basis, as well as upon the occurrence of circumstances related to independence. The Board of Statutory Auditors verifies the correct application of the verification criteria and procedures adopted by the Board of Directors and discloses the results of the verification to the market in the Corporate Governance Report or in the Statutory Auditors' Report to the Shareholders' Meeting.

At present, there is no representation of employees or other workers on the Board. Within the Group, there is a policy, which originated from the Shareholders' Meeting, of prevalently using employees in the Administrative Bodies of the subsidiaries where the Group makes appointments, including for reasons of organisational efficiency and effectiveness.

In line with the provisions of the Corporate Governance Code, the members of Iren's Board of Directors possess proven expertise in financial, economic, legal, scientific and sustainability (ESG) matters. Moreover, the presence on the Board of Directors of different backgrounds, stemming from international educational and professional experiences, ensures the integration of different cultural contributions with respect to the one most closely related to the area in which the Group operates. The table below summarises the responsibilities of the Board Members.

[GOV-1_04, GOV-1_08, GOV-1_15, GOV-1_16, GOV-1_17]

Name [1]	Role [2]		Competences
Luca Dal Fabbro ▲	Chairperson and Strategic Director Finance, Strategies and Delegated Areas - Executive	R	industry, scientific, risk management, ESG
Moris Ferretti ▲	Deputy Chairperson and Strategic Director Human Resources, CSR and Delegated Areas - Executive	R	industry, risk management, ESG
Gian Luca Bufo [3] ▲	Chief Executive Officer and General Manager - Executive	R	industry, scientific, risk management, ESG
Francesca Culasso △	Independent Non-Executive Director	C CRSC	finance, risk management, ESG
Enrica Maria Ghia △	Independent Non-Executive Director	CRSC	industry, legal, risk management, ESG
Pietro Paolo Giampellegrini ▲	Independent Non-Executive Director	C RAC	industry, legal
Paola Girdinio △	Independent Non-Executive Director	CRSC	IT/OT/IOT, innovation, risk management, ESG
Francesca Grasselli △	Independent Non-Executive Director	RPTC	industry, finance
Cristiano Lavaggi [4] ▲	Independent Non-Executive Director	RAC	industry, risk management, ESG
Giacomo Malmesi ▲	Independent Non-Executive Director	CRSC	industry, legal, risk management, ESG
Giuliana Mattiazzo △	Independent Non-Executive Director	RPTC	scientific, ESG, IT
Gianluca Micconi ▲	Independent Non-Executive Director	CRSCR AC	industry
Patrizia Paglia △	Independent Non-Executive Director	RAC	industry, finance
Cristina Repetto △	Independent Non-Executive Director	RPTC	finance
Licia Soncini △	Independent Non-Executive Director	C RPTC	industry, ESG

[1] All members of the Board of Directors are Italian. [2] Independent Director means independence for the purposes of the Consolidated Law on Finance and the Corporate Governance Code Governance. [3] Beginning 10 September 2024. [4] Independence only for Consolidated Law on Finance purposes

Key:
▲ = Male; △ = Female
R = Directors responsible for the Internal Control and Risk Management System (ICRMS)
C = Chairperson of the Committee
CRSC = Control Risk and Sustainability Committee; RAC = Remuneration and Appointments Committee; RPTC = Related Party Transactions Committee.

In line with the provisions of the Corporate Governance Code, at least once a year the Board of Directors carries out a **self-assessment** activity on its own **functioning** and that of its Committees (board evaluation), as well as on their size and composition, including with reference to the issue of independence, diversity (in terms of gender and age) as well as the mix of competences deemed optimal for the effective functioning of the Board of Directors. In 2022 the Board of Directors formulated its guidelines to the Shareholders on the **qualitative-quantitative composition of the administrative body** for the three years 2022-2024, providing indications on its size and of the Internal Board Committees and on the professional and managerial figures whose presence in the administrative body was considered appropriate. The document was circulated and made available to the shareholders for their consideration. The number of Board Members is deemed adequate in relation to the size and complexity of the Company's organisational structure, in order to effectively oversee the Company's operations in terms of management and control; the correct size of the administrative body is also determined according to the number and composition of the Board Committees, with advisory, proposing and investigative functions, in which a decisive role is entrusted to the non-executive and independent Board Members. In terms of quality, the Board's aim was to combine different professional and managerial profiles, recognising the value of complementarity of experience and skills, together with gender and age diversity. The appointment and composition of corporate bodies is among the topics covered by the Policy for Managing Dialogue with Shareholders and Investors approved by the Board of Directors (see paragraph "Policy for dialogue with shareholders and investors" in chapter Business Conduct).

Sustainability skills are constantly evolving and are becoming increasingly crucial for the Group in achieving its environmental, social and economic goals.

For this reason, when the Board of Directors periodically assesses its internal competences, special attention is also paid to sustainability skills, to ensure that the Group can effectively address the specific ESG impacts, risks and opportunities, as declined in relation to the operating context of reference. This process includes the identification, in the light of the expertise already present within the Board itself, of possible areas of in-depth study to be developed with structured and continuous induction plans, including with the support of experts on the subject matter. Within this framework, in the induction programme promoted by the Chairperson of the Board of Directors for the three-year period 2022-2024, the requests for in-depth studies promoted by Board Members and Statutory Auditors were accepted. The programme aims to broaden knowledge of the business sectors in which the Group operates, of business dynamics and their evolution with a view to sustainable success and of the principles of proper risk management, as well as of the relevant legal and regulatory framework. The initiatives, which were developed both by the relevant Business Unit or Staff managers and by authoritative external experts, were important training, information and communication opportunities on corporate, economic, social and environmental issues. As of 31 December 2024, in addition to discussions of specific ESG-relevant issues at Board meetings, 12 induction sessions were held, many of which were related to ESG topics such as the sustainability context and trends related to the Strategic Plan, water resource and global warming scenarios, and new legislation on sustainability reporting.

The members of the Board of Statutory Auditors meet the requirements of integrity and professionalism laid down by law and by the Articles of Association, as well as the requirements of independence pursuant to law and the Corporate Governance Code.

[GOV-1_05]

Composition of the Board f Statutory Auditors as of 31/12/2024	Men		Women		Total	
Members of the Board of Statutory Auditors	3	60%	2	40%	5	100%
Members aged between 30 and 50	1	20%	0	0%	1	20%
Members over 50 years of age	2	40%	2	40%	4	80%

In view of the renewal, the Board of Statutory Auditors expressed its guidelines to the Shareholders on the composition of the new Board and the professional figures whose presence was deemed appropriate, also considering the diversity criteria recommended by the Corporate Governance Code. The guidelines were made available to the public in view of the Shareholders' Meeting of 27 June 2024, which appointed the Board of Statutory Auditors for the three-year period 2024-2026.

Roles and responsibilities of governance bodies

[GOV-1_08, GOV-1_09, GOV-1_10, GOV-1_11, GOV-1_12, GOV-1_13, GOV-1_14]

The model adopted by Iren Group is based on the division of responsibilities and a balanced relationship between management and control, in order to ensure effective, responsible and sustainable corporate governance. In addition to the legislation and the Articles of Association, it is the Corporate Governance Code - to which Iren has adhered - that outlines, among other features, the powers and responsibilities of the Board of Directors, of the Committees established within it, and of other relevant figures in the governance sphere.

Board of Directors

The **Board of Directors** is entrusted with guiding the Company, defining Group-wide policies (including sustainability policies), principles of conduct (including ethics and integrity aspects), strategies and objectives, and the sustainability plan, which the Board of Directors has chosen to integrate into business strategies, and monitoring their implementation.

In addition, the Board of Directors, in its role of guiding and assessing the adequacy of the Internal Control and Risk Management System (ICRMS), examines the impacts, risks and opportunities related to the socio-environmental and economic context and the Group's sustainability performance both when preparing the Business Plan, and when reviewing the annual budget, examining new extraordinary and development transactions, approving the Consolidated Financial Statements and interim reports. In the exercise of these functions, the Board of Directors - also with the support of the Internal Board Committees - has adopted and updated over time policies, procedures and documents on internal control and risk and sustainability management (guidelines, Risk Policy, Organisation, Management and Control Models, Sustainability Policy, Code of Ethics) that outline the tasks, functions and responsibilities of the various players and people involved in the individual processes.

In defining its strategic guidelines and plans, the Board of Directors contemplates the need to pursue sustainable success, which also extends to the drafting of the Remuneration Policy (see paragraph "Remuneration policies" in this chapter) and the ICRMS (see paragraph "Internal Control and Risk Management System" in this chapter).

The medium-term (2027) and long-term (2030) Strategic Plan, approved by the Board of Directors, includes sustainability objectives and targets (see paragraph "Strategic plan for sustainability" in chapter Strategy for sustainable development) also in relation to climate change-related aspects on which the Group is committed to transparent reporting, particularly as regards the four areas proposed by the Financial Stability Board's Task Force on Climate-related Financial Disclosures (TCFD), namely, governance, strategy, risks, metrics and targets.

On the occasion of the approval of the Consolidated Financial Statements, the Board of Directors analyses and approves the Consolidated Sustainability Statement drawn up annually (starting from this financial year in accordance with ESRS) to disclose the Group's strategies and performance in the environmental, social and governance spheres, to make transparent the fulfilment of commitments undertaken, future commitments and the ability to meet the expectations of stakeholders.

Under the terms of the Articles of Association, the Board of Directors delegates powers to one or more of its members and can assign powers to the Chairperson, Deputy Chairperson and CEO, provided they do not conflict with each other. In line with the structure of delegated powers, outlined by the Board of Directors and currently in force:

- the Executive Chairperson oversees the effective functioning of the work of the Board of Directors, plays a liaison role between the executive and non-executive directors, is Director of Strategy and of the areas delegated to him or her (CFO-Finance and Investor Relations, Regulatory Affairs, Communication and External Relations, Innovation, Internationalisation and Public Affairs, Merger and Acquisition, Corporate Secretariat), as well as being Director in charge of risk management relating to the areas under his or her responsibility;
- the Executive Deputy Chairperson is the Director of Human Resources, CSR and the areas delegated to him (Corporate Affairs, Internal Audit and Compliance) within which he or she is responsible for managing the 231/2001 system, the privacy system (GDPR), the environmental and social sustainability of the Company's activities and processes, preparing the Consolidated Sustainability Statement, as well as being a Director in charge of risk management related to the areas under his or her responsibility. The Deputy Chairperson updates the Board of Directors and the Control, Risk and Sustainability Committee (CRSC) on the status of sustainability projects, stakeholder engagement and consultation activities on sustainability issues with stakeholders, also managed through the Corporate Social Responsibility and Local Committees Department. Through Local Committees, of which the Deputy Chairperson is an *ex officio* member, stakeholders can also draw the Group's attention to issues concerning services and environmental and social sustainability topics.
- The Chief Executive Officer and General Manager is responsible for the Administration, Ordinary Finance and Control areas - within which strategic planning is developed, with the indication of targets and the monitoring and control of the Group's activities and results - Legal Affairs, Procurement, Logistics and Services, Energy Management, Information Technologies and Systems, Risk Management, Environment Business Unit, Energy Business Unit, Networks Business Unit, and Market Business Unit. Holds the role of director in charge of managing the risks pertaining to related areas of responsibility.

Meetings of the Executive Directors on numerous matters are provided for in order to ensure appropriate coordination of the Company's activities and those of the Group as a whole.

The Delegated Bodies may delegate part of their tasks and responsibilities to their hierarchical reports, e.g. in matters of workplace health and safety, and environmental protection. In such cases, the delegation process is based on notarised powers of attorney and letters of appointment naming the delegated persons. The Delegated Bodies are responsible for assessing whether the delegated persons possess the appropriate skills and personal characteristics and request periodic reports on the powers conferred with regard to economic, environmental and social aspects. Delegated persons are generally executives or junior managers, but in certain contexts (e.g. security) may reach clerical workers. The Corporate Affairs and Organisation Departments at all times check the overall consistency and correctness of the delegation system.

The Board of Directors adopts appropriate solutions to facilitate the identification and management of situations where a Director may be vested with personal interests or interests on behalf of third parties in a particular transaction. In this case, as provided for by art. 2391 of the Italian Civil Code, the Director makes a prior communication to the other Directors and to the Board of Statutory Auditors - specifying the nature, terms, origin and scope of the interest - and, in the case of the Chief Executive Officer, must also refrain from carrying out the transaction, vesting the Board of Directors with the same.

In performing its functions, the Board of Directors is supported by three Internal Board Committees whose dual mission is to support it in its deliberations and in preparing certain decisions through their recommendations. During each meeting of the Board of Directors, a constant data stream by the Internal Board Committees towards all Directors was ensured, while guaranteeing the prompt notification of any critical areas identified.

Control, Risks and Sustainability Committee

The Control, Risks and Sustainability Committee (CRSC), composed of four Non-Executive and Independent Directors, supports the Board of Directors, with adequate preliminary activity, in evaluations and decisions related to the ICRMS, including ESG risks, as well as in those related to the approval of periodic financial reports and sustainability statement. Among its most important functions - laid down by the Board of Directors in a set of Regulations (made public on the Group's website) - are:

- to assess, together with the Manager in charge for financial reporting, and having consulted with the Independent Auditor and the Board of Statutory Auditors, the proper use of the accounting standards and their consistency for the purpose of drafting the Consolidated Financial Statements;
- to assess whether the periodic financial and non-financial disclosures are suitable to correctly represent the Company's business model, its strategies, the impact of its business and the performance achieved;
- to examine, on an annual basis, the results of impairment tests;
- to examine in advance the half-yearly report to the Board of Directors prepared by the Manager in charge for financial reporting, concerning the activities carried out, any critical issues that have emerged and the actions taken, and the results of the assessments of the system of internal controls on accounting and financial reporting;
- to express opinions on specific aspects relating to the identification of the main business risks and to support the Board of Directors' assessments and decisions relating to the management of risks arising from prejudicial facts of which the latter has become aware;
- to examine the periodic reports on the assessment of the ICRMS and those of particular relevance drafted by the Internal Audit Department;
- to monitor the independence, adequacy, effectiveness and efficiency of the Internal Audit Department;

- to request that the Internal Audit Department carry out checks on specific operating areas, providing simultaneous communication to the Chairperson of the Board of Statutory Auditors;
- to examine the risk analysis carried out with reference to the Group's Business Plan, prior to its approval by the Board of Directors, as well as with reference to the strategic initiatives implemented by the Company and/or its subsidiaries, where they fall within the scope of the Board of Directors;
- to review the Group's sustainability policies and other ESG-relevant policies and procedures prior to approval by the Board of Directors, monitoring their observance of and supervising their compliance with any relevant principles of conduct;
- to examine, together with the Director of Corporate Social Responsibility and Local Committees, the correct use of standards for the purposes of preparing the Sustainability Reporting required under current regulations relevant to the ICRMS;
- to examine the findings of the materiality analysis of ESG impacts, risks and opportunities and conducted on a regular basis;
- to examine the issues in the preliminary work in terms of long-term sustainability of the underlying principles and guidelines of strategic planning, the Business Plan and short-term planning, monitoring the effective implementation thereof;
- to supervise the system for assessing and improving the environmental, economic and social impacts deriving from the business activities in local areas;
- to examine the periodic reports on the implementation of the structured methods of discussion with stakeholders in the local areas where the Group operates, also through instruments such as Local Committees, and those on the consistency with the corporate social responsibility questions of the Group's cultural and image promotion activities.
- to verify that the Corporate Social Responsibility and Local Committees Department has adequate professionalism and resources.

With regard to the members of the Control, Risks and Sustainability Committee, at the time of their appointment, the Board of Directors is expected to evaluate at least one of them for adequate experience in: a) assessing the operating processes of complex organisations; b) analysis of accounting, financial and sustainability reporting; c) strategic planning processes; d) strategic risk management; e) monitoring of environmental, social and governance sustainability issues; f) guidance and assessment of environmental and social aspects. In addition to the above, all members of the Committee must in any case possess sufficient knowledge, skills and experience to be able to monitor the adequacy of the Internal Control System.

Remuneration and Appointments Committee

The Remuneration and Appointments Committee (RAC) is composed of three Non-Executive Directors, the majority of whom – including the Chairperson – are Independent. Upon appointment, the Board of Directors assessed that all members of the RAC have adequate knowledge and experience in the field of remuneration policies. Among its most important functions - laid down by the Board of Directors in a set of Regulations (made public on the Group's website) - are:

- to formulate proposals to the Board of Directors, including with the assistance of an independent consultant, if necessary, with regard to the definition of the policy for the remuneration of Directors, Group Senior Executives with Strategic Responsibilities and members of the Board of Statutory Auditors ("Remuneration Policy"), after interaction with the CRSC, with regard to risk profiles;
- to submit proposals or express opinions to the Board of Directors, on the remuneration of Executive Directors and other Directors holding special offices, and to the competent Delegated Bodies, on the remuneration of Senior Executives with Strategic Responsibilities, as well as on the setting of performance targets are correlated to the short and medium-long term variable component connected to such remuneration;
- to monitor the implementation of the decisions taken by the Board of Directors and the competent Delegated Bodies, to the extent of their respective competences, verifying, in particular, the actual achievement of the short and medium-long term performance objectives;
- to formulate proposals concerning the remuneration of the members of the Company's Internal Board Committees;
- evaluate periodically the adequacy, overall consistency and concrete application of the Remuneration Policy, making use of the information provided by the competent Delegated Bodies and formulating proposals on the subject to the Board of Directors;
- perform the functions provided for by the Procedure on Related Party Transactions of Iren, in the case of transactions concerning the remuneration of Directors and Senior Executives with Strategic Responsibilities;
- submit the Annual Remuneration Report, prepared pursuant to Article 123-ter of the Consolidated Law on Finance, to the Board of Directors for approval, for submission to the Shareholders' Meeting convened to approve the annual Financial Statements;
- examine and monitor the outcomes of the engagement activities carried out in support of the Annual Remuneration Report, including with the help of advisors;
- report on the methods of performing its own duties to the Shareholders' Meeting called to approve the Annual Financial Statements, through its Chairperson or another member indicated by the same.
- establish the annual board evaluation procedure on the operation of the Board itself and of the Internal Board Committees and on their size and composition, also taking into account elements such as the professional characteristics, experience, including managerial, and gender of its members, and their seniority in office; specifically, after coordination with the Chairperson of the Board of Directors, the Committee identifies the parties with which the assessment is concerned and, having regard to the best practices, also availing itself of the assistance of an expert consultant in the sector;

- analyse, in conjunction with the Chairperson of the Board of Directors, the findings of the Board evaluation in order to formulate any observations and/or suggestions on issues within its remit with a view to their subsequent sharing by the Board of Directors;
- formulating, taking into account the results of the board evaluation, opinions to the Board of Directors on the size and composition of the Board and its Committees, and expressing recommendations on the professional and managerial figures whose presence on the Board is deemed appropriate, so that the Board of Directors can express its orientation to the shareholders prior to the appointment of the new Administrative Body;
- make recommendations to the Board of Directors on the maximum number of positions as Director or Statutory Auditor in other companies listed on regulated markets (including foreign markets), in financial, banking, insurance or large companies, that is compatible with an effective performance of the office of Director of Iren;
- make recommendations to the Board of Directors on any problematic cases connected with application of the prohibition on competition provided for in relation to Directors in Article 2390 of the Italian Civil Code;
- compatibly with the provisions of the Articles of Association in force, propose to the Board of Directors candidates for the office of Director in cases of co-optation, where it is necessary to replace Independent Directors, ensuring compliance with the provisions on the minimum number of Independent Directors and the quotas reserved for the less represented gender.

In consultation with the CRSC, prior to its approval by the Board of Directors, the RAC reviews the Policy for managing dialogue with shareholders and investors as well as updates thereto.

Related Party Transactions Committee

The Related Party Transactions Committee (RPTC) composed of four Directors meeting the requirements of independence, expresses its opinion in relation to the execution of minor and major transactions with Related Parties and, in general, also performs all the other functions assigned to it pursuant to the Consob Regulation on Related Party Transactions. The Board of Directors, with a resolution adopted on 18 December 2024, approved, subject to the opinion of the RPTC, the three-year update of the Operating Procedure for the Management of Transactions with Parties, setting the date of its effectiveness on 1 January 2025. The purpose of the Procedure is, in particular, to:

- regulate the performance of transactions with related parties by Iren, directly or through subsidiaries, identifying internal procedures and rules capable of ensuring the substantial and procedural transparency and correctness of such transactions;
- establish the methods for fulfilling the related disclosure obligations, including those provided for in legal and regulatory measures in force and applicable.

Board of Statutory Auditors

The Board of Statutory Auditors is called upon to assess the adequacy of the identification, measuring, management and monitoring system for corporate risks, as well as to verify the appropriate and prompt application of corrective actions held to be suitable for reducing company risks to levels considered acceptable by the Board of Directors when defining the business strategy. More specifically, the Board of Statutory Auditors verifies:

- the compliance of the acts and deliberations of the governing bodies with the regulation, statutory provisions and the Corporate Governance Code, as well as the tangible means of implementing the same;
- the compliance of management choices with the principles of correct administration and, thus, with the general criteria of economic rationality, such as control of substantial legitimacy and compliance with the operative procedures and/or practices in force;
- the adequacy of the organisation structure compared to the size and complexity of the Company, placing particular attention on the completeness of existing Company departments, on the separation and on contrasting responsibilities in the functions and duties, as well as the clear definition of mandates or powers of each department;
- the adequacy of the internal control system in relation to the size and complexity of the Company and the sector in which the Group operates, as well as strategic objectives;
- report to the Shareholders' Meeting on the results of the financial year and the activities carried out in the fulfilment of its duties, and make observations and proposals regarding the Financial Statements and their approval;
- monitor, within the scope of its functions, compliance with the provisions set forth in the Decree transposing the CSRD (Legislative Decree no. 125/2024) and report on this in its Annual Report to the Shareholders' Meeting that approves the Financial Statements;
- the adequacy of the procedures adopted by the Board of Directors to regulate transactions with related parties, as well as the compliance of the same with the laws and regulations on transparency and public information.

Furthermore, the Board of Statutory Auditors, in its capacity as the "Internal Control and Audit Committee", is entrusted with the following tasks:

- monitor the statutory audit of the Separate Financial Statements and Consolidated Financial Statements, also taking into account any findings and conclusions of the quality controls carried out by Consob;
- review and monitor the autonomy of the Independent Auditors, especially concerning the adequacy of the provision of non-audit services, and, oversee the adoption of appropriate procedures for the authorisation of eligible non-audit services and evaluate in advance each request to refer to Independent Auditors for eligible non-audit services.

The outcome of the supervisory activities carried out is reported in the Report of the Board of Statutory Auditors to the Shareholders' Meeting.

Governance at managerial level

[IRO-1_12, IRO-1_13]

The ESG (Environment, Social, Governance) Strategic Integration Committee has been set up to integrate and monitor ESG factors, from strategic planning to the management and monitoring of the Group's activities. It includes the Directors of the main Staff Departments and Business Units, with the aim of ensuring:

- the sharing of scenario analyses for proposing guidelines and policies to integrate sustainability into business strategy and processes, to ensure the creation of value over time for the Group, its shareholders and other stakeholders;
- the analysis of risks/opportunities related to ESG matters;
- the sharing of environmental and social impact assessments arising from the Group's activities;
- the assessment of the implications of national and European guidelines and standards regarding ESG profiles;
- the analysis of the ESG positioning of Iren Group and proposal of initiatives for improvement;
- the analysis and monitoring of sustainable finance instruments to support the Group's development strategy;
- the periodic presentation of updates on ESG integration policies at Group level;
- the spreading of a sustainability culture.

The Committee works closely with the Sustainable Finance Committee responsible for defining and managing the Group's sustainable finance framework .

The following tasks are attributed to the Corporate Social Responsibility and Local Committees Department:

- an in-depth look at regulatory and contextual developments in the field of sustainable development, sharing its findings with the departments concerned from time to time;
- setting objectives, targets and sustainability impacts for the Strategic Plan, as well as annual budgets and sustainable finance, in coordination with Strategic Planning, Finance and the Business Units;
- collaboration with the Risk Management Department in identifying ESG risks to which the Group is exposed;
- overseeing the double materiality assessment for the purpose of defining ESG issues relevant to strategy and reporting;
- monitoring sustainability targets and sharing the commitments made in this Policy with the heads of the various functions;
- preparing periodic reports for the Board of Directors, the CRSC and Top Management;
- defining guidelines, and overseeing and managing activities for Group sustainability reporting;
- ensuring the updating and dissemination of the Code of Ethics, promoting knowledge of its contents and ensuring the correct interpretation and implementation of its provisions.
- defining the engagement, management and analysis plan of the results of stakeholder engagement, including through the management of Iren Local Committees;
- creation of customer satisfaction surveys for the Group;
- processing and provision of data and information for sustainability ratings.

Through the Strategic Planning and Investment Assessment Department, and in conjunction with the Corporate Social Responsibility and Local Committees Department, Iren's Administration, Finance and Control Department coordinates the integration of sustainability planning with the Group's strategic and industrial planning. Furthermore, through the Management Control Department, it oversees the process of preparing and reporting the information required by the European Taxonomy.

The Risk Management Department is in charge of the integrated management of the Group's Enterprise Risk Management (ERM) system (methodological setting, Policy definition and system monitoring), of the management of insurance policies, through a process of periodic evaluation of the claims rate in the various Group sectors. It also oversees the Group's Business Continuity Management (BCM) model, the objective of which is to guarantee business resilience in the face of unforeseen events, ensuring the continuity of business processes deemed critical (see paragraph on "Business continuity management" in chapter Customer orientation). The Risk Management Department also actively participates in the drafting of the Business Plan on which it develops three strands of analysis:

- a qualitative-quantitative risk assessment with a specific focus on plan investments and climate change risks. The qualitative risk assessment is based on an analysis of industry trends, the Group's exposure to related strategic risks and the related ability of the Business Plan to mitigate these. The quantitative drivers of risks that had an impact during the Plan's years are thus thoroughly examined, and with the help of the Planning and Control Department and the risk owners, the relative impacts, likelihood of occurrence, and mitigation measures that are functional to the measurement of both inherent and residual risk value are quantified. This assessment leads to the enhancement of the Plan's stress test and related rating indices.
- analysis of Plan investments, identifying the mitigating effect of investments on risks and the execution risks of the categories of capital expenditure and the main relevant initiatives;
- finally, an analysis of the risk factors from climate change impacting the Group was carried out, with modelling of the most significant assets and risk factors for different energy scenarios and time horizons. Based on the results of the model, investments to mitigate the risks of climate change are evaluated.

M&A transactions and other strategic initiatives are also subject to detailed analysis, with a particular focus on the impact of such transactions on the Group's sustainability objectives (environmental Indicators, where significant, social Indicators regarding, for example, compliance with labour law, health and safety policies by the target company and governance) and consistency with the EU Taxonomy.

Iren's **Internal Audit and Compliance Department** ensures the constant monitoring of the ICRMS prepares and contributes to keeping the Organisation, Management and Control Models of the individual Group Companies constantly updated by supporting the Supervisory Boards and oversees the application of and compliance with regulations on the protection of privacy and personal data.

Iren's **Personnel and Organisation Department** ensures the implementation of the commitments contained in the Sustainability Policy regarding the protection of workers and equal opportunities and promotes the development of human resources and the organisation in line with the principles underlying the Policy. Furthermore, it also ensures the development, maintenance and improvement of the Integrated Management System (Quality, Safety, Environment and Information Security) by:

- supporting the Group's Departments in updating process risk assessments (consistent with the ERM system), analyses and environmental assessments;
- collecting and analysing process performance and environmental data;
- defining, implementing and verifying corrective and improvement actions;
- designing, developing, managing and maintaining Integrated Management Systems in compliance with the reference standards for programming certifications;
- drafting quarterly and annual reports and reports for the Supervisory Bodies on the progress of the Integrated Management System;
- carrying out periodic assessments on the monitoring of environmental compliance and the identification of tools and actions for improvement;
- identifying environmental obligations in relation to national and European legislation;
- defining the methods and tools for conducting environmental and safety compliance audits;
- supporting the definition of surveillance and control plans, management of environmental accidental events and simulations of environmental emergencies.

The **Climate Change Risk Commission** - in which the Director of Risk Management, the Director of Corporate Social Responsibility and Local Committees, the CFO, the Business Unit Directors, the Head of Enterprise Risk Management and the Head of CSR Planning and Reporting participate - examines the Group's risk profile on a periodic basis, defining and proposing updates to the CEO on risk class management strategies and reporting any emerging critical issues to the Delegated Bodies. The Commission is entrusted with the functions of:

- examining the status of the Group's climate change risks and making decisions on how to manage them by the various risk owners;
- proposing to the CEO any modifications or additions to the Climate Change Risk Policy;
- analysing and reporting to the CEO on the possible management-operational implications that may arise with regard to climate change risks;
- verifying and monitoring the climate change risk profile and compliance with the set risk limits and thresholds associated with the defined monitoring Indicators;
- defining and proposing management strategies to the CEO for individual risk classes related to climate change.

The allocation of roles and activities to Executives and all the organisation's resources is formalised through organisation charts, documents describing main responsibilities and activities, and service orders, documents that report updates to the organisational structure and related activities and responsibilities whenever there are changes. These documents are made available through the Company intranet.

The organisation function contributes to verifying the consistency between the organisational hierarchy, the division of responsibilities and proxies according to the activities performed.

Information flows on sustainability issues

[GOV-2_01, GOV-2_02, GOV-2_03, GOV-2_04]

The Board of Directors and its Internal Committees are informed of relevant impacts, risks and opportunities on a systematic and regular basis, in order to ensure proper implementation of the due diligence and monitoring of the effectiveness of strategies, policies, procedures and actions taken.

Specifically, in addition to the occasions on which specific relevant topics are discussed, the CRSC receives a half-yearly report from the Risk Management Department, the Internal Audit and Compliance Department, and the Administration, Finance and Control Department - which ultimately assesses the maintenance of the ICRMS - and from the Corporate Social Responsibility and Local Committees Department, concerning the activities implemented in the ESG area. The frequency may be increased in the event of extraordinary events or significant changes in the economic, regulatory or environmental environment, also with the intervention of other central corporate Departments, including the Legal and Corporate Affairs Departments. Downstream, and in any case at least every six months, the CRSC reports to the Board of Directors on the results of its investigative activity.

When reviewing and discussing Group strategies or significant transactions, the CRSC and the Board of Directors focus on risk analysis and sustainability assessments by the relevant functions, possibly with the support of external experts.

Furthermore, the Board of Directors monitors the effectiveness of policies and the results of the Group's actions, targets, and economic, environmental and social performance, in the implementation of the due diligence, when approving the Group's strategic planning, annual budget, Consolidated Financial Statements, the Consolidated Sustainability Statement, quarterly reports and policies. The periodic update of the strategy allows the Board to check its resilience and adequacy to cope with identified impacts, risks and opportunities. Similarly, when developing extraordinary transactions (off-plan investments, M&A), the Board of Directors, supported by the relevant Departments, assesses not only the opportunities, but also the risks and impacts of such transactions and how these may affect the strategy and business model. In all target-setting processes and in the monitoring process of relevant initiatives, a risk assessment is implemented, which Top Management carefully evaluates together with the economic and financial and strategic assessment. Strategic and investment decisions are all weighed for their level of risk.

Annually, the Board of Directors is informed by the Director of Corporate Social Responsibility and Local Committees about ESG impacts, risks and opportunities, on the occasion of the approval of the double materiality assessment - submitted in advance to the CRSC - which is used not only as a guide for sustainability reporting, but also as an input in strategic planning, in order to adopt strategies in which actions and investments can be tools to mitigate risks, seize opportunities, prevent and/or mitigate potential negative impacts and implement positive impacts. The relevant impacts, risks and opportunities considered by the Board of Directors and Group management in 2024 are discussed in more detail in the paragraph "Double materiality assessment" in the chapter Strategy for sustainable development.

The CRSC also assesses, prior to the approval of the Consolidated Sustainability Statement, the proper adoption of ESRS.

In the performance of its supervisory role, the Board of Statutory Auditors also receives regular information on sustainability issues by attending Board meetings and, through at least one member, Committee meetings, as well as at specific meetings at which the Delegated Bodies or other Group managers are usually called upon to speak.

In 2024, the Board of Directors also dealt with specific material aspects in terms of impacts, risks and opportunities, following a possible preliminary survey by the CRSC: these included training on aspects of the Model 231 by the Supervisory Board, a review of the results of the impairment test, a review of strategic initiatives and M&A transactions, adoption/update of procedures to oversee the maintenance of the ICRMS (including the updating of risk policies), a review of the remuneration policies for 2024 and of the short-term and long-term incentive systems for the Group's Executive Directors and Senior Executives with Strategic Responsibilities, implementation of the contingency plan for Directors holding special offices, a review of the update of the Business Plan to 2030, appointment of the Executive in Charge of Certifying the Consolidated Sustainability Statement, and placement of the Group's first hybrid subordinated perpetual bond issue.

Performance monitoring

[GOV-2_04]

In addition to what has already been described, the main opportunities and tools to support Directors and Top Management in monitoring objectives and performance are:

- the Business Plan, approved by the Board of Directors, which plans the Group's medium- and long-term economic, financial, ESG and industrial targets. The Plan, which is subject to risk assessment, is monitored by the Strategic Planning and Investment Department, the Corporate Social Responsibility and Local Committees Department, in cooperation with the Group's Management and Business Units, when it is periodically updated considering emerging scenarios and macro-trends;
- the annual budget, approved by the Board of Directors, which sets out the economic, financial and ESG objectives, as well as the main operational and industrial milestones, and which is subject to risk assessment. Budget targets are monitored on a quarterly basis by the Group's Management and Business Units and by the Board of Directors;
- quarterly and annual reports in which the CEO analyses the situation in relation to the Group's economic, financial, sustainability and industrial targets. Following this analysis, the CEO and CFO discuss the results and any corrective actions with the Board of Directors, which is responsible for approval;
- the activities of the Investment Committee, which, on an indicative monthly basis, analyses and discusses new initiatives and opportunities that the Group could pursue to help achieve or strengthen its objectives;
- the relevant initiatives monitoring programme, which provides a Steering Committee composed of the Group's Strategic Executives with a monthly update report on the Group's main physical, economic, sustainability status and risk assessment developments.

Internal Control and Risk Management System

In accordance with the Corporate Governance Code and internal guidelines, Iren Group has adopted an Internal Control and Risk Management System (ICRMS) that is configured as a transversal process involving, with different roles and within the scope of their respective competences, the administrative and supervisory bodies of the Parent and the Group Companies, the CRSC, the Directors in charge of the ICRMS, the Head of the Internal Audit Department, the Director of Risk Management, the Manager in charge of financial reporting, as well as all Group personnel. In particular, the Board of Directors plays a role in guiding and assessing the adequacy of the ICRMS and exercises the following functions, subject to the opinion of the CRSC:

- defines the plan (strategic priorities, commitments and objectives) for the sustainable development of the Group;
- define sustainability policies and conduct principles in order to ensure the creation of value over time for Shareholders and for other stakeholders;
- defines the ICRMS guidelines in line with the strategies, and evaluates, at least once a year, the adequacy of the system with respect to the characteristics of the Company and the risk profile assumed, as well as its effectiveness;
- describes, in the Corporate Governance Report, the main features of the ICRMS , the way it is coordinated between the entities involved in it, and expresses its assessment of its adequacy;
- appoints and revokes the Head of the Internal Audit Department - defining his or her remuneration in line with corporate policies, and ensuring that he or she is provided with adequate resources to perform his or her duties - and approves, at least once a year, the work plan prepared by him or her, after consulting the Supervisory Body and the CEO;
- evaluates the opportunity to take measures to ensure the effectiveness and impartiality of the corporate functions involved in the controls, verifying that they have adequate professionalism and resources;
- entrusts the Supervisory Body or a specially constituted body with the supervisory functions over Model 231;
- evaluates, after consultation with the Supervisory Body, the results presented by the Statutory Auditor in any letter of suggestions and in the additional report addressed to the Supervisory Body;
- approves, on an annual basis, the work plan prepared by the Director of Risk Management, after hearing the opinion of the CRSC;
- approves, every three years, the test plan defined within the framework of the Business Continuity Model proposed by the Director of Risk Management, after hearing the opinion of the CRSC.

Within the scope and limits of the powers delegated by the Board of Directors, the Chief Executive Officer and General Manager, in liaison with the Chairperson and Deputy Chairperson, is responsible for:

- overseeing the functionality of the Internal Control System, supporting the CRSC in identifying the main corporate risks and periodically submitting them to the Board of Directors for review;
- implements the guidelines defined by the Board of Directors, ensuring that the competent corporate structures design, implement and manage the internal control and internal audit system, constantly verifying its overall adequacy, effectiveness and efficiency, and adapting it to the dynamics of the operating conditions and the legislative and regulatory framework.

Risk management is an essential component of the ICRMS. The Group's Enterprise Risk Management Model contains the methodological approach for the identification, assessment and integrated management of risks, regulates the role of the various parties involved in the process, which reports to the Board of Directors, and provides for specific committees to manage each type of risk, with a particular focus on Financial, Credit, Energy, Cyber, Climate Change, Fiscal, Operational and Reputational Risks. Specific policies have been defined for each type of risk with the primary goal of meeting strategic guidelines, the organisational and managerial principles, the macro processes and techniques necessary for active management of the related risks. The assessment of environmental and social impacts is integrated into the governance of the Enterprise Risk Management Model for each risk category.

The Risk Management Department periodically updates the Group Risk Map through interviews with Risk Owners throughout the Group and the sharing and fine-tuning of the results. The risk map is very detailed and contains qualitative-quantitative assessments of each elementary risk, as well as details of existing or prospective controls and mitigation actions.

The Risk Policies are approved by the Board of Directors upon the proposal of the Director in charge of the ICRMS (CEO, formulated in agreement with the Chairperson of the Board of Directors and the Deputy Chairperson (who are also identified as Directors in charge of the ICRMS with reference to the matters falling within their respective delegated powers), to the extent of their respective competences, after receiving the non-binding opinion of the CRSC and after informing the Board of Statutory Auditors.

Specifically, the Climate Change Risk Policy analyses and regulates the risk factors, distinguishing them into physical and transitional, and the related strategies towards these factors (exclusion, acceptance and management). The document also includes guidelines for reporting, aimed at ensuring transparency of information to all stakeholders.

The Risk Policies are subject to update on an annual basis, and in case of substantial changes, must be approved by the Board of Directors.

The Director of Risk Management and the other risk control departments are convened at least twice a year by the CRSC to report on the risk situation and monitoring.

For specific corporate projects of a strategic nature - such as the Business Plan, acquisition transactions or investments of an industrial nature - the CRSC requires the Risk Management Department to carry out a specific risk assessment, also with a particular focus on the impact of such transactions on the Group's sustainability objectives and consistency with the EU Taxonomy.

The half-yearly report presented by the Head of the Internal Audit Department to the CRSC includes the results of Internal Audit verifications, any critical issues that emerged and follow up on the progress of the actions initiated following the audits of previous years. In addition, the CRSC receives in-depth information from the Directors/Managers of other functions that support the Committee's activities, including the CFO, the Director of Risk Management, the Head of Compliance with System 231 and Privacy, and the Director of Corporate Social Responsibility and Local Committees.

Based on the information received, the CRSC reports to the Board of Directors every six months, highlighting any critical issues encountered and expressing an opinion on the adequacy of the ICRMS.

The Board of Directors, through the CRSC, convenes the Director of Risk Management on at least a half-yearly basis, who reports on risks, provides other analyses, such as the findings of Risk Committee reports, and reports the outcomes of specific risk assessments.

Iren Group has also adopted, with the approval of the Board of Directors and the opinion of the CRSC, the Crisis Management Procedure, as part of the Business Continuity Management (BCM) model, which provides for the provision of organisational and technological safeguards to ensure the continuity of processes, as well as a proactive and structured response in the response and monitoring phases of emergency and/or crisis events. The main objective of the BCM is to ensure business resilience in the face of unforeseen events by ensuring the continuity of business processes deemed critical. In this context, the Board of Directors approved a three-year Crisis Simulation and Ordinary Test Plan with approximately four crisis tests and four ordinary tests per year.

The objective of the Plan is to effectively exercise the Group's ability to respond to all interruption scenarios of the tested processes, while the tests in the ordinary way allow to verify the appropriate implementation of continuity strategies and to identify further ones, finally defining an action plan.

Internal Control over Sustainability Reporting System

[GOV-5_01, GOV-5_02, GOV-5_03, GOV-5_04, GOV-5_05, IRO-1_11]

The Group has structured a procedure for assessing the risks and internal controls of the sustainability reporting process. The Manager in charge of certifying the Consolidated Sustainability Statement provides Iren's Board of Directors with an annual report on the activities carried out at Group level, on any critical issues that have emerged and on the actions taken to overcome them, as well as on the outcome of the assessments of the internal control system for consolidated sustainability reporting. This information is submitted in advance to the CRSC and the Board of Statutory Auditors.

The approach adopted for risk assessment and, more generally, for the design of the Internal Control over Sustainability Reporting System (ICSRS), is based on the COSO - Achieving Effective Internal Control-Integrated Framework (ICIF). The framework provides guidance for the ICSRS to ensure that sustainability data and information give a true and fair view of the Company's performance, in compliance with laws and regulations.

The risk assessment forms the basis for determining the qualities of the ICSRS and includes:

- the integration of ESG risk identification, assessment and monitoring into the risk management system;
- carrying out an assessment to identify significant areas of disclosure to be monitored;
- the implementation of a process to identify and assess risk areas related to sustainability reporting.

In particular, the specific sub-processes of sustainability reporting are analysed and, for each sub-process, potential risks are identified and formalised in a risk control matrix that is periodically updated. The risks identified are assessed and prioritised according to their degree of materiality, according to a scale (high, medium, low) that takes into account the likelihood of occurrence and the impact generated.

The most material risks identified are: estimation errors, which could occur in the use of the Group's predefined criteria when it is necessary to make estimates for a specific sustainability disclosure; processing errors in terms of the calculation of specific data required for reporting and arising from multiple management systems; and completeness of data with respect to the reporting boundary.

For each of these risks, a mitigation strategy is adopted that includes controls at different levels:

- Level 1: controls applied by operational departments on the quality, accuracy and reliability of data;
- Level 2: computer checks and verifications on completeness, clarity and consistency of data with the requirements of the standards carried out by the Corporate Social Responsibility and Local Committees Department;
- Level 3: checks by the Internal Audit Department on the functioning of the design of controls and their operation.

The approach used by Iren Group for the ICSRS includes, among its key elements:

- communication on the functioning of the ICSRS through adequate information flows to and from the corporate functions designated to oversee sustainability information;
- monitoring, i.e. the periodic evaluation of the design and operation of the ICSRS by means of verification and management supervision, ordinary control and specific initiatives, internal audits, and communication of internal control deficiencies to the responsible departments, management and the Board of Directors;

- the application of corrective actions, if monitoring reveals shortcomings in the design and effectiveness of controls.

The monitoring of the ICSRS is based not only on the **dissemination of the relevant documentation to all the departments concerned**, but also on the assessment that the controls have been designed and implemented in such a way as to provide adequate assurance that the identified risk can be correctly mitigated (design adequacy) and that the control operates as it was designed (operational effectiveness).

Governance policies and tools

[S1-1_01, S1-1_07, S2-1_01, S2-1_08, S3-1_06, S4-1_06]

Iren Group considers sustainability to be a fundamental lever for its corporate culture, incorporating it into its strategy, and to create value over time for the Group and its stakeholders. For this reason, it is committed to conducting its activities with the interests of its stakeholders in mind, in the knowledge that dialogue and shared objectives are tools through which to create mutual value.

Code of Ethics

The Code of Ethics defines the set of values and responsibilities of Iren Group and identifies the rules of conduct and behaviour for employees and all those who work with and for the Group.

The Code defines the general conduct criteria regarding respect for the Italian Constitution, laws, regulations and ethical principles, human rights and personal dignity, respect for and protection of the market, competition, and industrial property, protection of personal data, the correct use of technology and the computer system and environmental protection. The Code of Ethics also regulates the criteria of conduct in relations with Shareholders and personnel – with particular reference to personnel policies, occupational health and safety, duties of employees, conflicts of interest and use of company assets – in relations with customers, suppliers, external collaborators, Public Institutions, judicial agencies, Public Supervisory Authorities, political and trade union organisations. Other specific rules of conduct concern confidentiality, internal management and communication of information, rewards and benefits, management of promotional activities, sponsorships and contributions, aspects of accounting, taxation and internal controls, reporting and whistleblowing.

It is the task of the Directors, Management and all Top Managers to put into practice the values and principles contained in the Code of Ethics, assuming responsibility both internally and externally and strengthening trust, cohesion and the spirit of the Group. Iren's Corporate Social Responsibility and Local Committees Department has the task of promoting awareness, ensuring the updating, dissemination, interpretation and implementation of the provisions of the Code of Ethics.

Compliance with the contents of the Code of Ethics by all those who work for and with the Group is fundamental to its smooth operation, reliability and reputation.

Executives and Managers of company structures or department undertake to disseminate the knowledge and sharing of the rules of the Code of Ethics, which is an integral part of employment contracts, to make employees and collaborators follow them, to encourage and protect reports of possible violations from any type of retaliation, as well as promptly reporting any reports received, taking the immediate and essential corrective actions required by the situation.

With regard to the external parties to whom the Code is addressed, the Group undertakes to introduce contractual clauses and/or to obtain signed declarations that formalise the acknowledgement, acceptance and compliance with the principles set out in the Code.

In order to make the Group's commitments to ethical and responsible conduct known in a transparent manner, the Code of Ethics is published on the Group's website.

Sustainability Policy

Iren Group has formalised its Sustainability Policy, approved by the Board of Directors and applied by all Group Companies, to guide its decisions and make concrete commitments to ensure responsible business management. The Sustainability Policy, published on the Group's website, is developed to guide the integration of sustainability issues at a strategic and operational level and to promote awareness of the commitments made to pursue sustainable development in the medium and long term, in line with the provisions of the Group's mission, vision, values and Code of Ethics, on which the Group's principles of conduct are based, and in coherence with the Organisation, Management and Control Model adopted pursuant to Legislative Decree no. 231/2001.

The Sustainability Policy defines the Group's approach towards ESG factors, considered relevant for the Group - as defined in the double materiality assessment -, commitments and courses of action to contribute to building a sustainable future, improve its sustainability performance, and manage and mitigate ESG risks to which the Group is exposed, in an integrated manner with the Group's risk management system.

In expressing the conviction that the sustainable development of the Group is based on the principles of business ethics, continuous improvement, and criteria of management efficiency and economy, the Policy is oriented to:

- support the strategic choices - including the governance of risks, opportunities and impacts - that are operationally articulated in the Strategic Plan;
- create the framework for specific corporate management policies such as the Integrated Management System Policy (QSA, Energy Efficiency and Information Security), the Risk Management Policies (Energy Risk Policy, Operational Risk Policy, Climate Change Risk Policy, Cyber Risk Policy and Tax Risk Policy), the Diversity and Inclusion Policy, the Policy for Managing Dialogue with Shareholders and Investors, the Privacy Management Model, the Biodiversity Policy and other relevant policies;
- improve the ESG risk management process;
- facilitate the non-financial reporting process;
- increase the level of knowledge and awareness of the expected outcomes regarding the material issues;
- spread the culture of sustainability.

As detailed in the following chapters of this document, the Sustainability Policy formalises the Group's commitments to:

- corporate governance, ethics and business integrity;
- integration of sustainability at strategic and operational levels;
- due diligence;
- protecting the environment, biodiversity, ecosystems and combating climate change;
- inclusion, valuing people and diversity;
- customer orientation;
- relations with communities and stakeholders;
- sustainable supply chain management;
- respect for human rights;
- innovation;
- remuneration policies.

It also identifies the players for its adoption, approval and implementation, and defines monitoring and reporting activities.

The commitments of the Sustainability Policy and the Code of Ethics – approved by the Board of Directors – are based on the principles of the Constitution of the Italian Republic, the UN Universal Declaration of Human Rights, the International Labor Conventions and Recommendations issued by the ILO (International Labor Organization), the Global Compact, the OECD Guidelines for Multinational Enterprises, as well as the United Nations Sustainable Development Goals (SDG). In defining these commitments, the Group has considered all stakeholders, noting their legitimate interests through constant dialogue and discussion to ensure a continuous flow of information, including through the reporting of the Group's social, environmental and governance performance, highlighting the progress made in maintaining commitments and achieving objectives.

Model 231

Iren and the Group's main Companies have adopted Organisation, Management and Control Models pursuant to Legislative Decree No. 231/2001 (Model 231), which configure a structured and organic system of procedures and control activities aimed at preventing behaviour that could lead to the commission of the offences contemplated by the Decree.

The adoption of Model 231, in addition to representing grounds for exemption from the Company's liability with regard to the commission of the offences referred to in Legislative Decree no. 231/2001, is an act of social responsibility towards its members, employees, customers, suppliers as well as the community and represents a fundamental tool for spreading the culture of sustainability (see paragraph "Organisation and Management Model Legislative Decree No. 231/ 2001" in chapter Business conduct).

Remuneration policies

[GOV-3_01, GOV-3_02, GOV-3_03, GOV-3_04, GOV-3_05, GOV-3_06]

The Remuneration Policy adopted by Iren Group represents a tool to support its medium- and long-term strategies for sustainable development. The incentivising capacity of the systems is at all times guaranteed in line with the Group's strategic objectives, which include ESG objectives. In general, the Remuneration Policy is a tool to ensure the pursuit of business sustainability objectives, guarantee an increase in shareholder value, in line with the Business Plan, and adequate retention of strategic positions for governance and business.

In addition to illustrating the criteria for determining the fixed remuneration due to Non-Executive Directors, members of the Board of Statutory Auditors, members of the internal Board Committees and the Lead Independent Director, the Policy indicates the guidelines, including in terms of pay mix, for the Executive Chairperson, Executive Deputy Chairperson, the CEO and General Manager and the other Senior Executives with Strategic Responsibilities (Directors of the Environment BU, Energy BU, Market BU, Networks BU, Administration, Finance and Control, Personnel and Organisation, Technologies and Information Systems, Procurement, Logistics and Services).

The Iren Shareholders' Meeting decides, upon appointment and for the entire term of office, the total annual remuneration of the members of the Board of Directors and the maximum total amount for the remuneration of the Directors holding specific office provided for in the Articles of Association (Chairperson, Deputy Chairperson and CEO).

On the proposal of the Remuneration and Appointments Committee (RAC) and having consulted the Board of Statutory Auditors, the Board of Directors defines the structure and remuneration for Directors with specific duties (Chairperson, Deputy Chairperson and CEO), and the remuneration for Directors participating in Internal Board Committees. It also defines the Remuneration Policy for the Group's Board of Directors and Senior Executives with Strategic Responsibilities subject to the RAC's preliminary survey, carried out in conjunction with the CRSC, with regard to risk and sustainability profiles.

Subject to the RAC's preliminary survey, the Board of Directors defines the objectives to which the short- and long-term annual variable component of the remuneration of the Executive Chairperson, the Executive Deputy Chairperson and the Chief Executive Officer and General Manager is correlated.

The Deputy Chairperson determines the remuneration of Senior Executives with Strategic Responsibilities, taking into account the provisions of the Remuneration Policy, and defines the objectives to which their short- and long-term variable component is related, after consulting the RAC, which may avail itself of external consultants specialising in remuneration policies.

The remuneration of Non-Executive Directors is commensurate with the commitment required of each of them, also taking into account any participation in one or more Internal Board Committees.

As regards the Directors with specific duties (Chairperson, Deputy Chairperson and CEO), the gross annual remuneration for the positions held was established by the Board of Directors, after a survey carried out by the Remuneration and Appointments Committee, in compliance with the limits established by the Shareholders' Meeting.

For the Executive Chairperson, the Executive Deputy Chairperson, the Chief Executive Officer and General Manager and for Senior Executives with Strategic Responsibilities, the variable part of the remuneration is divided into two parts, the short-term part and the long-term part.

Short-term variable remuneration is paid upon achievement of all performance targets and is set, in the target amount, equal to: 30.3% of the gross annual salary for the Chief Executive Officer and General Manager; 37.9% of the gross annual salary for the Executive Deputy Chairperson and Strategic Director of Human Resources, CSR and delegated areas; 30.8% of the gross annual salary for the Executive Chairperson and Strategic Director of Finance, Strategies and delegated areas; 37.6%, on average, of the gross annual salary of the other Senior Executives with Strategic Responsibilities in force at the end of the period of reference.

The short-term variable remuneration is based on an MbO (Management by Objectives) system that takes into consideration the Group's main objectives relating to economic and financial performance (weighting 40%), the main strategic projects (weighting 30%) and ESG factors (weighting 30%) through performance objectives linked to the priority areas of intervention defined in the Business Plan:

- decarbonisation: reduction of the carbon intensity of energy production, Scope 2 and Scope 3 emissions, energy savings in production processes, emissions avoided from the recovery of waste managed;
- circular economy: increase of sorted waste collection rates in the local areas served and of waste to material recovery treated in Group plants, production of biomethane from biodegradable waste and reuse of purified water;
- water resources: increase of purification capacity in the local areas managed, reduction of water withdrawals from the environment for distribution, reduction of leakages and division into districts of the aqueduct network;
- resilient cities: extension of district heating, increase of environmentally friendly vehicles in the corporate fleet, green electricity sold to retail customers, energy savings from products/services offered by the Group;
- people: increase in recruitment, under 30 hires, training hours per employee, people evaluated on performance, quota of female managers, accident incidence rate and coverage of employees with supplementary health care.

These objectives are also cascaded down to Company managers.

The system provides a "gate" condition linked to the maintenance of the rating on investment grade by a leading rating agency. For 2024, in addition to the minimum threshold of the individual objective, equal to 60%, a minimum threshold of average overall achievement of the individual objectives greater than and/or equal to 70% has been established, as a further condition for access to the payment. In order to incentivise the Group's value creation with respect to the planned targets, a correction factor for individual results with a priori defined weights and metrics was maintained in 2024 as well. The maximum amount attainable as short-term variable compensation can reach 120% of the target amount.

The Plan for variable long-term remuneration - LTI Plan 2022-2024 (Long-Term Incentive), approved by the Board of Directors on 28 April 2022, provides for the accrual of a monetary bonus based on the 2022-2024 three-year performance. The Plan has among its recipients: Executive Chairperson and Deputy Chairperson, Chief Executive Officer, Senior Executives with Strategic Responsibilities, and other Top Management resources capable of making a significant contribution to the achievement of the objectives of the Business Plan.

With reference to the executive Chairperson and Deputy Chairperson, the maximum monetary incentive was established by the Board of Directors, taking into account the indications of the Meeting, in an amount equal to 100% and 75%, respectively, of the total gross annual variable compensation paid to the Chief Executive Officer and General Manager in office at the time of approval of the LTI Plan. For the other Senior Executives with strategic responsibilities, the maximum monetary incentive was set at 100% of individual gross annual remuneration calculated as of 1 January 2022.

The awarding of the prize is subject to the passing of a "gate" condition (recognition, at the end of 2024, of the Investment Grade rating by one of the major rating agencies) and the achievement of the following objectives, identified in accordance with the provisions of the Business Plan: Cumulative EBITDA 2022-2024 (weight: 35%); Cumulative Operating Cash Flow

Levered 2022-2024 (weight: 20%); Cumulative Investments 2022-2024 (weight: 20%); Sustainability/ESG - composite target (weight: 25%). For each economic-financial objective, a threshold level has been defined, equal to 90% of the target as defined, below which no disbursement of the linked premium will be made. An overall threshold level has been defined for the Sustainability/ESG objective, equal to 70% of the defined target, below which no disbursement of the related bonus portion is envisaged. The ESG composite target considers:

- enhancement of gender diversity (percentage of women executives and junior managers out of total executives and junior managers);
- circular economy (increased sorted waste collection in legacy regions);
- water resources (reduction in water network losses);
- resilient cities (energy savings from Group products/services);
- decarbonization (Scope 1 emissions - carbon intensity of power generation).

In the context of variable remuneration, contractual agreements (malus and claw-back clauses) are maintained that allow for the request for the restitution, in whole or in part, of variable components of remuneration that are payable or have already been paid, upon the occurrence of certain conditions ("trigger events") within a certain period of time from the end of the bonus accrual period.

In general, without prejudice to compliance with current legislation, no indemnity is provided for the termination of the directorship of Non-Executive Directors of Iren. For the Executive Chairperson and the Executive Deputy Chairperson, in the event of a revocation without just cause, an indemnity equal to the remuneration that they would have received for the remaining period of their current fixed-term employment as managers is provided for, in accordance with the legal regulations for fixed-term employment contracts, with two limitations: a minimum floor of six months' pay and a maximum cap of eighteen months' pay. For all Senior Executives with Strategic Responsibilities, payments and accruals as of the end of the relationship have been established in accordance with the law and the relevant national collective bargaining agreements.

The Group prepares an annual report on remuneration and fees paid during the period of reference, for any reason and in any form, by Iren or its subsidiaries. In addition to ensuring transparency, the Report is aimed at increasing the knowledge and awareness of shareholders and, in general, investors and the market.

The Report, preliminarily examined by the RAC and approved by the Board of Directors, is submitted to the vote of the Shareholders' Meeting: a binding vote for the Remuneration Policy (first section) and a non-binding vote for the part relating to the fees paid (second section). The Shareholders' Meeting, held on 27 June 2024, approved the Remuneration Policy 2024 and resolved in favour of the fees paid for the financial year 2023. The voting results are available on the Group's website.

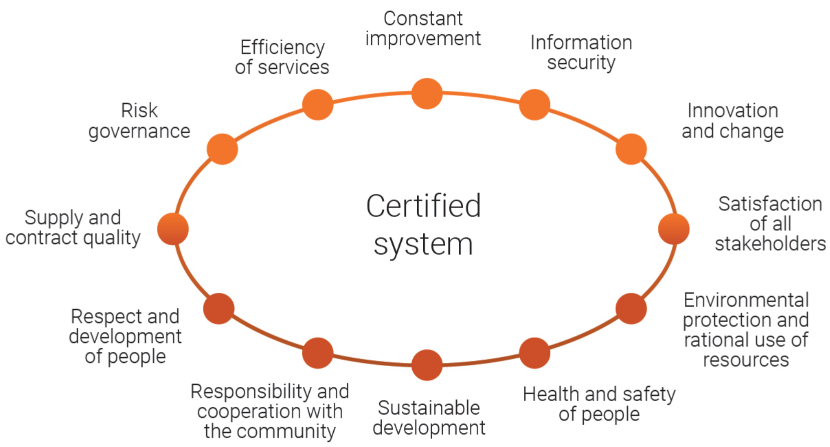
The remuneration policy for Iren Group's Directors and Senior Executives with Strategic Responsibilities, as well as its implementation, is one of the topics covered by the Policy for Managing Dialogue with Shareholders and Investors in general.

With reference to companies other than the Parent, the determination of the remuneration due to the members of the relevant administrative bodies takes into account the principles on this matter resolved by the Shareholders' Meeting of Iren on 21 June 2022.

Certified Integrated Management System

Iren Group has developed a certified integrated management system (quality, environment, safety, and energy efficiency) structured in such a way as to implement adequate control over all operational processes that affect the quality of service, with a view to increasing customer focus and based on risk identification and management. The Certified System is actually a streamlined and flexible organisational model that adapts quickly to changes in customer expectations and needs and organisational changes within the Group, thereby ensuring continuous monitoring of the effectiveness and efficiency of the processes at the same time.

The values of Iren Group are outlined and reflected in the Management System Policy, which is distributed to and shared by all personnel, in the following basic principles of the integrated certified system:



Main Certifications [1]

[IREN_ESRS2_BP_2_X001]

	ISO 9001 (Quality)	ISO 45001 (Safety)	ISO 14001 (Environment)	ISO 27001 (Information security)	EMAS	UNI 11352 (ESCo)	ISO 50001 (energy efficiency)	ISO 17025 (Laboratory)
Iren	●	●	●	●				
Iren Ambiente	●	●	●		● (5 sites)			
Iren Ambiente Piacenza	●	●	●					
Iren Ambiente Parma	●	●	●					
Acam Ambiente	●	●	●					
Amiat	●	●	●					●
Bonifica Autocisterne	●							
Bonifiche Servizi Ambientali	●	●	●					
CRCM	●	●	●					
Ekovision	●							
Futura	●		●					
I.Blu	●	●	●					
Manduriambiente	●	●	●		● (1 site)			
ReCos	●	●	●					
Re Mat	●	●	●					
San Germano	●	●	●					
Sei Toscana	●	●	●					
Sienambiente	●	●	●		● (4 sites)			
TB		●	●				●	
Territorio e Risorse	●	●	●					
TRM	●	●	●		● (1 site)			
Uniproject	●		●					
Iren Energia	●	●	●		● (6 sites)	●	●	
Alfa Solutions	●	●	●					●
Iren Smart Solutions	●	●	●			●	●	
Ireti	●	●	●					
Acam Acque	●	●	●					
Amter	●	●	●					
Acquaenna	●	●	●					
ASM Vercelli	●	●	●					
Iren Acqua	●	●	●					
Iren Acqua Reggio	●	●	●					●
Iren Acqua Tigullio	●	●	●					
Iren Laboratori	●	●	●					●
Ireti Gas	●	●	●					
Iren Mercato	●	●						
Atena Trading	●	●						
Salerno Energia Vendite	●							
% coverage [2]	99%	98%	93%	10%	5% [3]	9%	10%	18%

[1] Orange dots indicate new certifications acquired during 2024.
[2] The % coverage is calculated as the ratio between the number of employees of the companies subject to certification and the total number of employees of the Group.
[3] The % coverage is calculated as the ratio of the number of employees at certified sites to the total number of employees in the Group.

There are also additional certifications in the Group:

- ISO 18295-1 certification (service requirements for customer contact centres) for Iren Mercato and Iren Smart Solutions;
- ISO 18295-2 certification (requirements for organisations using the services of external contact centres) for Iren Mercato;
- F-GAS certification (for the management of installations with fluorinated gases) for Iren Smart Solutions;
- certification of Iren Mercato in accordance with Certiquality Technical Document 66 and ST TRAC_EE, as tools to provide customers with a guarantee of the origin of the green energy sold;
- SA8000 certification (International Standard for Corporate Social Responsibility certification) for San Germano.
- ISO 17020 certification (Inspection Body) for Iren Laboratori.

The Personnel and Organisation Department is responsible for overseeing the certified management systems of the main Companies in the Group.

All audits carried out by the Certification Bodies in 2024 were successful and confirmed the maintenance of the Certifications held.

Due diligence

[GOV-4_01]

As set out in the Sustainability Policy, the Group is committed to implementing its due diligence in a structured way to **identify, prevent, mitigate and account for how it addresses actual and potential negative impacts** on corporate governance, employment, human rights, the environment, corruption and consumers in its operations, supply chain and business relationships. The Group has integrated the due diligence into its Code of Ethics and, through the materiality analysis (impact and financial), which involves the Group's stakeholders, and the risk management system, identifies the real or potential impacts of its activities. Materiality analysis and risk assessment, both approved by the Board of Directors, are used as input into strategic planning including for the purpose of preventing and/or mitigating potential negative impacts by taking appropriate measures in the short-, medium- and long-term.

The certified management system, based on risk analysis, includes specific procedures for the prevention of negative impacts and continuous monitoring, also through third parties, of the effectiveness of the system itself. The system's procedures also provide for ways to put an end to or minimise the effects of negative impacts. In the case of negative impacts not covered by the management system, a procedure is in place that provides for specific activities and roles to assess the severity of the impacts, manage them strategically, tactically and operationally, up to and including actions to be taken to prevent future occurrences, with an indication of costs, key lessons learned and action plans for improvement. Furthermore, in order to consider stakeholder concerns on a continuous basis, the Group has structured a channel through which stakeholders can **submit complaints and reports** about the negative effects of the Group's activities on human rights and the environment.

Elements	Chapter and "paragraph" reference
Integration of due diligence into the governance, strategy and business model	• Governance of Iren Group "Governance at Management Level", "Information Flows on Sustainability Issues", "Internal Control and Risk Management System", 'Remuneration Policies' • **Strategy for sustainable development**
Involvement of stakeholders at all key stages of the due diligence	• **Strategy for sustainable development** "Group stakeholder engagement" • **Preventing Pollution** "Engagement of communities" • **Supporting the circular economy** "Engagement of communities" • **Iren people** "Engagement of people" • **Suppliers and Partners" Engagement** of the supply chain" • **Sustainable development of local communities** "Engaging communities through dialogue and listening", "Creation of social value" • **Customer orientation** "Active engagement of customers and consumers", "Continuous dialogue with customers and consumers"
Identification and assessment of negative impacts	• **Strategy for sustainable development** "Double materiality assessment" • **Environmental Policies** "Environmental impacts, risks and opportunities" • **Meeting the challenge of climate change** (Introduction) • **Preventing pollution** (Introduction) • **Sustainable use of water and marine resources** (Introduction) • **Protecting biodiversity** "Analysis of impacts, risks and opportunities" • **Supporting the circular economy** (Introduction) • **Proactively managing impacts, risks and opportunities** • **Iren people** (Introduction) • **Suppliers and partners** (Introduction) • **Sustainable development of local communities** (Introduction) • **Customer orientation** (Introduction) • **Business conduct** (Introduction)
Addressing negative impacts	• **Policies for the environment** • **Meeting the challenge of climate change**: "Transition plan", "GHG removals and storage" • **Preventing pollution** "Actions and resources to prevent pollution" • **Sustainable use of water and marine resources** "Actions and resources for water and marine resources", "Optimised management of activities and processes to limit impacts on water resources" • **Protecting biodiversity** "Actions and resources for biodiversity" • **Supporting the circular economy** "Actions for the circular economy" "Circular economy in production processes" • **Iren people** "Actions and resources for people" • **Suppliers and partners** "Sustainable supply chain: actions and monitoring" • **Sustainable development of local communities** "Acting for communities" • Customer orientation "Actions and resources for consumers and end-users" • **Business conduct** "Organisation and Management Model Legislative Decree No. 231/ 2001" "Privacy management model"
Effectiveness of interventions and communication	• **Meeting the challenge of climate change** "Group Performance", "Climate Targets" • **Preventing pollution** "Monitoring pollution", "Targets to prevent pollution" • **Sustainable use of water and marine resources** "Targets for water and marine resources" • **Protecting biodiversity** "Targets for biodiversity" • **Supporting the circular economy** "Targets for the circular economy" • **Iren people** "Actions and resources for people", "Our targets for Iren people" • **Suppliers and partners** "ESG supply chain targets" • **Sustainable development of local communities** "Monitoring the effectiveness of actions", "Our targets for Local Communities" • **Customer orientation** "Targets for consumers and end-users"

Business model and value chain

[SBM-1_01, SBM-1_02, SBM-1_03, SBM-1_04, SBM-1_05, SBM-1_06, SBM-1_09, SBM-1_10, SBM-1_13, SBM-1_14, SBM-1_25, SBM-1_26, SBM-1_27, SBM-1_28]

Iren Group, which as of 31 December 2024 employs 11,311 people, operates in Italy in the sectors of electricity (generation, distribution and sale), district heating (generation, distribution and sale), gas (distribution and sale), integrated water services management, waste management services (waste collection and disposal), integrated solutions (smart solutions) for energy efficiency for public and private entities and services for public administrations, in various regions of Italy (for further details, please refer to paragraph "Iren Group's Corporate Structure" in section Introduction).

Some summary information on the size of the organisation is given below, while for information on employees, see the chapter Iren people.

Generation of electricity and heat

Power generation plants (no.)		Installed power (MW)	
Hydroelectric	33	Total electric power (electricity set-up)	3,418
Photovoltaics and wind power	117	Renewable power	836
Thermoelectric cogeneration	7	Thermal power	2,594
Thermoelectric	1		
Thermal	64	**Generation (MWh)**	
Waste-to-energy plants	4	Electricity generated	9,337,955
Biogas on landfills and wastewater treatment plants	14	Thermal energy (heat) generated	2,874,693
Biomass	1		

District heating

	Network managed (km)	Volumes (Mm^3)	Residents served [1]
Turin and surrounding municipalities	779	77.9	519,111
Reggio Emilia	220	13.8	56,442
Parma	103	6.4	35,673
Piacenza	36	2.6	11,136
Genoa	8	1.6	7,911
Total	1,146	102.3	630,273

[1] Estimated figures related to residential users

Market

Natural gas		Electricity		Heat	
Gas supplied (Mm^3)	2,512	Electricity sold (GWh)	13,477	Heat sold (GWh)	2,267
gas sold to end customers (Mm^3)	1,015	to end customers and wholesalers (GWh)	6,979	Customers served (no.)	55,276
gas consumption by the Group (GWh)	1,450	on the stock exchange (GWh)	6,498		
gas in storage as at 31/12 (Mm^3)	47	Retail customers (no.)	1,368,842		
Retail customers (no.)	915,365				

Gas distribution

	Network managed (km)	End-users (no.)	Gas distributed (Mm^3)
Emilia-Romagna	6,191	398,662	731
Liguria	1,846	326,450	280
Piedmont	396	29,606	48
Total	8,433	754,718	1,059

Electricity distribution

	Network managed (km)	End-users (no.)	Electricity distributed (GWh)
Parma	2,609	132,321	871
Turin	4,710	572,626	2,548
Vercelli	552	29,050	190
Total	7,871	733,997	3,609

Integrated water service

Networks and plants managed		Service quality	
Aqueduct networks (km)	22,146	Residents served (no.)	3,045,836
Sewage systems (km)	12,116	Municipalities served (no.)	266
Wastewater treatment plants (no.)	1,380	Water sold (Mm^3)	176.9
Dams (no.)	6		

Waste management services

Service quality			
Waste managed (t)	4,020,016	Residents served (no.)	4,047,997
Urban waste treated (t)	2,808,485	Municipalities served (no.)	552
Sorted waste collection [(1)] (%)	72.1%	Collection centres managed (no.)	431
Plants managed (no.)	68		

[(1)] Figure for historical areas served

Group revenue

[SBM-1_06, SBM-1_10, SBM-1_13, SBM-1_14]

The Group does not produce goods or provide services that are prohibited in the relevant markets for the sectors in which it operates and is not active in the petroleum, chemical production, controversialweapons production, tobacco cultivation or production sectors.

Total and fossil fuel-related revenues (€)	2024
Total Group revenue	6,043,125,281
Gas-related revenue [(1)]	2,078,705,620

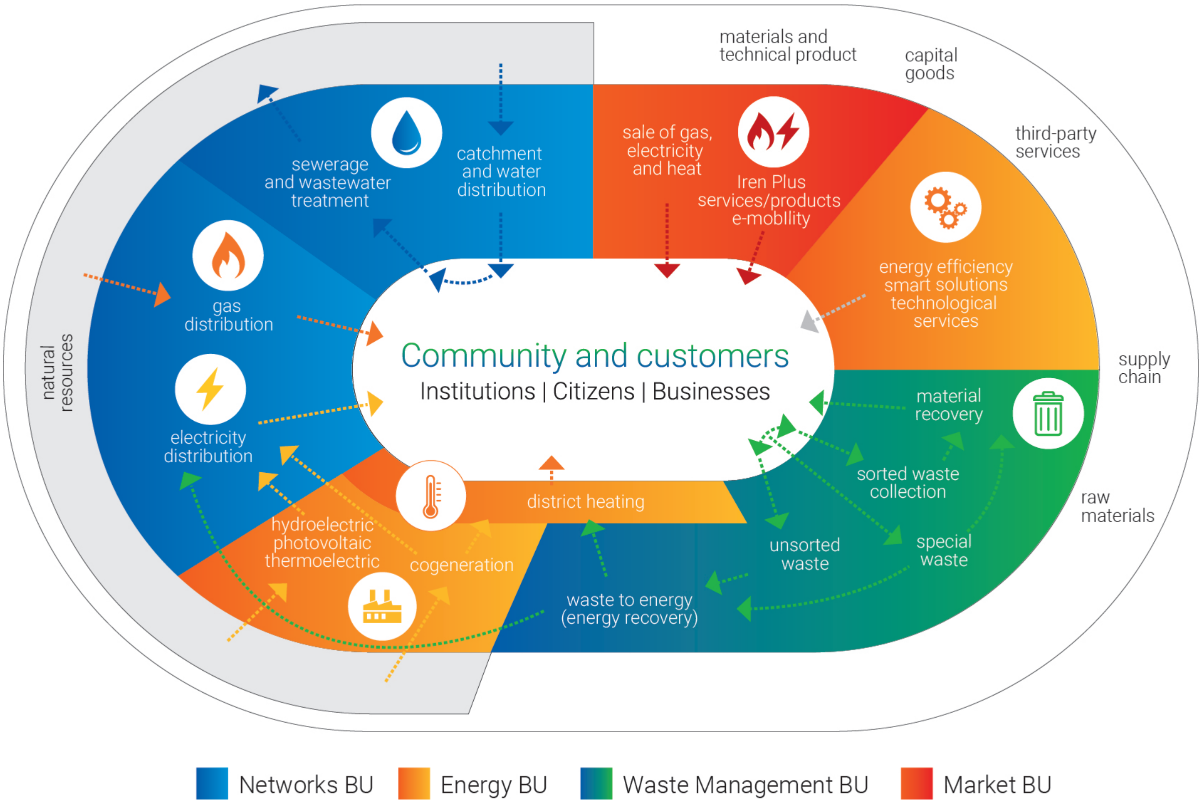
[(1)] The Group does not generate revenues from economic Taxonomy-aligned activities related to fossil gas. For further details, see the chapter "European Taxonomy" in section Green transition

The business model focuses on transforming resources (environmental, social, economic and governance) to create value, both in the short- and long-term, for the Group and its stakeholders. For this reason, the Group is committed to improving the quality of life in the communities in which it operates, through the provision of services and the creation of infrastructure that enhances the local area.

On account of the synergies between the various business areas, also with a view to innovation, the Group guarantees the utmost commitment to reduce the environmental and social impact, to satisfy the needs of customers and communities and to guarantee high safety standards for employees and suppliers. The business model also integrates a commitment to sustainable development, aligning with the United Nations Sustainable Development Goals (SDGs). The analysis of the 17 SDGs and their targets led the Group to identify the areas of activity that contribute to their achievement, selecting 9 priority Goals, to which Goal 17 is added, considered essential for the success of the other goals. These goals are an integral part of the Strategic Plan, which combines economic, financial, environmental and social sustainability, taking into account the priorities of stakeholders, which emerged from their involvement in the impact materiality assessment and in an ongoing dialogue.

Integrated value chain

The **value chains**, comprising inputs, activities and outputs, involve the integration of the Group's four Business Units, supported by natural resources (water), raw materials (gas, energy, fuels), waste generated by the community and business activities, assets (plants, networks, equipment, vehicles), materials and technical products, and third-party services (IT, insurance, consulting and maintenance). These resources, together with the human capital and skills that are central to the growth strategy, enable the Group to produce energy and offer services to domestic, business and public administration customers. Financial resources are also to be considered, as economic and financial solidity is an essential prerequisite for the achievement of the Group's strategic targets. Access to financial markets and diversification of funding sources allow growth to be supported and the challenges of a changing environment to be met with resilience.

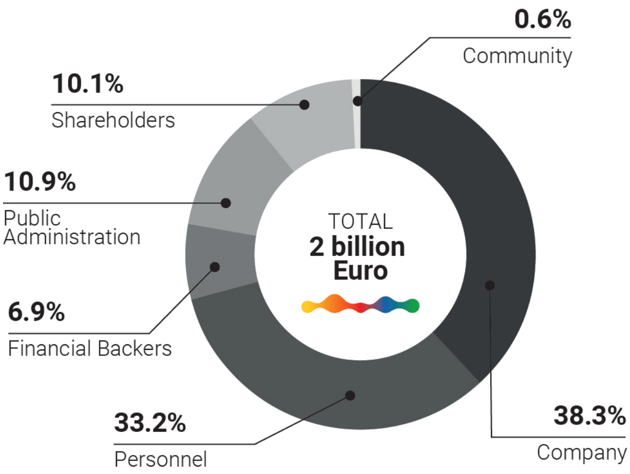


The main outputs of the Group's activities are:

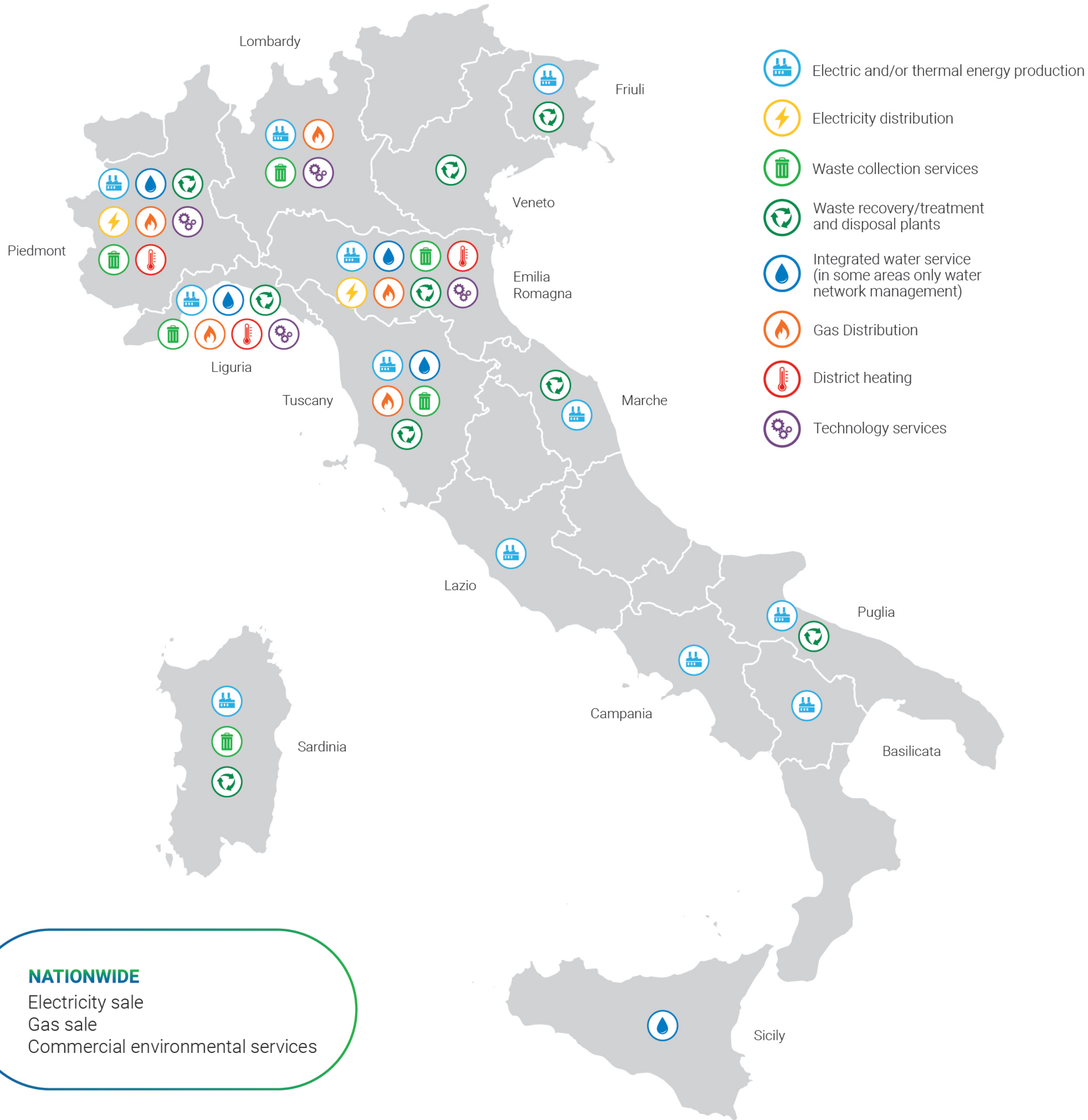
- electricity generated (conventional and renewable) and fed into the national grid;
- thermal energy produced and fed into district heating networks and distributed to customers (retail, business and institutional);
- electricity and gas distributed to end-users on behalf of Group and third-party sales companies and sold to end customers (retail, business and institutional);
- water distributed and sold to end-users (retail, business and institutional);
- treated wastewater returned to the environment or reused for irrigation or industrial purposes by third parties;
- sewage sludge spread on agricultural land or used for energy recovery in Group or third-party plants;
- biogas and biomethane produced from organic waste and biomass self-consumed or used by third parties for transport;
- products from recycled wood and plastics sold to business customers;
- secondary raw material produced by waste treatment plants sold to industrial operators;
- compost generated from organic waste and biomass;
- materials sorted from waste for recovery or reuse in Group or third-party plants;
- food-grade carbon dioxide sold to third parties;
- non-recoverable waste sent for energy recovery or disposal in Group or third-party plants;
- water discharges to Group or third-party plants or discharged into the environment;
- atmospheric emissions mainly from power generation, waste-to-energy and company vehicles.

Several of the outputs generated represent, in terms of circularity, inputs for other activities managed by the Group. For example, the waste produced is an input resource for the material recovery, energy recovery and waste treatment plants managed by the Group. Similarly, water distributed and used by communities is an input for sewerage and wastewater treatment activities, as well as water discharges from Group activities.

Through its outputs, the Group contributes to generating multiple benefits, as it provides essential community and environmental services, positively impacting people and the local area and contributing to the efficient management of resources and the creation of value for communities and investors, including through the economic value generated and distributed, as depicted in the chart beside.



Main areas served



NATIONWIDE
Electricity sale
Gas sale
Commercial environmental services

Awards and recognitions

[IREN_ESRS2_100]

In 2024, Iren Group received various recognitions relevant to corporate and environmental responsibility.

Top Utility Assoluto 2024, an award that evaluates the performance of Italy's top 100 energy, environment and water companies. The jury chose Iren Group as the best Italian utility for the excellent economic and operational performance recorded, for the attention devoted to transparency and dialogue with customers and the local communities, and for the ability to implement innovative projects and investments related to the circular economy and in particular to strategic materials

Best in Media Communication certification (for the fourth year in a row): recognition for the work done to measure the impact of corporate communication, taking into account the positioning in the media and the quality of the relationships established with journalists

The Smau Innovation Award 2024 for having adopted and supported the development of the innovative technology of Finapp, a start-up that in 2021 became part of Iren UP, the Corporate Venture programme of Iren Group, in which the Tech4Planet Fund has invested and in which Iren is an investor. Finapp has developed an innovative probe that allows, among other use cases, the detection of leaks in aqueduct networks by analysing the refraction of cosmic rays to measure the amount of water present in a soil and quickly identify the area of a leak

CEOforLIFE Awards 2024 - Social Impact category, prize awarded to the D&Iren project "listen so as to include", launched in collaboration with Wise Growth to explore the theme of disability in the Company, starting from an active listening to people in order to identify their needs and transform them into concrete actions to support those resources that find themselves in situations of hardship

ARERA award to Ireti Gas (grant of 1.9 million Euro) for the development of innovative projects in gas network management: a reverse-flow plant – compression of biomethane not consumed in the distribution network to inject it into the network at a higher pressure – and for an experimental *in-grHYd* project for the decarbonization of gas distribution networks

Seal Italy's Customer Service 2024/2025, third place for water customer service in the certification that rewards the best customer service and ranks the best companies according to the efficiency of their customer service. The survey conducted by *L'Economia* of *Corriere della Sera* and Statista assessed the opinions of over 15,000 people on the basis of six criteria: willingness to recommend the service, availability of the service, customer orientation, professional competence, quality of communication and variety of solutions offered

The Dubai International Loyalty Awards gave the Iren Luce Gas and Services "Be Iren" loyalty programme two awards in the categories of Best Global Program 2024 Western Europe, as best European project of the year, and Best CSR Initiative linked to Loyalty, for having returned value to the area and the community through an educational path based on gamification and content strategy, involving customers registered in the loyalty programme in exclusive participation in cultural and sports events in the cities of reference, urban regeneration initiatives and donations to the Energy Bank

Intranet Italia Day 2024, an event that aims to reward the companies that have created the best digital workplaces and intranets by 2023, awards the NoiIren Group's intranet for the "Design and Interactions" category

The Heat Garden - a vertical forest integrated into a heat storage system serving Turin's district heating network - received several awards: the PIMBY Green 2024 award, instituted by Assoambiente with the patronage of ANCI for the category "design and construction of strategic infrastructures for local areas and technologically advanced industrial plants"; the Utility Award Best ESG & Sustainability Project and the Italian Architecture Award 2024 promoted by MAXXI in Rome and Triennale Milano

Comuni Ricicloni - Legambiente's dossier that highlights and commits Italian municipalities to sorted waste collection for the proper recycling of the materials collected - rewards, on the occasion of the Eco forum 2024, Amiat and the Municipality of Turin for the project of widespread collection of vegetable oils of domestic origin

Mission Fleet Awards - an Italian award for the car fleet sector - recognised the IrenGO e-Mobility App as the best mobile app for managing electric recharging

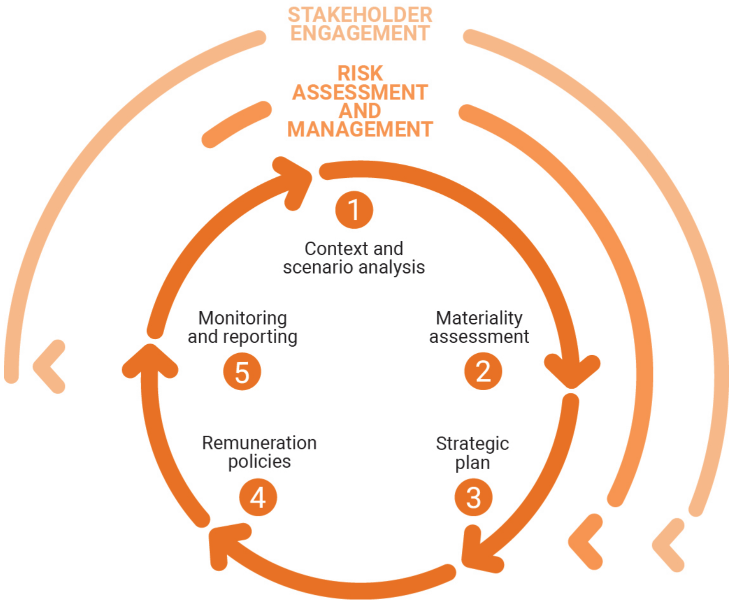
National Excellence Award "Towards a Circular Economy" (7th year) - promoted by Fondazione Cogeme ETS and Kyoto Club - awarded to the Circular Wood project in the business world category

Manager Utilities - Andrea Gilardoni award - Local public services section, awarded by AGICI to Iren Chairperson Luca Dal Fabbro for the highly innovative strategic vision and industrial results achieved by Iren in environmental services and the circular economy

Strategy for sustainable development

[SBM-1_21, SBM-1_22, SBM-1_23, SBM-3_10]

Through a structured process (schematically outlined on the right), environmental, social, and governance factors are incorporated into the strategy and operations. This process includes analysing the sustainability context and scenarios, double materiality assessment to identify sustainability material topics at the strategic and stakeholder level, defining targets, managing impacts, risks and opportunities, planning actions, investments, and compensation policies to achieve the planned objectives, monitoring and reporting and, finally, involving pertinent stakeholders.



Sustainability context and scenario analysis

In its strategic planning and impact, risk and opportunity assessment process, Iren Group analyses the macroeconomic, financial, energy and climate context and scenarios in the short-, medium- and long-term, in order to identify the factors that are relevant to its business from a competitive, sustainability, regulatory and normative perspective, and that may affect the pursuit of its development targets. For details on the energy, regulatory and financial scenarios, see the paragraphs "Market Context" and "Legislative and regulatory framework" (in the Directors' Report).

As a general rule, when significant changes in the scenario and/or materiality of sustainability topics occur, taking into account the views of stakeholders, these elements are considered as input to the planning process and evaluated for the purpose of a possible revision of the strategy. In particular, the Group is committed to taking into account the most recent regulatory and market updates, and it also shares many of its business plans in advance with the relevant regulatory authorities and administrations, which are often called upon to validate and approve such plans. No elements emerged during the reporting period that would require a revision of the business model.

The scenario in which Iren Group operated in 2024 was characterised by a series of complex geopolitical, economic and sustainability dynamics, interconnected with each other, with important developments on a global scale.

The conflicts in Ukraine and the Middle East continued to generate economic, energy and political impacts. Likewise, the continuing instability of relations between the US and China, particularly in the areas of technology and trade, and tensions over cyber security and human rights have continued to shape international politics.

Emerging countries - such as India, Brazil and Africa - have gained an increasing role in global politics, with the push towards greater multipolarity and cooperation between the global south and developed countries.

Resource scarcity, conflict and climate change have continued to exacerbate crises in vulnerable countries. The management of migration flows and humanitarian support have been crucial issues for the international community.

Although global inflation began to stabilise in 2024, the high cost of money continued to slow economic growth, with implications for investment in many advanced economies.

Global growth was moderate. In particular, Europe and the United States experienced lower growth rates, while emerging economies, particularly India and some African nations, saw more robust figures. Concerns about a potential global recession remained high.

In 2024, the renewable energy sector continued to grow, with significant investments in solutions such as solar, wind and e-mobility. It is a context in which the role of distribution networks and storage systems will be crucial to ensure the penetration of renewables, accommodate new production capacity and ensure a stable and reliable supply. However, dependence on critical mineral resources, such as lithium and cobalt has raised new geopolitical and environmental concerns.

There is a growing realisation that the environmental crisis is increasingly urgent, even though, despite global commitments, net-zero emissions targets are still far off and resilience to climate disasters has become a priority in many vulnerable regions.

The transition to clean energy sources has been accompanied by discussions on climate justice, which recognises that the poorest countries are often the most affected by climate change. Efforts have increased to ensure that developing economies have access to technology and finance for adaptation. In the outcomes of the COP29, held in Baku in November 2024, the New Collective Quantified Goal (NCQG) for financing the climate target marked a global commitment to mobilise at least 300 billion USD per year to help developing countries combat climate change and its consequences. In addition, a roadmap was identified with the goal of stimulating international cooperation to progressively increase financial resources for developing countries and reach 1,300 billion USD per year in climate finance by 2035.

The COP29 outcome document also included an agreement on mitigation and one on adaptation to climate change, although the lack of a direct link between the climate finance target and the adaptation target makes the final text weaker.

The link between climate, human rights and a just transition continued to be one of the global priority issues, with the need to put people at the centre to ensure their support and involvement. This is the direction of the programme, adopted by COP29, for the development of a plan of action on climate-related gender issues to be considered and adopted at COP30.

On the other hand, negotiations in Baku on the fossil fuel phase-out agreement did not lead to any agreement, and discussions were postponed until 2025. The goal of keeping global warming below 1.5°C requires the UN climate process to continue with concrete targets.

The biodiversity crisis continued to be a central theme, with COP15 on biodiversity seeking to strengthen global commitments to halt species loss.

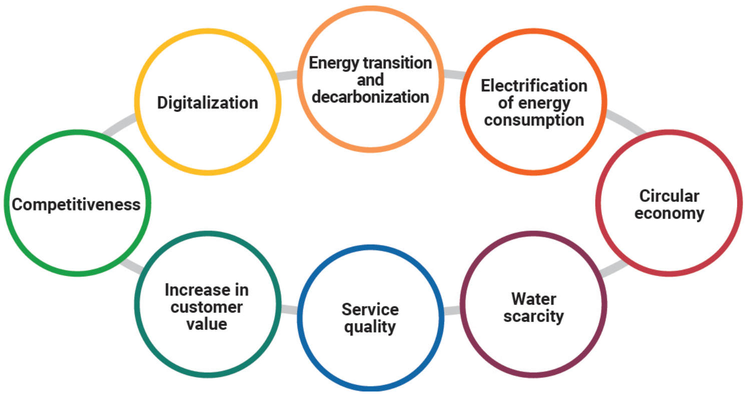
The commitment to the circular economy has grown, with initiatives to reduce waste production, promote recycling and use sustainable materials. However, plastics and other non-renewable resources continue to represent a global challenge.

Sustainable finance, bonds and investments have grown, but their spread needs further development.

The acceleration of digitisation, artificial intelligence and automation has been one of the key trends, although these transformations have also raised issues related to technological inequality, the ethics of artificial intelligence, data security and implications for human labour.

Last but not least, the mandatory sustainability reporting, driven at European level by the Corporate Social Responsibility Directive (CSRD) and the new ESRS, has strongly committed companies to adapt their strategic approach, organisational structures and processes, to acquire the necessary skills, and to structure greater collaboration and cooperation in the value chain. Regulatory developments and mandatory requirements have faced opposition to the adoption and transparency of Environmental, Social and Governance (ESG) performance reporting practices. Despite these drives, there is a parallel growth in the awareness of the value of transparency for building trust between businesses and consumers, and for reducing the long-term risks associated with unsustainable business models and strategies.

In this context - which highlights the substantial interconnection between environmental, social and governance issues - the role of companies in promoting, through constant monitoring of trends, sustainable development, guided by concrete plans and actions that enable the creation of value for the company and its stakeholders, becomes increasingly relevant.



For this reason, Iren analyses and evaluates the main macro-trends that, in the medium- and long-term, will be decisive for the Group's sustainable development (depicted on the side), considering them as the basis for the resilience analysis of its business model and strategy.

The resilience of the strategy is tested annually through three different risk assessments linked to the Business Plan: quantitative, investment and climate change.

The quantitative assessment measures in a timely manner the effects on Net Financial Position (NFP), EBITDA and rating ratios of approximately 60 risks that are attributable not only to the double materiality assessment but to all Group activities. This is the assessment that best captures resilience, as it highlights, among others, the maximum financial stress the Group could face over the Plan's horizon.

The investment assessment evaluates the risk associated with all the Capex of the Business Plan: for each investment, the level of execution risk and the level of mitigation of the Group's inherent risks are measured (on a scale of 1 to 5) over the Plan's horizon (2030).

Climate risk analysis (see also paragraph "Analysis of resilience to climate risks" in chapter Meeting the challenge of climate change) assesses the impact of climate scenarios on specific assets. The mitigation investments identified by the analysis are included in the Business Plan.

In this analysis, the Group includes the findings of the assessment of material impacts, risks and opportunities (see paragraph "Double materiality assessment" in this chapter) in short-, medium- and long-term time horizons, consistent with the strategic planning horizons and capital allocation plans that enable the Group to address material impacts and risks and exploit material opportunities.

Within this framework, the Group has planned its investments for the period 2024-2030, the majority of which are allocated to relevant sustainability issues (see paragraph "Resources for the sustainability strategy" in this chapter).

Strategic plan for sustainability

The strategy, approved by the Board of Directors, is consistent with the **main sector macro-trends**, the findings of the resilience analysis and the sustainability scenarios described above. The Strategic Plan to 2030 is based on **three pillars**: **green transition** with a progressive decarbonisation of all activities and the strengthening of leadership in the circular economy and in the sustainable use of energy and water resources; **local presence** with an extension of local roots including through the expansion of the range of services offered, the growth of the customer base in all businesses and the realisation of new infrastructures, the **service quality** supported by digitalisation and the commitment to maximum satisfaction of customers and the public. The integration of sustainability in the Strategic Plan and in the drivers of capital allocation, with a **time horizon up to 2030**, helps define the role that Iren Group intends to play for a development consistent with European policies and the challenges emerging from the context.

The **industrial strategy complements the sustainability strategy** and defines medium- and long-term targets in **five focus areas: decarbonization, circular economy, water resources, resilient cities** and **people**. The following is a summary of the medium- and long-term objectives and targets of Iren Group's Business Plan and their correlation with the categories of customers and stakeholders.

Focus area	TARGET 2027	TARGET 2030	Customers/stakeholders	SDGs
Decarbonization				
Installed power from renewable sources	1,270 MW	2,060 MW	environment, community, institutions	
Power generation carbon intensity (Scope 1)	287 gCO_2/kWh	176 gCO_2/kWh	environment, business customers, community, suppliers, investors	
Renewable electricity purchased (Scope 2)	95%	100%	environment, community	7, 13
Reduction of Scope 3 emissions (compared to 2020) deriving from: • use of products sold (gas) • fuel and energy related activities		 -25% -13%	environment, community, suppliers, investors	
Energy saving in production processes	1,025 toe/000	1,409 toe/000	environment, suppliers	
Emissions avoided from waste recovery	1,863 tCO_{2eq}/000	2,053 tCO_{2eq}/000	community, institutions, environment	
Circular economy				
Sorted waste collection in legacy regions	74.6%	76.5%	customers, communities, institutions, suppliers, environment	
Waste recovered in Group plants	1,501 t/000	1,539 t/000	communities, business customers, institutions, investors, environment	12, 13
Biomethane from biodegradable waste	28.9 million m^3	28.9 million m^3	community, institutions, environment	
Reuse of wastewater	10 million m^3	20 million m^3	environment, business customers, community	

Focus area	TARGET 2027	TARGET 2030	Customers/stakeholders	SDGs
Water resources				
Wastewater treatment capacity	3,970 A.E./000	4,265 A.E./000	environment, business customers, community	
Water withdrawals from the environment	261 l/inhabitant/day	257 l/inhabitant/day	environment, community	
Water network leaks (legacy regions)	25.7%	20.0%	environment, community, investors	
District subdivision of water distribution networks	77.7%	85.6%	environment, community	
Resilient cities				
Volumes served by urban district heating	118 million m^3	125 million m^3	customers, users, community, environment	
Eco-vehicles out of total	29%	44%	environment, community	
Green electricity sold to retail customers	2,465 GWh	3,000 GWh	customers, environment	
Energy saving from Group products/services	543 TOE/000	642 TOE/000	customers, community, environment	
Group store network in local areas	278	314	customers, users	
Iren people				
Employment, development and skills enhancement New hires (cumulative from 2020) Training hours per capita Employees evaluated on performance [1]	 +4,856 24 93%	 +5,559 25 94%	own workforce	
Diversity & Inclusion Women in managerial roles Hires under 30 out of total hires [2]	 26.5% ≥ 55.0%	 30.0% ≥ 55.0%	own workforce	
Welfare and personal care Injury incidence rate Employees with supplementary health care	 44 94%	 44 100%	own workforce	

[1] Out of eligible population: Executives, Junior Managers and white-collar employees in service for more than 6 months in the year.
[2] Progressive percentage on cumulative recruitment from 2020 onwards on a permanent basis and independent of contract takeovers and internalisations.

Group stakeholder engagement

[SBM-2_01, SBM-2_02, SBM-2_03, SBM-2_04, SBM-2_05, SBM-2_06, SBM-2_07, SBM-2_08, SBM-2_09, SBM-2_10, SBM-2_11, SBM-2_12]

Engagement with stakeholders plays a crucial role in managing activities and defining the Group's sustainable development strategies. Communication, together with the ability to listen and participation are the fundamental tools of the relationship between the Group and its stakeholders. Iren Group's Sustainability Policy places dialogue and collaboration with stakeholders, together with impacts assessment, among the fundamental prerequisites for creating shared value and sustainable development. The main categories of relevant stakeholders for the Group, identified as part of the materiality analysis process, are:

Customers
are bearers of needs to be answered effectively and reliably with affordable, innovative, customized and vulnerable-oriented sustainable solutions and services

Shareholders and Financial Backers
support the Group's growth prospects through a constant and open relationship, based on principles of fairness and transparency, which stimulates the definition of increasingly challenging strategies to create long-term value

Suppliers
are partners with whom to collaborate in the growth strategy for ecological transition, local presence and service quality, and with whom to share ideas and innovations for continuous improvement

People
Group employees, an asset to be cultivated through the enhancement and continuous development of skills, attention to welfare activities and promoting a culture of diversity, inclusion and innovation to meet future challenges

Communities
all people and businesses that are affected by corporate activities. They are the focus for growth and value creation with which we design initiatives to promote social and environmental sustainability as well as local infrastructural and socio-economic development

Future generations
will be affected positively or negatively by present actions, the responsibility towards them is to build a balanced development that integrates ecological dimensions, social solidarity and economic capacity, leaving in the hands of future decision-makers and citizens the conditions to continue to ensure the sustainability of the planet

Institutions
public and regulatory bodies that influence the Group's activities through laws, regulations and controls. They build the system of opportunities, rules and collaboration through which citizens, businesses, the financial world, education, research and innovation can contribute responsibly to sustainable development

Environment
the ecosystem that the Group impacts, both positively and negatively, with its activities. It offers the resources to sustain the needs of humanity and requires the assumption of responsibility in order to reverse the trend of a growing and unsustainable debt towards it

The relationship with stakeholders is seen as a key factor in creating mutual value, fostering shared and sustainable growth over time. To this end, the Group has structured a systematic stakeholder engagement system, through the Iren Local Committees (see paragraph "Creation of social value" in chapter Sustainable development of local communities), created as a tool for dialogue, discussion and participatory planning between the Group and stakeholders. The process of selecting the stakeholders to be represented on these Committees, as established by the Regulations approved by the Board of Directors, is structured through a bottom-up mechanism that encourages local stakeholders to express their interest, thus excluding the Group's self-referentiality in the choice of relevant interests.

The Chairperson and Deputy Chairperson of Iren are members of the Local Committees through which stakeholder involvement is organised via periodic meetings, where specific topics are addressed at the request of the stakeholders themselves or at the Group's suggestion, and via sessions where sustainability actions and initiatives for local areas and communities are co-designed, also via the use of the collaboration platform Irencollabora.it open to all stakeholders. In addition, the activities of the Iren Local Committees include projects to improve environmental and social performance, as the Committees are also a tool for gathering ideas and proposals for designing new sustainable development solutions, enhancing the experiences, knowledge and skills of local communities to create shared value and generate development for the Group and for the areas in which it operates, with the aim of creating concrete and tangible projects. The flow of information produced by the Local Committees is also a source of inspiration for the Group to adopt innovative service strategies and anticipate the needs of the local area.

As far as shareholders and investors are concerned, in addition to Shareholders' Meetings, involvement is structured through the Policy for Managing Dialogue with General Shareholders and Investors (published on the Group's website) approved by the Board of Directors (see paragraph "Policy for dialogue with shareholders and investors" in the chapter Business Conduct).

In addition, the Group organised a systematic involvement of suppliers through the ESG Supply Chain project (see paragraph "ESG Supply Chain Project" in chapter Suppliers and partners), which involves the supply chain in a path of growth on sustainability issues. As far as the involvement of Group employees is concerned, see the various initiatives described in the chapter Iren people.

In the materiality analysis process, which is assessed and approved by the Board of Directors, the objective of understanding the stakeholders' view of the positive and negative impacts of the Group's activities is fundamental to guiding the sustainability strategy and reporting, making it increasingly relevant and focused on stakeholders' interests. Systematic engagement of stakeholders also stimulates the adoption of innovative initiatives, improving knowledge of strategies and the services offered.

Double materiality assessment

[SBM-3_01, SBM-3_02, SBM-3_03, SBM-3_04, SBM-3_05, SBM-3_06, SBM-3_07, SBM-3_08, SBM-3_11, SBM-3_12, IRO-1_01, IRO-1_02, IRO-1_03, IRO-1_04, IRO-1_05, IRO-1_06, IRO-1_07, IRO-1_08, IRO-1_09, IRO-1_10, IRO-1_11, IRO-1_12, IRO-1_13, IRO-1_14, IRO-1_15, IRO-2_13]

The double materiality assessment is the starting point for identifying the most relevant topics for the Group and its stakeholders, for defining the topics to be addressed and explored in the Consolidated Sustainability Statement and for providing input in the definition of development strategies. For this reason, it is a fundamental element of the due diligence process.

The analysis conducted by Iren Group has allowed for the structured identification of the impacts, risks and opportunities related to environmental, social and governance topics that are most relevant to the Group's direct operations and along the value chain, considering the three different time horizons in which they are expected to occur: short-term (< 1 year); medium-term (1 to 5 years); and long-term (over 5 years).

Impact materiality and financial materiality assessments are interconnected, since the analysis of impacts and dependencies can reveal elements to be evaluated in terms of risks and opportunities that generate financial effects and, at the same time, the assessment of risks and opportunities elements to be useful for evaluating impacts. The integrated management of the two analyses, embedded in the Group's Enterprise Risk Management (ERM) system, is the result of a process involving all the Departments and Business Units responsible for the topics covered, as well as Top Management. The analysis, for which the responsibility lies with the Corporate Social Responsibility and Local Committees Department, is specifically examined by the Control ,Risk and Sustainability Committee and approved by the Board of Directors.

The approach adopted by Iren Group is to conduct the double materiality assessment on an annual basis.

Previously, the Group carried out a double materiality assessment based on the guidance contained in the draft ESRS standards. The methodology adopted for this reporting has been thoroughly refined following the requirements of the ESRS standards, the EFRAG (European Financial Reporting Advisory Group) Implementation Guidance IG 1 Materiality Assessment and best practices. The steps in the analysis process are described below.

Context analysis and stakeholder identification

The value chains of all businesses managed by the Group were analysed, identifying for each segment of the chain (upstream, own operations, downstream) the inputs, activities, stakeholders involved and outputs. In the light of the analysis performed, the main stakeholder categories relevant to the Group were defined:

- consumers/customers;
- communities;
- workers;
- suppliers;
- institutions;
- shareholders and lenders;
- environment;
- future generations.

For the context analysis, various inputs were used including: corporate documents (e.g. policies, procedures, risk register, Strategic Plan), environmental impact analyses carried out by Group Companies, interviews with key Business Unit managers, Implementation Guidance EFRAG IG 1 Materiality assessment, OECD guide on the due diligence for responsible business conduct, external expert assessments contained in reports and analyses (e.g. "The Global Risk Report 2024" by the World Economic Forum; the COSO Framework "Enterprise Risk Management Applying enterprise risk management to environmental, social and governance-related risks"; "The Sustainable Development Goals Report 2024" by the United Nations; "The Sustainable Development Report 2024" by the UN Sustainable Development Solutions Network – SDSN; the "Global Outlook on financing for sustainability development 2024" by the OECD; the "Political declaration" adopted by the UN High-Level Political Forum on Sustainable Development 2023; the "Seventh Assessment Report" by the IPCC, the report "Times of crisis, times of change: Science for accelerating transformations to sustainable development"), as well as benchmark analyses conducted on peers, competitors and international industry players.

Thresholds setting

Consistent with the approach adopted by the Group's ERM system, appropriate scales for assessing impacts, risks and opportunities have been identified and thresholds have been defined to determine their materiality, considering the combination of severity and likelihood, as well as irremediable character for impacts (threshold 15, on a scale of 1 to 25).

Identification of impacts, risks and opportunities

Starting from the context analyses described above, potentially material impacts, risks and opportunities for Iren Group were identified: 75 unique risks, of which 15 new risks were integrated into the Group's risk register, 23 opportunities and 36 impacts (17 negative and 19 positive) were subsequently assessed. With regard to the identification of risks and opportunities, possible links to impacts and dependencies were also considered.

Impact materiality

The assessment of the materiality of impacts involved Group Managers responsible for their management and stakeholders representing the main categories identified. In particular, the involvement of: 15 managers from the 4 Business Units and 7 Staff Departments, through dedicated interviews, and 56 stakeholders from the 8 identified categories, through an online questionnaire.

The involvement of Managers enabled potentially material impacts to be shared and integrated. Each identified impact was assessed for its severity (measured through the parameters of scale, scope and irremediable character, the latter only for negative impacts) and likelihood, using a 5-level scale (where 1=low and 5=very high) and without considering existing mitigation measures. In particular:

- the scale measures how severe the negative impact is or how much benefit the positive impact brings to people or the environment;
- the scope, which assesses how widespread the positive or negative impact is. In the case of environmental impacts, the scope is considered as the extent of environmental damage or a geographical boundary. In the case of impacts on people, the scope is understood as the number of persons adversely affected;
- irremediable character (only with respect to negative impacts), assesses whether and to what extent negative impacts can be remedied, i.e. restoring the environment or affected persons to their original state, considering both the financial and time resources required to remedy the impact.

Likelihood also allows the significance of potential impacts to be defined.

The evaluations expressed were consolidated through the construction of weighted averages. A significant part of the impacts is intrinsic to the Group's activities (e.g. impacts related to extreme events such as droughts or heat waves), while others are related to strategy.

The Group is involved in material impacts both through its operations and through its upstream and downstream business relationships (for more details on the nature of the Group's business relationships and activities, see chapter Business model and value chain). The analysis did not reveal any geographic factors and/or business relationships that entail an increased risk of negative impacts.

The material impacts that emerged from the analysis are shown in the table below, which represents for each impact the associated topics[1], the time horizons and the segments of the value chain on which they are reflected.

	Impact *(connection to business model and strategy)*	Topic	Time horizon	Value chain
✓ (A)	Offering services dedicated to efficiency, energy self-production and sustainable mobility that support communities and customers to reduce their impact on climate change *(strategic derivation)*	Climate change	S/M	Downstream
✓ (A)	Contribution to the achievement of national and international environmental/climate objectives through the Group's green transition plan, the reduction of non-renewable natural and energy resource consumption, and awareness-raising and collaboration initiatives with stakeholders *(strategic derivation)*	Climate change	S/M/L	Own operations/ Downstream
✗ (A)	Generation of GHG (greenhouse gas) emissions by the Group, through its activities and production processes *(related to managed activities)*	Climate change	S/M/L	Cross-cutting
✗ (A)	Use of non-renewable energies, such as natural gas, in the Group's activities and production processes *(related to managed activities)*	Climate change	S/M	Upstream/ Own Operations
✓ (A)	Improvement of the quality of the water resources returned to the environment thanks to wastewater treatment systems (wastewater treatment plants) and constant analyses carried out *(related to the managed and strategically derived activities)*	Pollution	S/M/L	Own operations/ Downstream
✗ (P)	Potential environmental impacts generated by the supply chain, also resulting from insufficient monitoring by Iren Group *(related to managed activities)*	Pollution	S	Upstream/ Downstream

[1] All material impacts, risks and opportunities identified are subject to the disclosure requirements of the ESRS. No impacts, risks or opportunities were identified that require specific additional disclosures.

	Impact *(connection to business model and strategy)*	Topic	Time horizon	Value chain
✓ (A)	Contribution to the reduction of water stress, through the reuse of water resources in business processes, the reduction of water withdrawals from the environment for drinking water distribution, raising awareness among citizens on the reduction of water consumption and the possibility of reusing treated water offered by the Group *(related to the managed and strategically derived activities)*	Water and marine resources	S/M/L	Cross-cutting
✗ (A)	Potential contribution to water stress related to withdrawals/consumption in the management of production processes, including water distribution to end-users *(related to managed activities)*	Water and marine resources	S/M	Cross-cutting
✓ (A)	Promotion/implementation of initiatives by Iren Group (green energy production, waste and wastewater treatment, urban reforestation, etc.) and/or participation in third-party initiatives to promote the protection and development of biodiversity *(related to the managed and strategically derived activities)*	Biodiversity and ecosystems	S/M	Own operations/ Downstream
✓ (A)	Reduction of waste production and consequent improvement of environmental quality, also related to the Group's development of incentivizing and efficient waste collection systems *(related to the managed and strategically derived activities)*	Resource use and circular economy	S/M/L	Upstream/ Own Operations
✓ (A)	Contribution to the reduction of raw materials usage through the extraction of new resources from waste (recycling, material recovery and preparation for reuse) carried out by Iren Group *(related to the managed and strategically derived activities)*	Resource use and circular economy	S/M/L	Upstream
✗ (P)	Potential contribution of Iren Group to resource stress arising from the use of goods and products with low content of renewable materials *(related to managed activities)*	Resource use and circular economy	M	Upstream
✓ (A)	Creation of stable and high-quality employment, also thanks to the constant focus on enhancing the skills of the Group's employees, contributing to social development and reducing youth unemployment *(related to the managed and strategically derived activities)*	Own workforce	S/M/L	Own operations
✓ (A)	Equal professional and remuneration opportunities for less represented categories and combating all forms of discrimination also through active participation in collaborative initiatives with third parties *(related to the managed and strategically derived activities)*	Own workforce	S/M	Own operations
✓ (A)	Protecting the privacy of employees through the company's privacy management system and the promotion of a culture of personal data protection within the Group *(related to managed activities)*	Own workforce	S/M/L	Own operations
✓ (A)	Reduction of work-related injuries/ill health through the continuous improvement of the culture of safety and health prevention within the Group *(related to the managed and strategically derived activities)*	Own workforce	S/M/L	Own operations
✗ (P)	Potential work-related injuries and ill health for Group employees *(related to managed activities)*	Own workforce	S	Own operations
✓ (A)	Promotion of a sustainable growth culture within the value chain companies, with positive repercussions on the socio-economic growth of the companies themselves and their workers *(related to the managed and strategically derived activities)*	Workers in the value chain	S/M/L	Upstream
✗ (P)	Potential negative social impacts generated within the supply chain, also resulting from insufficient monitoring by the Group *(related to managed activities managed)*	Workers in the value chain	S	Upstream
✓ (P)	Increased value distributed to stakeholders and direct and indirect economic impacts for communities *(related to the managed and strategically derived activities)*	Affected communities	S/M/L	Cross-cutting
✓ (A)	Contribution to economic and social development and the reduction of environmental impacts, supported by the Group's activities in the areas of efficiency of infrastructures favouring the ecological transition, digitisation, technological innovation, collaboration with innovative start-ups, universities, research centres and other partners *(related to the managed and strategically derived activities)*	Affected communities	S/M/L	Downstream

	Impact *(connection to business model and strategy)*	Topic	Time horizon	Value chain
✗ (A)	Visual impact on the local area due to the presence of Group's facilities (i.e. waste-to-energy plants, wastewater treatment plants, power stations) *(related to managed activities)*	Affected communities	S/M/L	Downstream
✗ (A)	Potential inconveniences related to traffic, the presence of construction sites, noise pollution, the emission of vibrations and the spread of odours resulting from the activities managed by the Group *(related to managed activities)*	Affected communities	S/M	Own operations/ Downstream
✓ (P)	Development of new products/services, projects and cultural dissemination initiatives for the sustainable use of resources, including through continuous dialogue with stakeholders *(related to the managed and strategically derived activities)*	Consumers and end-users	S/M/L	Own operations/ Downstream
✓ (A)	Ensuring constant and secure access to managed services for the public or customers, with special attention to vulnerable groups	Consumers and end-users	S/M/L	Downstream
✗ (P)	Potential physical, economic and informational inaccessibility to managed services, affecting customers or citizens, particularly the vulnerable ones *(related to managed activities)*	Consumers and end-users	S	Downstream
✗ (P)	Potential uncontrolled circulation of information/data concerning citizens/customers (processing of personal data not in compliance with the law) *(related to managed activities)*	Consumers and end-users	S	Own operations/ Downstream
✓ (A)	Value creation fostered by ethical management, stable corporate governance, proper risk management and stakeholder engagement on integrity principles in business activities, with particular regard to corruption *(related to the managed and strategically derived activities)*	Business conduct	S/M	Cross-cutting
✓ (A)	Information transparency on strategies and activities and systematic listening to stakeholders through Iren's Local Committees and structured and secure reporting channels *(related to the managed and strategically derived activities)*	Business conduct	S/M/L	Cross-cutting
✓ (P)	Reduction of environmental and social impacts generated by the supply chain through supplier selection, involvement and monitoring activities *(related to the managed and strategically derived activities)*	Business conduct	M/L	Upstream/ Downstream
✗ (P)	Potential negative external impacts arising from regulatory violations and/or breaches of company ethics, and failure to manage risks *(related to managed activities)*	Business conduct	S	Cross-cutting

✓ Positive impact ✗ Negative impact A = actual; (P) = potential

Stakeholder engagement

The impact materiality analysis process included consultation with stakeholders affected by these impacts and external experts. Through an online questionnaire, evaluations of impacts (scale, scope,, irremdiable character) were collected from 56 stakeholders in the 8 main categories identified. It should be pointed out that some of the stakeholders involved are also industry or sustainability experts. The assessments were aggregated to those made by the Group's management.

Financial materiality

In the financial materiality analysis, risks and opportunities that affect or could affect the Group's financial position, financial performance and cash flow, as well as access to the financial market and cost of capital were identified. The analyses carried out on impacts were considered in order to verify possible areas of risk and opportunities related to them, as well as the dependencies revealed in the analysis of value chains. For the purpose of identifying, assessing and monitoring risks, the scales for assessing the magnitude of financial effects and likelihood defined in the Group's ERM model were applied (5-level scale where 1=low and 5=very high), examining the financial effects on the NFP arising from economic and/or financial damage, damage to third parties and material damage, considering the risk at the inherent level (without the planned mitigations) and its persistence in the short-, medium- and long-term.

Similarly, opportunities were assigned a value on a 1-5 scale for the magnitude of the potential financial effects (in terms of benefits) and for the likelihood of occurrence, assessed over the short-, medium- and long-term horizons.

The following were involved for the evaluation: 38 managers from the 4 Business Units and 10 Staff Departments, through dedicated interviews. Analyses conducted with management allowed the sharing and integration of potentially material risks and opportunities. The evaluations expressed were consolidated through the construction of weighted averages that took into account the inherent risk. Some risks, which were deemed particularly strategic although not material from the financial point of view, were integrated among the material risks on the basis of qualitative assessments. The current economic and financial effects of relevant risks are limited (5-10% of NFP). Similar economic and financial effects can be observed for opportunities, which, limited to some cases, lie in a range between 10% and 25% of the NFP.

There are no risks or opportunities for which there is a significant risk of major corrections in the next financial year.

The following tables list the risks and opportunities found to be material, for which the associated topics, time horizons and segments of the value chain on which they are reflected are indicated.

Risks	Topic	Time horizon	Value chain
Acute physical risk related to water (drought, heavy rainfall, flooding) with significant damage/failures/malfunctions of infrastructure, interruption or limitation of activities and reduction of hydropower generation, increased charges for interventions, disruption of supply of goods and services by strategic suppliers, soil pollution, impact on water quality/water stress, and personnel health and safety criticalities	• Climate change • Own workforce • Consumers and end-users	S/M/L	Cross-cutting
Acute physical risk related to solid mass (landslides, subsidence) with significant damage/failures/malfunctions of infrastructure, interruption or limitation of activities, increased costs for interventions, disruption of supply of goods and services by strategic suppliers, and personnel health and safety criticalities	• Climate change • Own workforce • Consumers and end-users	S/M/L	Cross-cutting
Chronic physical risk related to temperature (change in temperature, thermal stress, temperature variability) with damage to infrastructure, lower plant efficiency, critical issues in the provision of services, variations in the demand for gas/district heating, with a consequent reduction in revenues	• Climate change • Consumers and end-users	S/M/L	Cross-cutting
Acute physical risk related to temperature: heatwave, cold/frost, wildfires etc.	• Climate change	S/M/L	Upstream/ Own operations
Changing consumer needs towards energy-saving and environmentally friendly products and services (e.g. green energy)	• Climate change	S/M/L	Downstream
Decarbonization of the thermal sector and non-achievement of renewable thermal energy targets with compensatory contribution payment	• Climate change	S/M/L	Own operations
Legal/regulatory changes related to emissions/energy efficiency that impact the achievement of the Plan's objectives and the Group's financial position (e.g. increase in costs deriving from the ETS, incentives on efficiency, penalties from stricter regulations, etc.)	• Climate change	S/M/L	Upstream/ Own operations
Risk that the Group does not exploit the leverage of technological change (e.g. investments in plants aimed at reducing emissions) and/or does not maintain the efficiency of existing infrastructures, thus not contributing to the reduction of impacts on the surrounding community and the environment, with effects on performance and competitive capacity (e.g. decrease in the market value of plants, costs of decommissioning/adaptation of plants that have become obsolete)	• Climate change • Pollution • Affected communities	S/M/L	Own operations
Risk of water, soil or air pollution and impact on the surrounding community (e.g. noise and odour pollution) from activities managed by the Group	• Pollution • Water and marine resources • Affected communities	S/M/L	Own operations/ Downstream
Delays in the execution of works or interventions due to post-tender appeals with consequent reputational impacts resulting from the failure to complete the works or interventions within the established and externally communicated timeframe and/or prolonged changes to the road system that may cause inconveniences to the daily habits of citizens, generating protests and discontent	• Affected communities	S/M/L	Cross-cutting
Disputes with public authorities, customers, consumer associations/class actions (e.g. following prolonged inefficiencies/claims for reimbursement)	• Consumers and end-users • Business conduct	S/M/L	Own operations/ Downstream

S=short-term, M=medium-term, L=long-term

Opportunities	Topic	Time horizon	VC
Policies and initiatives to support the progressive electrification of consumption that can produce positive economic effects for the Group	• Climate change	S/M/L	Upstream
Reduced operating expenses and increased profit margins due to emission permit prices being lower than expected	• Climate change	S/M/L	Upstream
Growth in renewable power generation contributing to decarbonization and green transition, and reduction of dependence on fossil fuels	• Climate change	S/M/L	Cross-cutting
Changes in consumer behaviour resulting from increased sensitivity towards sustainable services/products (e.g. waste separation, use of green/certified energy, responsible use of water resources), also thanks to environmental education and awareness-raising campaigns and programmes carried out by the company, which can positively affect the Group's financial performance (e.g. lower costs for treating and sorting waste for recovery, acquisition of new market shares in the sale of green energy to support the green transition) and increase operating efficiency	• Climate change • Water and marine resources • Resource use and circular economy	S/M/L	Downstream
Greater efficiency in the use of resources, thanks to the adoption of innovative and technological tools with positive consequences on the Company's financial performance (lower costs, higher revenues) and positive impacts on communities and reputation	• Climate change • Water and marine resources • Resource use and circular economy	S/M/L	Own operations/Downstream
Business opportunities related to the green transition, the circular economy, local area and technological and digital evolution (e.g. services for energy efficiency and self-production, material recovery from waste, sustainable mobility, etc.) with a consequent positive impact on communities and the environment	• Climate change • Pollution • Resource use and circular economy • Consumers and end-users	S/M/L	Cross-cutting
Welfare and work-life balance programmes that generate employee loyalty and improve the internal work climate	• Own workforce	S/M/L	Own operations
Enhancement of human resources through performance appraisal and skills development programmes	• Own workforce	S/M/L	Own operations
Equal professional and remuneration opportunities for less represented categories	• Own workforce	S/M/L	Own operations
Favourable political and regulatory framework, increasingly oriented towards sustainable development and the improvement of corporate welfare	• Own workforce	S/M/L	Upstream
Technological and process innovations, and initiatives to disseminate the culture of prevention that improve the health and safety of employees during the performance of their work activities	• Own workforce • Workers in the value chain	S/M/L	Own operations
Promoting the inalienability of people's rights throughout the value chain	• Own workforce • Workers in the value chain	S/M/L	Cross-cutting
Improved reputation/stakeholder loyalty and attractiveness driven by corporate strategy (including investments) and effective ESG risk management that produces value creation for the Group, stakeholders and the local area	• Business conduct	S/M/L	Own operations/Downstream
Adherence to the Cooperative Compliance regime in the tax field	• Business conduct	S/M/L	Upstream/Own operations
Access to sustainable finance instruments	• Business conduct	S/M/L	Upstream/Own operations

S=short-term, M=medium-term, L=long-term

Identification of material topics

Based on the process described above and the thresholds defined, the relevant topics, sub-topics and sub-sub-topics and the information to be disclosed were determined.

The double materiality assessment and identification of material topics was reviewed by the Control, Risk and Sustainability Committee and subsequently the Board of Directors, which approved the results at its meeting on 4 February 2025.

The following table shows the topics identified, indicating their materiality in terms of impact or financial materiality and linking them to the areas of the Business Plan and the Group's strategic initiatives.

	Material topic (Level I)	Material topic (Level II)	Material topic (Level III)	Strategic plan/initiatives
ENVIRONMENTAL	Climate change	Climate change adaptation		Decarbonization
		Energy		
		Climate change mitigation		
	Pollution	Pollution of water		Decarbonization Water resources
		Pollution of air		
		Pollution of soil		
	Water and marine resources	Water	Water discharges	Water resources
			Water withdrawals	
			Water consumption	
	Biodiversity and ecosystems	Direct impact drivers of biodiversity loss	Pollution	Decarbonization Water resources
	Resource use and circular economy	Resource inflows, including resource use		Circular economy
		Resource outflows, related to products and services		
		Waste		
SOCIAL	Own workforce	Working conditions	Secure employment	People
			Work-life balance	
			Health and Safety	
		Equal treatment and opportunities for all	Gender equality and equal pay	
			Training and skills development	
			Employment and inclusion of people with disabilities	
			Diversity	
		Other work-related rights	Privacy	
	Workers in the value chain	Working conditions	Adequate wages	ESG supply chain
			Health and Safety	
		Equal treatment and opportunities for all	Diversity	
		Other work-related rights	Privacy	
	Affected communities	Communities' economic, social and cultural rights	Land-related impacts	Decarbonization Water resources Circular economy Resilient cities
	Consumers and end-users	Information-related impacts for consumers and/or end-users	Privacy	Decarbonization Water resources Circular economy Resilient cities
			Access to (quality) information	
		Personal safety of consumers and/or end-users	Health and Safety	
		Social inclusion of consumers and/or end-users	Access to products and services	
			Responsible marketing practices	
GOVERNANCE	Business conduct	Corporate culture		Ethical governance ESG supply chain
		Protection of whistle-blowers		
		Management of relationships with suppliers, including payment practices		
		Corruption and bribery	Prevention and detection including training	

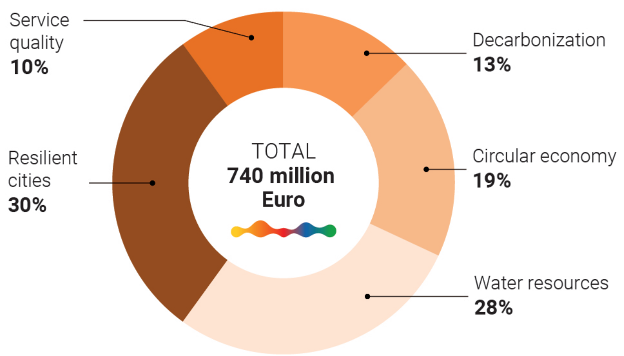
Impact materiality Financial materiality

Resources for the sustainability strategy

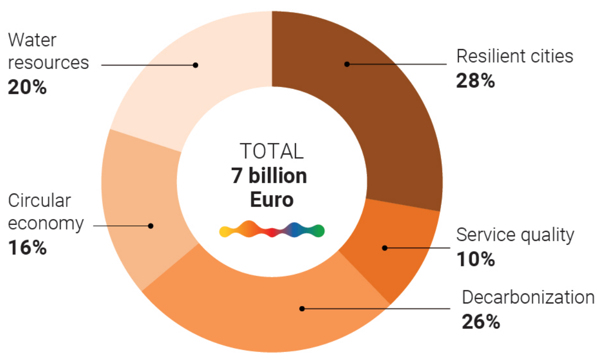
[MDR-A]

As already mentioned, the Group has planned investments of more than 8.2 billion euro over the period 2024-2030, of which around 85% allocated to service quality and the focus areas of the sustainability plan: decarbonization, circular economy, water resources, resilient cities and people.

2024 Investment for the Quality and Sustainability Plan (M€)



Investments to 2030 for the Quality and Sustainability Plan (B€)



In 2024, **investments** in these areas amounted to 665 million euro representing 65% of the total investments made.

Sustainable finance instruments

One of the enabling levers for the achievement of the Group's Business Plan targets is sustainable finance: the full integration of Environmental, Social and Governance (ESG) factors into strategy and operations allows investments, sustainability and financing sources to be combined and represents a driver of growth and value creation.

To support its investment strategies, the Group has made increasing and diversified use of sustainable financial instruments, which accounted for 89% of the Group's total funding sources at the end of 2024. The well-established use of these instruments, combined with the recognition of the Group's creditworthiness, guarantees the soundness of the Group's approach to finance guided by certain distinctive elements:

- wide diversification of sources both through the traditional banking system and multilateral banks (EIB, CEB and other institutional investors) and through recourse to the capital market;
- careful balance between sources and uses in order to coordinate short- and medium- to long-term instruments consistently with the composition of assets;
- proactivity in the management of financial maturities to seize all opportunities offered by the market as well as liability management operations;
- commitment to maintaining a high creditworthiness, based on financial and equity strength;
- innovation in the use of sustainable finance instruments with strong integration into the financial strategy;
- integrated management of financial and ESG risks in order to contribute, through careful and constant monitoring, to the sustainable success of the Group.

Iren Group therefore considers sustainable finance a significant opportunity to enhance its strategy, with increasing access to financial markets at competitive costs, and consequent positive effects on its economic, equity, financial and reputational situation.

The goal is to source 100% of resources from sustainable sources by 2030, and to achieve this, the Group has adopted a Sustainable Financing Framework. This defines the guidelines for the use of sustainable financial instruments and for which a second party opinion has been issued by an external body that ensures their compliance with precise environmental criteria and certifies their alignment with the most widespread standards among issuers and market operators (Green Bond Principles and the Sustainability-linked Bond Principles of ICMA - International Capital Market Association, and Green Loan Principles and Sustainability-linked Loan Principles of LMA - Loan Market Association).

The Sustainable Financing Framework combines Green Use of Proceeds financial instruments with Sustainability-Linked instruments, thus expanding the Group's available portfolio and guaranteeing the necessary support for the realisation of short-, medium- and long-term strategies, linking financial management to sustainability objectives.

The financing transactions concluded in 2024 – to support the Group's sustainable investment plans and financial needs – confirm the financial system's confidence in the Group's development projects and strategies, also allowing it to maintain an adequate balance between short- and long-term financial exposure. The main outstanding sustainable financial instruments and recent transactions concluded during 2024 are shown below:

- **two new Green Bonds issues**, respectively the fifth and sixth for the Group, both amounting to EUR 500 million, the proceeds of which will be used to finance and refinance projects with a positive environmental impact in compliance with the Sustainable Financing Framework timelines and guidelines. The issues were carried out under the existing EMTN Programme, with a ceiling of 4 billion euro, to which outstanding bonds amounting to 3.5 billion euro are related, including 6 Green Bonds issues and a Green Private Placement in *Use of Proceeds* format for over 3 billion euro (for more details, see the table with only *Green Use of Proceeds* bonds outstanding at the end of 2024);
- outstanding **KPI-Linked loans**, totalling 850 million euro, the interest margin of which is linked to the achievement of two of the sustainability objectives identified in the Business Plan, related to the decarbonisation path undertaken by the Group and the rational use of water resources, consistent with the provisions of the Sustainable Financing Framework;
- signing of **two new loans with the EIB** (European Investment Bank) **and CEB** (Council of Europe Development Bank) for 200 million euro and 80 million euro respectively. The two loans are *Use of Proceeds* and finance specific Group projects with a positive impact on the environment and society. Specifically, the loan with the EIB aims to support investments for the resilience of electricity grids, while the line with CEB focuses on projects concerning the upgrading and expansion of water extraction and treatment plants, water distribution networks, sewerage systems and wastewater treatment plants. The two lines are in addition to those already in place with EIB and CEB for a total agreed amount of approximately 1 billion euro at the end of December 2024.

Iren green bonds outstanding at 31/12/2024

Bond	Iren acronym	ISIN code	Bond amount (€/000)	Circulating quantities (€/000)	Annual coupon (%)	Issue duration (years)	Issue Expiry	Price Issue (%)	Fitch [S&P] rating
Green Bond 2033	GB6	XS2906211946	500,000	500,000	3.625	9	23/09/2024 23/09/2033	99.300	BBB [BBB]
Green Bond 2032	GB5	XS2752472436	500,000	500,000	3.875	8.5	22/01/2024 22/07/2032	99.514	BBB [BBB]
Green Private Placement 2028	GPP1	XS2512307229	50,000	40,000	2.875	6	05/08/2022 05/08/2028	100.00	BBB
Tap Issue Green Bond 2031	Tap GB4	XS2275029085	200,000	200,000	0.250	10	14/10/2021 17/01/2031	94.954	BBB [BBB]
Green Bond 2031	GB4	XS2275029085	300,000	300,000	0.250	10	17/12/2020 17/01/2031	99.030	BBB [BBB]
Green Bond 2029	GB3	XS2065601937	500,000	500,000	0.875	10	14/10/2019 14/10/2029	99.345	BBB [BBB]
Green Bond 2025	GB2	XS1881533563	500,000	476,000	1.950	7	19/09/2018 19/09/2025	99.129	BBB [BBB]
Green Bond 2027	GB1	XS1704789590	500,000	500,000	1.500	10	24/10/2017 24/10/2027	98.356	BBB [BBB]
Total			3,050,000	3,016,000					

Allocation of Green Bond funds

In line with the Sustainable Financing Framework, the net proceeds from the Green Bonds issued are used to finance and/or refinance, in whole or in part, a list of sustainable projects and activities based on the criteria set out in the ICMA Green Bond Principles, which Iren Group has adopted.

The allocation of net proceeds for all green instruments takes place in accordance with the timeframe established in the Framework, i.e. within 24 months of issuance, which is the most common market practice.

All projects to which the proceeds have been allocated are confirmed and present in the Group's assets as at 31 December 2024.

The following table shows the progress of the allocation for each Green Bond in circulation based on the categories identified in the Sustainable Financing Framework, in which the various projects and financed activities are grouped. It should be noted that, with reference to the Green Bonds 2032 (GB5) and Green Bonds 2033 (GB6), issued in January and September 2024 respectively, the allocation process is still ongoing and what is shown in the table is a preliminary proposal awaiting final validation. The projects selected are all sustainable investments, aligned with the Framework, previously validated by an external certifier through the issue of a second party opinion at the time of issue. The allocation process will be completed within the set timeframe.

Income from green bonds allocated as at 31/12/2024 [(1)] [(2)]

	Green Bond 2033 (GB6)		Green Bond 2032 (GB5)		Green Private Placement 2022		Tap Green Bond 2031 (Tap GB4)	
	Invest. (€/000)	Proj. (no.)	Invest. (€/000)	Proj. (no.)	Invest. (€/000)	Proj. (no.)	Invest. (€/000)	Proj. (no.)
Energy efficiency	40,500	4	74,800	5	-		106,059	9
Renewable energy	189,000	2	139,700	2	40,000	1	-	
Sustainable management of water and wastewater	46,100	1	149,000	5	-		65,160	5
Circular Economy	220,900	4	134,100	4	-		16,184	1
Sustainable mobility	-	-	-	-	-	-	2,505	1
Total allocated	496,500	11	497,600	16	40,000	1	189,908	16
Issue discount	3,500		2,400		-		10,092	
Total issue	500,000	11	500,000	16	40,000	1	200,000	16

	Green Bond 2031 (GB4)		Green Bond 2029 (GB3)		Green Bond 2025 (GB2)		Green Bond 2027 (GB1)	
	Invest. (€/000)	Proj. (no.)	Invest. (€/000)	Proj. (no.)	Invest. (€/000)	Proj. (no.)	Invest. (€/000)	Proj. (no.)
Energy efficiency	202,298	8	387,503	11	223,992	4	361,985	10
Renewable energy	28,489	3	4,263	1	134,658	5	31,553	3
Sustainable management of water and wastewater	49,454	8	81,923	7	107,704	2	56,119	4
Circular Economy	16,848	1	19,738	1	-	-	42,124	1
Sustainable mobility	-	-	3,298	1	5,291	1	-	-
Total allocated	297,090	20	496,725	21	471,645	12	491,780	18
Issue discount	2,910		3,275		4,355		8,220	
Total issue	300,000	20	500,000	21	476,000	12	500,000	18

(1) The 115 projects indicated in the table include projects common to the 8 issues of Green Bonds and Green Private Placements for different years; excluding these projects, the total is 55.
(2) With reference to the Green Bond 2025 (GB2) and the Green Private Placement, it should be noted that the nominal amount was reduced in 2024 as a result of a liability management transaction.

The positive environmental impacts generated by the projects funded by the green bonds are outlined by the main Indicators shown in the table below. More information on green bonds and the projects they finance can be found at gruppoiren.it (Investors > Financial Profile > Sustainable Finance).

Project category and main Indicators [(*)]	u.m.	2024	2023	2022	2021	2020
Energy efficiency						
Electricity produced	MWh	3,182,407	3,096,505	3,586,415	3,847,662	3,486,789
Electricity produced from renewables	MWh	1,189	2,033	2,002	878	0
Primary energy saved	MWh	1,552,005	1,513,232	1,818,518	1,838,393	1,532,645
CO_2 emissions avoided by non-fossil sources	t	492,832	495,461	518,485	578,080	492,287
Thermal energy produced	MWh	1,727,754	1,583,882	1,772,079	1,996,062	1,660,701
Electricity input to the grid	MWh	3,751,592	3,502,569	3,659,913	3,585,171	3,505,548
Electricity and gas smart meters installed	no.	1,499,030	1,476,508	1,467,723	1,418,954	1,385,339
Renewable energy						
Primary energy saved	MWh	2,269,661	2,296,726	2,568,895	2,497,041	2,101,596
Electricity produced from renewables	MWh	874,318	567,151	469,433	713,362	765,174
Thermal energy distributed	MWh	2,822,150	2,719,962	3,048,357	3,144,036	2,856,932
CO_2 emissions avoided of non-fossil sources	t	1,083,870	974,090	839,626	1,057,353	1,074,207
Sustainable water and wastewater management						
Equivalent residents served (potential)	no.	641,033	641,033	634,578	628,878	625,806
Volumes of water for reuse/Volumes of treated water	%	34	34	41	32	31
Wastewater treatment plants	no.	1,322	1,322	1,323	1,291	1,310
Sewer networks	km	11,067	11,051	10,852	10,842	10,739
Smart meters installed	no.	270,237	174,145	156,203	127,046	96,965

Project category and main Indicators (*)	u.m.	2024	2023	2022	2021	2020
Circular economy						
Sorted waste collected	t	908,876	845,378	836,095	856,682	825,674
Unsorted waste treated	t	351,354	347,404	353,871	366,570	371,735
Plastic sent for recovery	t	168,053	234,597	225,509	221,783	59,635
Blupolymer produced	t	17,761	19,181	26,564	19,137	7,054
Bluair produced	t	29,841	44,496	32,271	8,538	6,648
Biomethane produced	m^3	5,526,478	5,756,301	5,816,501	1,778,145	-
Emissions of CO_2 avoided	t	349,741	406,442	400,018	367,637	102,162
E-mobility						
CO_2 emissions avoided by use of non-fossil sources	t	1,573	2,316	1,821	1,420	1,069

(*) For previous years' sustainability KPIs for projects included in the green bonds, see the Green Bond section of the website.

List of disclosure requirements included in consolidated sustainability statement

[IRO-2_01] [IRO-2_02]

Disclosure requirements		Reference page / (Notes)	Information from other EU legislative acts (page number reference in italics)	Reference page
ESRS 2- General disclosures				
BP-1	General basis for preparation of sustainability statement	105		
BP-2	Disclosures in relation to specific circumstances	105		
GOV-1	The role of the administrative, management and supervisory bodies	106-111	Board's gender diversity, paragraph 21(d) **Sustainable Finance Disclosure Regulation (SFDR)** Annex I, Table 1, Indicator no. 13 **Benchmarking Regulation** - Commission Delegated Regulation (EU) 2020/1816, Annex II	106
			% independent Board members, paragraph 21(e) **Benchmarking Regulation** - Commission Delegated Regulation (EU) 2020/1816, Annex II	106
GOV-2	Information provided to and sustainability matters addressed by the undertaking's administrative, management and supervisory bodies	113-114		
GOV-3	Integration of sustainability-related performance in incentive schemes	118-120		
GOV-4	Statement on sustainability due diligence	122	Statement on due diligence, paragraph 30 **SFDR** - Annex I, Table 3, Indicator no. 10	122
GOV-5	Risk management and internal controls over sustainability reporting	115-117		
SBM-1	Market position, strategy, business model and value chain	123-126, 128-131	Involvement in activities related to fossil fuel activities, paragraph 40(d)_i **SFDR** Annex I, Table 1, Indicator no. 4 **Pillar 3** - Art. 449a Regulation (EU) 575/2013, Implementing Regulation (EU) 2022/2453, Table 1 - Qualitative Information on Environmental Risk and Table 2 - Qualitative Information on Social Risk **Benchmarking Regulation** - Commission Delegated Regulation (EU) 2020/1816, Annex II	124
			Involvement in activities related to the production of chemicals, paragraph 40(d_ii) **SFDR** Annex I, Table 1, Indicator no. 9 **Benchmarking Regulation** - Commission Delegated Regulation (EU) 2020/1816, Annex II	124
			Involvement in controversial weapons-related activities, paragraph 40(d)_iii **SFDR** Annex I, Table 1, Indicator no. 14 **Benchmarking Regulation** - Art. 12, paragraph 1, Commission Delegated Regulation (EU) 2020/1818 and Commission Delegated Regulation (EU) 2020/1816, Annex II	124
			Involvement in activities related to tobacco cultivation and production, paragraph 40(d)_iv **Benchmarking Regulation** - Art. 12, paragraph 1, Commission Delegated Regulation (EU) 2020/1818 and Commission Delegated Regulation (EU) 2020/1816, Annex II	124
SBM-2	Interests and views of stakeholders	132		
SBM-3	Material impacts, risks and opportunities and their interaction with strategy and business model	129-130, 133-139 (SBM-3_09 phase-in)		
IRO-1	Description of the processes to identify and assess materialimpacts, risks and opportunities	112-113, 116-117, 133-139		
IRO-2	Disclosure Requirements in ESRS covered by the undertaking's sustainability statement	133-139, 144-150		

Disclosure requirements		Reference page / (Notes)	Information from other EU legislative acts (page number reference in italics)	Reference page
ESRS E1 - Climate change				
ESRS 2 GOV-3	Integration of sustainability-related performance in incentive schemes	176		
E1-1	Transition Plan for climate change mitigation	177-178, 186-189	Transition plan to reach climate neutrality by 2050, paragraph 14 **EU Climate Regulation** - Art. 2, paragraph 1 Regulation (EU) 2021/1119	177
			Undertakings excluded from Paris-aligned Benchmarks, paragraph 16(g) **Pillar 3** - Art. 449a Regulation (EU) 2013/575, Implementing Regulation (EU) 2022/2453, Model 1 on the transition risk associated with climate change **Benchmarking Regulation** - Art. 12, paragraph 1(d) to (g), and paragraphs 2 Commission Delegated Regulation (EU) 2020/1818	178
ESRS 2 SBM-3	Material impacts, risks and opportunities and their interaction with strategy and business model	173-175		
ESRS 2 IRO-1	Description of the processes to identify and assess material climate-related impacts, risks and opportunities	171-172, 173-175		
MDR-P	Policies adopted to manage material sustainability matters	170-171		
E1-2	Policies related to climate change mitigation and adaptation	170-171, 176		
MDR-A	Actions and resources in relation to material sustainability matters	177-178		
E1-3	Actions and resources in relation to climate change policies	174-175, 177-179		
MDR-T	Tracking effectiveness of policies and actions through targets	186-189		
E1-4	Targets related to climate change mitigation and adaptation	175, 186-189	GHG emission reduction targets, paragraph 34 **SFDR** - Annex I, Table 2, Indicator no. 4 **Benchmarking Regulation** - Art. 6 Commission Delegated Regulation (EU) 2020/1818	186
E1-5	Energy consumption and mix	179-180	Energy consumption from fossil sources disaggregated by sources, paragraph 38 **SFDR** - Annex I, Table 1, Indicator no. 5 and Table 2, Indicator no. 5	179
			Energy consumption and mix, paragraph 37 **SFDR** - Annex I, Table 1, Indicator no. 5	179
			Energy intensity associated with activities in high climate impact sectors, paragraphs 40 to 43 **SFDR** - Annex I, Table 1, Indicator no. 6	180
E1-6	Gross Scopes 1, 2 and 3 and Total GHG emissions	180-183	Gross Scopes 1, 2, 3 and total GHG emissions, paragraph 44 **SFDR** - Annex I, Table 1, Indicators 1 and 2 **Pillar 3** - Art. 449a Regulation (EU) 2013/575 Commission Implementing Regulation (EU) 2022/2453, Model 1 on the transition risk associated with climate change **Benchmarking Regulation** - Art. 5, paragraph 1 and 6, Art. 8, paragraph 1 Commission Delegated Regulation (EU) 2020/1818	180-183
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E2-4	Pollution of air, water and soil	192-193, 194-195 (E2-4_05-E2-4_08 not material)	Amount of pollutants emitted to air, water and soil, paragraph 28(a) **SFDR** - Annex I, Table 1, Indicator no. 8 and Table 2, Indicators no. 1, 2 and 3	192-193 194-195
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Green transition

2.2.2

European Taxonomy

[DISCLOSURE PURSUANT TO ARTICLE 8 OF REGULATION (EU) 2020/852]

The Green Deal is Europe's strategy to become a carbon-neutral society by 2050, protect the health and well-being of its citizens, and conserve and enhance natural capital and biodiversity. This challenge requires not only public funds, but also private funds. For this reason, as part of the Action Plan for Sustainable Finance, the European Commission has defined the Taxonomy (Regulation (EU) 2020/852), a single system of classification of economic activities that defines the criteria for assessing environmental sustainability, encouraging companies to make their models more environmentally sustainable, implementing investments in this direction, and to provide disclosure of information related to the environment and climate. The Taxonomy identifies **six environmental objectives** to identify sustainable economic activities:

- climate change mitigation;
- climate change adaptation;
- sustainable use and protection of water and marine resources;
- transition to a circular economy;
- pollution prevention and control;
- protection and restoration of biodiversity and ecosystems.

An **economic activity is Taxonomy-aligned**, and therefore considered sustainable, if it meets three basic principles:

- contribute substantially to at least one of the six environmental objectives by meeting activity-specific technical screening criteria;
- Do Not Significant Harm (DNSH) to the remaining environmental objectives;
- comply with the minimum safeguards set out in the Organisation for Economic Cooperation and Development (OECD) Guidelines for Multinational Enterprises[1] and the UN Guiding Principles on Business and Rights[2].

A **Taxonomy-eligible economic activity** is one included in the Delegated Acts (EU 2021/2139, EU 2023/2485 and EU 2023/2486), irrespective of whether it meets the technical criteria established for it. Taxonomy-eligible economic activities, therefore, constitute the set of activities that have the potential to align with the technical screening criteria.

A **Taxonomy-non-eligible economic activity** is one that is not included in the Delegated Acts. It is important to note that Taxonomy-non-eligible, and therefore excluded, activities include those deemed not to produce significant impacts on the environmental objectives considered by the Taxonomy. For example, one of these is the sale of electricity to end customers, which, according to Iren Group's evaluations, could contribute significantly to the mitigation of climate change in a logic of progressive electrification of consumption, oriented towards the marketing of electricity entirely produced from renewable sources.

In 2021, the EU Delegated Regulation (2021/2139) – the Climate Delegated Act – came into force, which defines the technical criteria for the first two objectives (climate change mitigation and adaptation), integrated on 15 July 2022 by the Complementary Delegated Act (Commission Delegated Regulation (EU) 2022/1214), which includes gas and nuclear power generation in the Taxonomy. On 27 June 2023, the following were published in the Official Journal:

- Delegated Regulation (EU) 2023/3850 which, by amending the Climate Delegated Act, provides for the expansion of economic activities that contribute to climate change mitigation and adaptation, as well as updates to the technical assessment criteria for existing economic activities;
- Delegated Regulation (EU) 2023/3851 (Environmental Delegated Act), which provides the technical criteria for assessing economic activities that have a significant impact on one or more of the four environmental objectives, in addition to climate change, which include the sustainable use and protection of water and marine resources, the transition to a circular economy, the prevention and control of pollution, and the protection and restoration of biodiversity and ecosystems.

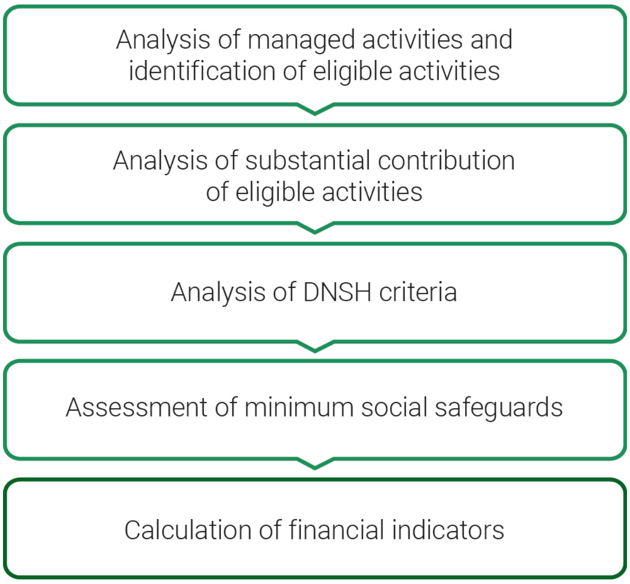
Companies obliged to publish Sustainability Statements under the Corporate Sustainability Reporting Directive (CSRD) must disclose three indicators (KPIs): turnover, operating expenditure (OpEx) and capital expenditure (CapEx), related to the activities covered by the Taxonomy.

[1] OECD Guidelines for Multinational Enterprises - aimed at multinational enterprises operating in OECD member countries - provide non-binding principles and standards for responsible business conduct based on applicable laws and internationally recognised standards.

[2] United Nations Guiding Principles on Business and Human Rights (UNGPs) are a tool, consisting of 31 principles, that implement the United Nations' "Protect, Respect and Remedy" framework for human rights in business.

To implement the European Taxonomy in the monitoring and reporting system, Iren Group has structured a process and an inter-departmental working group (Business Unit, Corporate Social Responsibility and Local Committees, Management Control, Regulatory Affairs, Corporate Affairs, Sustainable Finance and IT Systems) that carried out the analysis of all the activities managed, verifying their consistency with the requirements established by the Regulation, in the extension currently in force. The activity analysis process adopted is developed as outlined below.

As part of the evaluation process, the fundamental dialogue with other players in the sector, both directly and through association working tables, continued, also in view of the need to define uniform interpretation criteria.



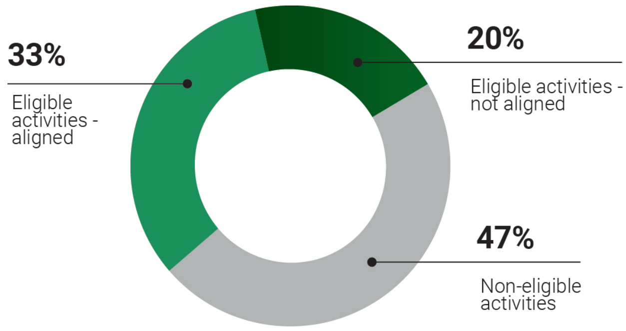
Alignment of Iren Group's activities to the Taxonomy

The portions of Taxonomy-aligned, Taxonomy-non-aligned and Taxonomy-non-eligible activities related to the three KPIs required by the Taxonomy are depicted below. More detailed information on aligned, non-aligned and non-eligible activities, as well as on the criteria for calculating their share of revenue, operating expenditure (OpEx) and capital expenditure (CapEx), can be found in the paragraph "Assessment of eligibility and alignment" in this chapter.

Turnover (revenue)

The total revenue assumed for the definition of the indicator (denominator) is that reported in the Consolidated Financial Statements, in accordance with the International Financial Reporting Standards.

In 2024, the share of **revenues from Taxonomy-eligible activities is 53%**, of which **33%** (approximately 1,983 million euro) **is aligned with Taxonomy objectives**, and mainly relates to hydroelectric power generation, sorted waste collection activities, water collection, treatment and supply systems, wastewater collection and treatment systems, energy efficiency devices, and electricity distribution.

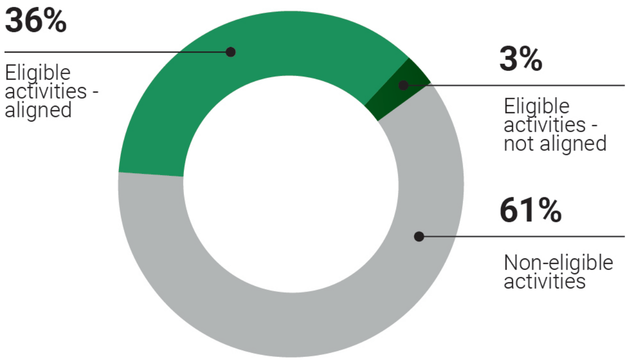


It should be pointed out that Taxonomy does not consider eligible activities that are of considerable importance for the Group, such as the sale of electricity and gas (around 32% of total revenue), which could, in fact, have a positive impact on climate change mitigation if geared towards the marketing of electricity from renewable sources or low-carbon gas. By sterilising this effect, the share of revenue related to eligible activities would be over 85%.

Operating expenses (OpEx)

The operating expenses considered for the purposes of calculating the indicator do not include the following expenses: overheads, raw materials, personnel for the management of activities, management of research and development projects, electricity, fluids or reagents necessary for the operation of property, plant and equipment.

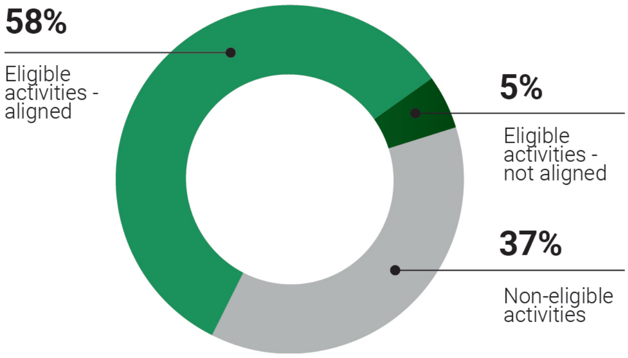
39% of 2024 OpEx relates to Taxonomy-eligible activities, of which **36%,** approximately 636 million euro, **is aligned with Taxonomy objectives**. This mainly relates to the recovery of materials from waste, separate waste collection, water collection, treatment and supply, wastewater collection and treatment, installation of energy efficiency devices and the distribution of electricity.



Capital expenditure (Capex)

The capital expenditure used to define the indicator includes, at the denominator, increases in property, plant and equipment and intangible assets before depreciation, amortisation, impairment losses and any reversals of impairment losses, including also increases resulting from business combinations and capitalised long-term leases (IFRS 16).

63% of 2024 CapEx relates to taxonomy-eligible activities, of which 58%, 503 million euro**, is aligned with taxonomy targets.** The largest share concerns investments in water collection, treatment and supply systems, wastewater collection and treatment systems, the development of electricity distribution networks, the collection and transport of sorted waste, the anaerobic digestion of organic waste and photovoltaic power generation.



As a general comment on the performance of the three KPIs required by the Taxonomy, worthy of note is the effect brought about by the full implementation, as of the financial year 2024, of the alignment analysis of the activities in relation to the four objectives contemplated in the Environmental Delegated Act, with respect to which only the eligibility analysis had been conducted in 2023.

More specifically, it should be noted that revenue reflects the trend in energy prices, which decreased compared to 2023, partially offset by the increase in the production of energy from renewable sources, particularly hydroelectric, thanks to favourable hydraulicity and snow on the ground, and photovoltaic production due to the increase in installed capacity. Revenue is also impacted by the contraction recorded in the energy efficiency sector (Climate Change Mitigation (CCM) activity 7.3), caused by the gradual depletion of the effects connected to government bonuses, a contraction evidenced by the change in the percentage of aligned revenue from this activity, which is also reflected in terms of OpEx. These effects were more than offset by the increase in revenue from activities in the areas of waste collection, water distribution and wastewater treatment systems as a result of the new tariff method (MTi-4) and the consolidation of Acquaenna over the entire year.

CapEx, which overall is in line with 2023 in terms of volumes, substantially confirms the distribution over aligned activities already noted in 2023, in line with the Group's Strategic Plan oriented towards decarbonization, circular economy, sustainable use of water resources and the development of resilient cities (see the paragraph "Green transition plan" in the chapter Meeting the challenge of climate change). Significant changes are noted with reference to the electricity distribution (CCM 4.9) and district heating (CCM 4.15) activities, due to the investments made, and to the photovoltaic power generation activity (CCM 4.1), also due to the acquisition of Agrovoltaica.

Assessment of eligibility and alignment

In order to identify, among the eligible activities, those aligned with the Taxonomy, the technical screening criteria that determine the substantial contribution to the six Taxonomy objectives were analysed in depth for each Iren Group activity. The evaluation of the alignment of the activities managed by the Group in relation to the four objectives considered by the Delegated Act is carried out for the financial year 2024 as the first report. Given the diversified nature of the sectors in which the Group operates, some activities may be eligible for more than one objective of the European Taxonomy with total or significant overlap (identical or comparable technical and DNSH screening criteria). For these cases, to avoid double counting, an unambiguous allocation of the activity was chosen according to the taxonomy objective to which it contributes most. These choices are described in this section and are reflected in the detailed KPI tables.

No activities specifically aimed at making a substantial contribution to climate change adaptation and the protection and restoration of biodiversity and ecosystems have been identified for the year 2024.

For the climate change mitigation (CCM) objective, the analysis was carried out on the following activities:

- power generation from renewable sources and storage
  - electricity generation from hydroelectric energy (4.5): the Group's hydropower plants have a power density of more than 5W/m^2 or are run-of-river plants, and thus meet the technical screening criteria;
  - electricity generation using photovoltaic solar technology (4.1), wind power (4.3), electricity storage systems (4.10) and thermal energy storage systems (4.11): there are no specific technical screening criteria, as the activities in themselves contribute to climate change mitigation;
  - heat/cool generation from solar thermal (4.21) and bioenergy (4.24): the Group's power generation plants meet the criteria and are aligned;
- power generation from gaseous fossil fuels
  - high-efficiency cogeneration of heat and electricity from gaseous fossil fuels (4.30), generation of electricity from gaseous fossil fuels (4.29), and generation of heat/cooling from gaseous fossil fuels in an efficient district heating system (4.31): these activities are eligible but not aligned as they do not meet the requirements for substantial contribution under the Complementary Delegated Act on gas and nuclear power;
- energy networks
  - electricity distribution networks (4.9): the network operated by Iren Group is part of the interconnected European system and, therefore, complies with the required technical screening criteria;
  - renewable and low-carbon gas distribution networks (4.14): network upgrading activities to enable the integration of hydrogen and other low-carbon emission gases into the gas distribution network are considered aligned, including activities to increase the mixture of hydrogen or other low-carbon gases in the gas system, as well as leakage detection and network repair activities to reduce methane leakage;
  - district heating distribution (4.15): the network operated by the Group meets the definition of an efficient district heating system required by the regulations;
- integrated water service
  - construction, expansion and management of water collection, treatment and supply systems (5.1): the activity is aligned in that energy consumption for extraction and treatment is equal to or less than 0.5 kWh per cubic metre of water ready to be supplied in all the territorial systems managed by Iren Group;
  - construction, expansion and management of wastewater collection and treatment systems (5.3): the ratio of energy consumption to population equivalents served by each plant managed by the Group was analysed; the activity is partially aligned, as some plants, particularly those built in orographically unfavourable contexts, require the adoption of more energy-intensive technologies to ensure maximum efficiency of wastewater treatment. These plants, with the exception of one, are also aligned with the WTR 2.2 activity in which they were included;
- waste collection and treatment
  - collection and transport of non-hazardous waste in fractions separated at source (5.5): no specific technical screening criteria, the activity in itself contributes to climate change mitigation;
  - anaerobic digestion of organic waste (5.7) and composting of organic waste (5.8): Iren Group's plants comply with all the technical screening criteria and thresholds required by the regulations;
  - recovery of materials from non-hazardous waste (5.9): the flows of all Iren Group's plants were analysed; the activity is partially aligned as only some plants comply with the technical screening criterion related to the percentage of conversion of sorted waste treated into secondary raw material;
  - closed landfills with biogas generation (5.10): the activity is aligned as the permanently closed landfills managed by the Group capture biogas for power generation and have procedures for controlling and monitoring emissions and methane leakage aligned with regulations;
- e-mobility (services within the Group and activities towards third parties): the activities managed by the Group concerning e-mobility in terms of urban and suburban transport (6.3), management of transport and personal mobility devices (6.4), public (6.15) and own charging infrastructures (7.4) comply with the technical screening criteria; transport using cars and light commercial vehicles (6.5) is aligned for the share of vehicles that comply with the technical screening criteria;
- energy efficiency (in-house services and third-party activities): in this area, professional and technical activities (9.3), devices for the improvement and management of the energy efficiency of buildings (7.3) (7.5) and renewable energy technologies (7.6) comply with the technical screening criteria;
- real estate: the renovation of existing buildings (7.2) meets the technical screening criteria;
- other internal services: the management of the Company's data centres (8.1) is eligible but not aligned for 2024.

For the objective **sustainable use and protection of water and marine resources (WTR)**, the analysis was carried out on the following activities:

- **integrated water service**:
  - **manufacture and installation (and related services) of leakage control technologies (1.1):** the activity is aligned, although for the purpose of KPI calculation it is only included in activity CCM 5.1;
  - **water supply (2.1):** the activity is eligible and overlaps with activity CCM 5.1 in which it has been included for KPI calculation purposes;
  - **urban wastewater treatment (2.2):** the activity is fully aligned with the Taxonomic criteria and overlaps with activity CCM 5.3. For the purpose of calculating KPIs, plants not included in the climate change mitigation objective were included in this activity.

For the objective of **transition to a circular economy (CE)**, the analysis was carried out on the following activities:

- **production of alternative water resources for purposes other than human consumption (2.2):** the activity is aligned for a wastewater treatment plant where the water resource is recovered and used for irrigation purposes. This wastewater treatment plant is also aligned with activity WTR 2.2 and activity CCM 5.3, and is included in the latter for KPI calculation purposes;
- **waste collection and treatment**:
  - **collection and transport of non-hazardous and hazardous waste (2.3)**: the activity is partially aligned and covers the scope of CCM 5.5 and PPC 2.1 activities. For the calculation of KPIs in this activity (CE 2.3), only waste transfer stations and hazardous waste collection not included elsewhere were considered;
  - **recovery of organic waste through anaerobic digestion or composting (2.5)**: the activity is aligned with and includes the same plants analysed for CCM 5.7 and CCM 5.8, which were included for KPI calculation purposes;
  - **decontamination and dismantling of end-of-life products (2.6):** the activity is aligned for a Waste from Electrical and Electronic Equipment (WEEE) waste treatment plant;
  - **sorting and recovery of materials from non-hazardous waste (2.7)**: the activity overlaps with activity CCM 5.9; on the basis of the flow analysis, the activity is partially aligned as only some plants meet the technical screening criterion related to the percentage of conversion of treated waste into secondary raw materials; for the purpose of KPI calculation, these plants were considered in the climate change mitigation objective;
- **renovation of existing buildings (3.2):** the activity overlaps with activity CCM 7.2 and is not aligned with the technical screening criteria;
- **provision of data-based Information Technology and Operational Technology (IT/OT) solutions (4.1):** the activity is aligned and mainly concerns the installation of OT sensors for the purpose of predictive maintenance on gas and water distribution networks.

Finally, for the **pollution prevention and control (PPC)** objective, the analysis was carried out on the following activities:

- **collection and transport of hazardous waste (2.1)**: the activity is aligned and overlapping with activity CE 2.3 for the part concerning hazardous waste; for the purpose of KPI calculation, only transfer stations not included in CE activity 2.3 were considered in this activity;
- **treatment of hazardous waste (2.2)**: the activity is not aligned;
- **remediation of contaminated sites and areas (2.4)**: the activity is aligned with the required technical screening criteria.

From the analysis carried out, the following activities managed by Iren Group are **non-eligible** for the Taxonomy: collection of unsorted waste for disposal; energy recovery from waste; disposal of waste in landfills without production of biogas; sale of electricity and gas (including green carriers); distribution of non-renewable gas; management of IT systems.

DNSH (Do No Significant Harm) criteria

DNSH was verified for all activities considered aligned to technical screening criteria to find that they do not cause significant harm to the other objectives identified by the Taxonomy:

- **adaptation to climate change:** in 2024, Iren carried out an analysis specifically aimed at verifying the DNSH criterion for the climate change adaptation target, with the support of experts in the field. This criterion requires that an assessment of physical climatic risks (acute and chronic) is carried out for each activity and that an adaptation plan is implemented that presents possible solutions in the event of significant risk exposure. To this end, for the activities/assets managed by the Group, grouped into clusters on the basis of geographical and/or technological criteria, the material risk factors were identified, in the current and future scenarios with a time horizon of 2050, and an adaptation plan was defined, where necessary. The climate variables and qualitative information used to assess the 2050 scenario were taken from literature sources and public databases (e.g. Copernicus, World Resources Institute (WRI) Aqueduct);
- **sustainable use and protection of water and marine resources**: a risk assessment is required for all activities that interact with the water resource to preserve water quality and prevent water stress, as required by the Water Directive and water management plans. Management procedures were then identified and compliance with regulations, authorisations, any water management plans or other regional regulations and, where required, the presence of an Environmental Impact Assessment was verified;
- **transition to a circular economy:** where relevant, the existence was verified of a plan to manage waste generated by activities in accordance with the waste hierarchy, the EU waste management protocol and the requirements for purchased services or products;
- **pollution prevention and control:** compliance with the required criteria, specific to each activity, was verified;

- **protection and restoration of biodiversity and ecosystems:** for all activities carried out near or in sites located in areas sensitive from a biodiversity point of view (including the Natura 2000 network of protected areas, UNESCO World Heritage Sites and Key Biodiversity Areas, as well as other protected areas), verification has been made that the criteria laid down in any authorisation requirements are met and, where applicable, that an Environmental Impact Assessment is in place.

Compliance with minimum safeguard

With regard to compliance with the social minimum safeguard, the Group has verified the adequacy of its management system and procedures in place with respect to the four core areas provided for by European Taxonomy: human rights, including workers' and consumers' rights; extortion/corruption; taxation; fair competition.

The Group's Code of Ethics and Sustainability Policy (see paragraph ""Governance policies and tools" in chapter Iren Group Governance) outline the benchmark principles and commitments for the protection of human rights (see paragraph "Policies" in chapter Iren people, "Policies for sustainable supply chain management" in chapter Suppliers and partners and "Customer policies" in chapter Customer orientation), respect for and protection of the market and competition, the adoption of conduct to counter corruption in the management of business relations by all the people who work for and with the Group, compliance with regulations and requirements in the tax and fiscal field.

These principles - in line with the provisions of the OECD Guidelines for Multinational Enterprises, the United Nations Guiding Principles on Business and Human Rights and the Fundamental Conventions of the International Labour Organisation - are also reflected in Model 231 adopted by the Group (see paragraph "Organisation and Management Model Legislative Decree no. 231/2001" in chapter Business conduct) aimed at preventing the commission of the offences provided for under Legislative Decree no. 231/2001, including bribery and extortion.

The Group has also adopted a tax strategy inspired by principles of honesty, fairness and compliance, characterised by traceability and segregation of roles (see paragraph on "Fiscal strategy" in chapter Business conduct).

The Internal Control and Risk Management System is a further tool designed to ensure compliance with the minimum safeguards (see paragraph "Internal Control and Risk Management System" in chapter Iren Group Governance).

The set of policies, procedures and management systems covers the entire scope of the Group's activities and is fully aligned with the requirements of the Taxonomy.

Analytical tables

Methodology for calculating metrics

The criteria adopted for the calculation of KPIs are as follows:

- **turnover (revenue)** - the share (%) is calculated as the ratio of the volume of net revenue associated with the Taxonomy-aligned economic activities (numerator) to total net revenue (in accordance with the International Financial Reporting Standards (IFRS) 1(82)(a) (denominator)). Revenue from the construction and expansion of infrastructure related to service concession arrangements (International Financial Reporting Interpretations Committee (IFRIC) 12), mainly related to integrated water services, is included in both the denominator and numerator when these activities are Taxonomy aligned;
- **operating expenses (OpEx)** - the share (%) is calculated as the ratio between the portion of operating expenses related to Taxonomy-eligible activities - including training and other human resources adaptation needs, as well as non-capitalised direct costs of research and development - (numerator) and non-capitalised direct costs related to research and development, non-capitalised leases, building renovation measures, short-term rental, maintenance and repair, as well as any other direct costs associated with the day-to-day maintenance of property, plant and equipment, either by the Company or by third parties to whom these tasks are outsourced, that are necessary to ensure the continuous and effective operation of these assets (denominator);
- **capital expenditure (CapEx)** - the portion (%) is calculated as the ratio of the portion of capital expenditure related to assets aligned to taxonomy (numerator) and additions to property, plant and equipment and intangible assets during the year considered before depreciation, amortisation, impairment losses, and any reversals of impairment losses, including those resulting from restatements and reductions in value, for that year, and excluding changes in fair value (denominator). The denominator also includes increases to property, plant and equipment and intangible assets resulting from business combinations. Specifically, capital expenditure includes costs accounted for on the basis of the International Financial Reporting Standards: IAS 16 "Property, Plant and Equipment", point 73(e), sub-paragraphs i) and iii); IAS 38 "Intangible Assets", point 118(e), sub-paragraph i); IAS 40 "Investment Property", point 76(a) and point 79(d), sub-paragraphs i) and ii); IFRS 16 "Leases", point 53(h).

The values analysed refer only to items with third parties; therefore, items between Group Companies are excluded, in order to avoid double counting in the calculation of KPIs.

TURNOVER (REVENUE) TABLE

				Substantial contribution criteria						DNSH Criteria									
Economic activities	Code	Turnover	Proportion of turnover, year N	Climate change mitigation	Climate change adaptation	Water and marine resources	Circular economy	Pollution	Biodiversity and ecosystems	Climate change mitigation	Climate change adaptation	Water and marine resources	Circular economy	Pollution	Biodiversity and ecosystems	Minimum safeguards	Taxonomy-aligned or Taxonomy-eligible proportion of turnover, year N-1	Category (enabling activity)	Category (transition activity)
		Thousands (€)	%	Yes; No; N/EL	Yes; No; N/EL	Yes; No; N/EL	Yes; No; N/EL	Yes; No; N/EL	Yes; No; N/EL	Yes/No	Yes/ No	Yes/ No	Yes/ No	Yes/ No	Yes/No	Yes/ No	%	E	T
A. TAXONOMY-ELIGIBLE ACTIVITIES (A.1 + A.2) [(1)]																			
A.1. Environmentally sustainable activities (Taxonomy-aligned)																			
Photovoltaic	CCM 4.1	34,804	0.6%	Yes	No	N/EL	N/EL	N/EL	N/EL		Yes		Yes		Yes	Yes	0.5%		
Wind power	CCM 4.3	1,672	0.0%	Yes	No	N/EL	N/EL	N/EL	N/EL		Yes	Yes	Yes		Yes	Yes	0.0%		
Hydropower	CCM 4.5	202,847	3.4%	Yes	No	N/EL	N/EL	N/EL	N/EL		Yes	Yes			Yes	Yes	3.2%		
Electricity distribution	CCM 4.9	155,646	2.6%	Yes	No	N/EL	N/EL	N/EL	N/EL		Yes		Yes	Yes	Yes	Yes	2.2%	E	
Low-carbon emission gas distribution	CCM 4.14	25,185	0.4%	Yes	No	N/EL	N/EL	N/EL	N/EL		Yes	Yes		Yes	Yes	Yes	0.2%		
District heating	CCM 4.15	80,362	1.3%	Yes	No	N/EL	N/EL	N/EL	N/EL		Yes	Yes		Yes	Yes	Yes	1.1%		
Water distribution	CCM 5.1	516,829	8.6%	Yes	No	No	N/EL	N/EL	N/EL		Yes	Yes			Yes	Yes	4.7%		
Wastewater collection and treatment	CCM 5.3	189,883	3.1%	Yes	No	Yes	N/EL	N/EL	N/EL		Yes	Yes		Yes	Yes	Yes	2.1%		
Collection and transport of non-hazardous waste	CCM 5.5	343,792	5.7%	Yes	No	N/EL	Yes	N/EL	N/EL		Yes		Yes			Yes	4.7%		
Anaerobic digestion	CCM 5.7	40,711	0.7%	Yes	No	N/EL	Yes	N/EL	N/EL		Yes	Yes		Yes	Yes	Yes	0.3%		
Composting	CCM 5.8	4,781	0.1%	Yes	No	N/EL	Yes	N/EL	N/EL		Yes			Yes	Yes	Yes	0.0%		
Material recovery from waste	CCM 5.9	59,548	1.0%	Yes	No	N/EL	Yes	N/EL	N/EL		Yes				Yes	Yes	0.7%		
Closed landfills with biogas production	CCM 5.10	4,868	0.1%	Yes	No	N/EL	N/EL	N/EL	N/EL		Yes			Yes	Yes	Yes	0.1%		
Personal mobility devices	CCM 6.4	1,816	0.0%	Yes	No	N/EL	N/EL	N/EL	N/EL		Yes		Yes			Yes	0.0%		T
Public electric charging columns	CCM 6.15	384	0.0%	Yes	No	N/EL	N/EL	N/EL	N/EL		Yes	Yes	Yes	Yes	Yes	Yes	0.0%		
Energy efficiency devices	CCM 7.3	155,866	2.6%	Yes	No	N/EL	N/EL	N/EL	N/EL		Yes			Yes		Yes	7.0%	E	
Electric charging columns at company premises	CCM 7.4	316	0.0%	Yes	No	N/EL	N/EL	N/EL	N/EL		Yes					Yes	0.0%	E	
Performance measurement, regulation and control devices	CCM 7.5	28,379	0.5%	Yes	No	N/EL	N/EL	N/EL	N/EL		Yes					Yes	0.1%	E	
Renewable energy technologies	CCM 7.6	7,011	0.1%	Yes	No	N/EL	N/EL	N/EL	N/EL		Yes					Yes	0.1%	E	
Professional services for energy performance of buildings	CCM 9.3	22,787	0.4%	Yes	No	N/EL	N/EL	N/EL	N/EL		Yes					Yes	0.5%	E	
Wastewater treatment	WTR 2.2	74,041	1.2%	Yes	No	Yes	N/EL	N/EL	N/EL		Yes			Yes	Yes	Yes	n/a		
Collection and transport of non-hazardous and hazardous waste	CE 2.3	22,230	0.4%	Yes	No	N/EL	Yes	Yes	N/EL		Yes	Yes		Yes	Yes	Yes	n/a		
Depollution and dismantling of end-of-life products	CE 2.6	4,344	0.1%	N/EL	N/EL	N/EL	Yes	N/EL	N/EL		Yes	Yes		Yes	Yes	Yes	n/a		
Predictive maintenance	CE 4.1	338	0.0%	N/EL	N/EL	N/EL	Yes	N/EL	N/EL		Yes	Yes		Yes		Yes	n/a	E	
Collection and transportation of hazardous waste	PPC 2.1	5,335	0.1%	N/EL	N/EL	N/EL	N/EL	Yes	N/EL		Yes	Yes	Yes		Yes	Yes	n/a		
Remediation of contaminated sites and areas	PPC 2.4	17,961	0.3%	N/EL	N/EL	N/EL	N/EL	Yes	N/EL	Yes	Yes	Yes	Yes		Yes	Yes	n/a		
Turnover of Taxonomy-aligned activities (A.1.)		2,001,735	33.1%	31.1%	0.0%	1.2%	0.4%	0.4%	0.0%	Yes	Yes	Yes	Yes	Yes	Yes	Yes	27.4%		
Of which enabling		370,727	6.1%	6.1%	0.0%	0.0%	0.0%	0.0%	0.0%	Yes	Yes	Yes	Yes	Yes	Yes	Yes	9.9%	E	
Of which transition		0	0.0%	0.0%						Yes	Yes	Yes	Yes	Yes	Yes	Yes	0.0%		T

Economic activities	Code	Turnover	Proportion of turnover, year N	Substantial contribution criteria: Climate change mitigation	Climate change adaptation	Water and marine resources	Circular economy	Pollution	Biodiversity and ecosystems	DNSH Criteria: Climate change mitigation	Climate change adaptation	Water and marine resources	Circular economy	Pollution	Biodiversity and ecosystems	Minimum safeguards	Taxonomy-aligned or Taxonomy-eligible proportion of turnover, year N-1	Category (enabling activity)	Category (transition activity)
A.2. Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)																			
		Thousands (€)	%	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL										
Thermoelectric	CCM 4.29	336,110	5.6%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								8.3%		
Cogeneration	CCM 4.30	781,867	12.9%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								19.2%		
District heating production boilers	CCM 4.31	27,716	0.5%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								0.4%		
Wastewater collection and treatment	CCM 5.3	595	0.0%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								1.0%		
Material recovery from waste	CCM 5.9	21,145	0.3%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								0.3%		
Collection and transport of non-hazardous and hazardous waste	CE 2.3	8,564	0.1%	EL	N/EL	N/EL	EL	EL	N/EL								n/a		
Collection and transport of hazardous waste	PPC 2.1	593	0.0%	N/EL	N/EL	N/EL	EL	EL	N/EL								n/a		
Treatment of hazardous waste	PPC 2.2	9,319	0.2%	N/EL	N/EL	N/EL	N/EL	EL	N/EL								n/a		
Turnover of not Taxonomy-aligned activities (A.2.)		1,185,909	19.6%	19.3%	0.0%	0.0%	0.1%	0.2%	0.0%								29.5%		
Total (A.1 + A.2)		3,187,644	52.7%	50.4%	0.0%	1.2%	0.6%	0.5%	0.0%								56.9%		
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES																			
Turnover of Taxonomy-non-eligible activities (B)		2,855,481	47.3%																
Total (A+B)		6,043,125	100.0%																

(1) The European Taxonomy covers activities in the different objectives that have total or significant overlap (identical or comparable technical and DNSH screening criteria). The activities for which such an overlap occurs are specifically: for water distribution CCM 5.1, WTR 1.1 and WTR 2.1; for wastewater treatment CCM 5.3, WTR 2.2 and CE 2.2; for waste collection CCM 5.5, CE 2.3 and PCC 2.1; for anaerobic digestion and composting plants CCM 5.7, CCM 5.8 and CE 2.5; for waste treatment plants CCM 5.9 and CE 2.7. For more details on the considerations made in terms of the allocation of economic values for the calculation of KPIs, see the paragraph "Assessment of eligibility and alignment" in this chapter.
(2) In order to determine the revenue referring only to the activities of upgrading the portion of managed distribution network (equal to approximately 12.6% of the total) to allow for the integration of hydrogen and other low-carbon gases and the detection and repair of network leaks to reduce methane losses, a criterion for parameterising the constraint on distribution revenue proportionate to the investments made was used.
(3) A criterion based on the direct costs of the activities has been used to determine revenue relating solely to the collection of non-hazardous waste in separate fractions.

Taxonomy Objectives		Proportion of turnover/total turnover: Taxonomy-aligned by objective (%)	Taxonomy-eligible by objective (%)
CCM	Climate change mitigation	31.1%	50.4%
CCA	Climate change adaptation	0.0%	0.0%
WTR	Protection of water and marine resources	4.4%	4.4%
CE	Transition to a circular economy	8.0%	8.5%
PPC	Pollution prevention and control	0.8%	1.1%
BIO	Protection and restoration of biodiversity	0.0%	0.0%

OPERATING EXPENSES TABLE (OPEX)

Economic activities	Code	OpEx	Proportion of OpEx, year N	Substantial Contribution criteria: Climate change mitigation	Climate change adaptation	Water and marine resources	Circular economy	Pollution	Biodiversity and ecosystems	DNSH Criteria: Climate change mitigation	Climate change adaptation	Water and marine resources	Circular economy	Pollution	Biodiversity and ecosystems	Minimum safeguards	Proportion of Taxonomy-aligned or Taxonomy-eligible OpEx, year N-1	Category (enabling activity)	Category (transition activity)
		Thousands (€)	%	Yes; No; N/EL	Yes; No; N/EL	Yes; No; N/EL	Yes; No; N/EL	Yes; No; N/EL	Yes; No; N/EL	Yes/No	Yes/ No	Yes/ No	Yes/ No	Yes/ No	Yes/No	Yes /No	%	E	T
A. TAXONOMY-ELIGIBLE ACTIVITIES (A.1 + A.2) [1]																			
A.1. Environmentally sustainable activities (Taxonomy-aligned)																			
Photovoltaic	CCM 4.1	11,450	0.7%	Yes	No	N/EL	N/EL	N/EL	N/EL		Yes		Yes		Yes	Yes	0.6%		
Wind power	CCM 4.3	591	0.0%	Yes	No	N/EL	N/EL	N/EL	N/EL		Yes	Yes	Yes		Yes	Yes	0.0%		
Hydropower	CCM 4.5	15,566	0.9%	Yes	No	N/EL	N/EL	N/EL	N/EL		Yes	Yes			Yes	Yes	0.9%		
Electricity distribution	CCM 4.9	22,569	1.3%	Yes	No	N/EL	N/EL	N/EL	N/EL		Yes		Yes	Yes	Yes	Yes	1.5%	E	
Electricity storage	CCM 4.10	43	0.0%	Yes	No	N/EL	N/EL	N/EL	N/EL		Yes	Yes	Yes		Yes	Yes	0.0%		
Low-carbon emission gas distribution	CCM 4.14	320	0.0%	Yes	No	N/EL	N/EL	N/EL	N/EL		Yes	Yes		Yes	Yes	Yes	0.0%		
District heating	CCM 4.15	11,186	0.6%	Yes	No	N/EL	N/EL	N/EL	N/EL		Yes	Yes		Yes	Yes	Yes	0.7%		
Water distribution	CCM 5.1	70,184	4.0%	Yes	No	No	N/EL	N/EL	N/EL		Yes	Yes			Yes	Yes	4.6%		
Wastewater collection and treatment	CCM 5.3	25,677	1.5%	Yes	No	Yes	N/EL	N/EL	N/EL		Yes	Yes		Yes	Yes	Yes	1.4%		
Collection and transport of non-hazardous waste	CCM 5.5	252,589	14.3%	Yes	No	N/EL	Yes	N/EL	N/EL		Yes		Yes			Yes	14.1%		
Anaerobic digestion	CCM 5.7	11,615	0.7%	Yes	No	N/EL	Yes	N/EL	N/EL		Yes	Yes		Yes	Yes	Yes	0.4%		
Composting	CCM 5.8	3,510	0.2%	Yes	No	N/EL	Yes	N/EL	N/EL		Yes			Yes	Yes	Yes	0.1%		
Material recovery from waste	CCM 5.9	29,027	1.6%	Yes	No	N/EL	Yes	N/EL	N/EL		Yes				Yes	Yes	1.3%		
Closed landfills with biogas production	CCM 5.10	1,929	0.1%	Yes	No	N/EL	N/EL	N/EL	N/EL		Yes			Yes	Yes	Yes	0.1%		
Personal mobility devices	CCM 6.4	1,027	0.1%	Yes	No	N/EL	N/EL	N/EL	N/EL		Yes		Yes			Yes	0.1%		T
Company fleet vehicles	CCM 6.5	610	0.0%	Yes	No	N/EL	N/EL	N/EL	N/EL		Yes		Yes	Yes		Yes	0.0%		
Public electric charging columns	CCM 6.15	210	0.0%	Yes	No	N/EL	N/EL	N/EL	N/EL		Yes	Yes	Yes	Yes	Yes	Yes	0.0%		
Energy efficiency devices	CCM 7.3	125,952	7.2%	Yes	No	N/EL	N/EL	N/EL	N/EL		Yes			Yes		Yes	24.5%	E	
Electric charging columns at company premises	CCM 7.4	508	0.0%	Yes	No	N/EL	N/EL	N/EL	N/EL		Yes					Yes	0.1%	E	
Performance measurement, regulation and control devices	CCM 7.5	3,187	0.2%	Yes	No	N/EL	N/EL	N/EL	N/EL		Yes					Yes	0.3%	E	
Renewable energy technologies	CCM 7.6	7,680	0.4%	Yes	No	N/EL	N/EL	N/EL	N/EL		Yes					Yes	0.8%	E	
Professional services for energy performance of buildings	CCM 9.3	11,130	0.6%	Yes	No	N/EL	N/EL	N/EL	N/EL		Yes					Yes	0.9%	E	
Wastewater treatment	WTR 2.2	10,377	0.6%	Yes	No	Yes	N/EL	N/EL	N/EL	Yes	Yes			Yes	Yes	Yes	n/a		
Collection and transport of non-hazardous and hazardous waste	CE 2.3	3,164	0.2%	Yes	No	N/EL	Yes	Yes	N/EL		Yes	Yes		Yes	Yes	Yes	n/a		
Depollution and dismantling of end-of-life products	CE 2.6	5,699	0.3%	N/EL	N/EL	N/EL	Yes	N/EL	N/EL		Yes	Yes		Yes	Yes	Yes	n/a		
Collection and transport of hazardous waste	PPC 2.1	1,169	0.1%	N/EL	N/EL	N/EL	N/EL	Yes	N/EL		Yes	Yes	Yes		Yes	Yes	n/a		
Remediation of contaminated sites and areas	PPC 2.4	8,740	0.5%	N/EL	N/EL	N/EL	N/EL	Yes	N/EL	Yes	Yes	Yes	Yes		Yes	Yes	n/a		
OpEx of Taxonomy-aligned activities (A.1.)		635,709	36.1%	34.4%	0.0%	0.6%	0.5%	0.6%	0.0%	Yes	Yes	Yes	Yes	Yes	Yes	Yes	52.4%		
Of which enabling		171,279	9.7%	9.7%	0.0%	0.0%	0.0%	0.0%	0.0%	Yes	Yes	Yes	Yes	Yes	Yes	Yes	28.0%	E	
Of which transition		610	0.0%	0.0%						Yes	Yes	Yes	Yes	Yes	Yes	Yes	0.0%		T

				Substantial Contribution criteria						DNSH Criteria									
Economic activities	Code	OpEx	Proportion of OpEx, year N	Climate change mitigation	Climate change adaptation	Water and marine resources	Circular economy	Pollution	Biodiversity and ecosystems	Climate change mitigation	Climate change adaptation	Water and marine resources	Circular economy	Pollution	Biodiversity and ecosystems	Minimum safeguards	Proportion of Taxonomy-aligned or Taxonomy-eligible OpEx, year N-1	Category (enabling activity)	Category (transition activity)
A.2. Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)																			
		Thousands (€)	%	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL										
Thermoelectric	CCM 4.29	7,838	0.4%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								0.4%		
Cogeneration	CCM 4.30	21,449	1.2%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								1.4%		
District heating production boilers	CCM 4.31	1,931	0.1%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								0.1%		
Wastewater collection and treatment	CCM 5.3	1,148	0.1%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								0.9%		
Material recovery from waste	CCM 5.9	7,821	0.4%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								0.5%		
Company fleet vehicles	CCM 6.5	1,255	0.1%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								0.1%		
Collection and transport of non-hazardous and hazardous waste	CE 2.3	1,404	0.1%	EL	N/EL	N/EL	EL	EL	N/EL								n/a		
Collection and transport of hazardous waste	PPC 2.1	130	0.0%	N/EL	N/EL	N/EL	EL	EL	N/EL								n/a		
Treatment of hazardous waste	PPC 2.2	1,309	0.1%	N/EL	N/EL	N/EL	N/EL	EL	N/EL								n/a		
OpEx of not Taxonomy-aligned activities (A.2.)		44,284	2.5%	2.4%	0.0%	0.0%	0.1%	0.1%	0.0%								3.8%		
Total (A.1 + A.2)		679,993	38.6%	36.8%	0.0%	0.6%	0.6%	0.6%	0.0%								56.2%		
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES																			
OpEx of Taxonomy-non-eligible activities (B)		1,080,923	61.4%																
Total (A+B)		1,760,916	100.0%																

[1] The European Taxonomy covers activities in the different objectives that have total or significant overlap (identical or comparable technical and DNSH screening criteria). The activities for which such an overlap occurs are specifically: for water distribution CCM 5.1, WTR 1.1 and WTR 2.1; for wastewater treatment CCM 5.3, WTR 2.2 and CE 2.2; for waste collection CCM 5.5, CE 2.3 and PCC 2.1; for anaerobic digestion and composting plants CCM 5.7, CCM 5.8 and CE 2.5; for waste treatment plants CCM 5.9 and CE 2.7. For more details on the considerations made in terms of the allocation of economic values for the calculation of KPIs, see the paragraph “Assessment of eligibility and alignment” in this chapter.

Taxonomy Objectives		Proportion of OpEx/Total OpEx	
		Taxonomy-aligned by objective (%)	Taxonomy-eligible by objective (%)
CCM	Climate change mitigation	34.4%	36.8%
CCA	Climate change adaptation	0.0%	0.0%
WTR	Protection of water and marine resources	2.0%	2.1%
CE	Transition to a circular economy	17.4%	18.0%
PPC	Pollution prevention and control	0.7%	0.9%
BIO	Protection and restoration of biodiversity	0.0%	0.0%

CAPITAL EXPENDITURE TABLE (CAPEX)

				Substantial Contribution Criteria						DNSH Criteria									
Economic activities	Code	CapEx	Proportion of CapEx, year N	Climate change mitigation	Climate change adaptation	Water and marine resources	Circular economy	Pollution	Biodiversity and ecosystems	Climate change mitigation	Climate change adaptation	Water and marine resources	Circular economy	Pollution	Biodiversity and ecosystems	Minimum safeguards	Proportion of Taxonomy-aligned or Taxonomy-eligible turnover, year N-1	Category (enabling activity)	Category (transition activity)
		Thousands (€)	%	Yes; No; N/EL	Yes; No; N/EL	Yes; No; N/EL	Yes; No; N/EL	Yes; No; N/EL	Yes; No; N/EL	Yes/No	Yes/No	Yes/No	Yes/No	Yes/No	Yes/No	Yes/No	%	E	T
A. TAXONOMY-ELIGIBLE ACTIVITIES (A.1 + A.2) (1)																			
A.1. Environmentally sustainable activities (Taxonomy-aligned)																			
Photovoltaic	CCM 4.1	42,286	4.4%	Yes	No	N/EL	N/EL	N/EL	N/EL		Yes		Yes		Yes	Yes	4.2%		
Wind power	CCM 4.3	283	0.0%	Yes	No	N/EL	N/EL	N/EL	N/EL		Yes	Yes	Yes		Yes	Yes	1.2%		
Hydropower	CCM 4.5	15,980	1.7%	Yes	No	N/EL	N/EL	N/EL	N/EL		Yes	Yes			Yes	Yes	1.0%		
Electricity distribution	CCM 4.9	71,733	7.5%	Yes	No	N/EL	N/EL	N/EL	N/EL		Yes		Yes	Yes	Yes	Yes	6.8%	E	
Electricity storage	CCM 4.10	322	0.0%	Yes	No	N/EL	N/EL	N/EL	N/EL		Yes	Yes	Yes		Yes	Yes	0.1%		
Thermal energy storage	CCM 4.11	1,276	0.1%	Yes	No	N/EL	N/EL	N/EL	N/EL		Yes	Yes	Yes		Yes	Yes	0.4%		
Low-carbon emission gas distribution	CCM 4.14	7,913	0.8%	Yes	No	N/EL	N/EL	N/EL	N/EL		Yes	Yes		Yes	Yes	Yes	0.8%		
District heating	CCM 4.15	45,364	4.8%	Yes	No	N/EL	N/EL	N/EL	N/EL		Yes	Yes		Yes	Yes	Yes	3.5%		
Solar thermal	CCM 4.21	48	0.0%	Yes	No	N/EL	N/EL	N/EL	N/EL		Yes		Yes		Yes	Yes	-		
Biomass	CCM 4.24	7	0.0%	Yes	No	N/EL	N/EL	N/EL	N/EL		Yes	Yes		Yes	Yes	Yes	-		
Water distribution	CCM 5.1	111,591	11.7%	Yes	No	No	N/EL	N/EL	N/EL		Yes	Yes			Yes	Yes	10.1%		
Wastewater collection and treatment	CCM 5.3	73,528	7.7%	Yes	No	Yes	N/EL	N/EL	N/EL		Yes	Yes		Yes	Yes	Yes	7.4%		
Collection and transport of non-hazardous waste	CCM 5.5	49,199	5.2%	Yes	No	N/EL	Yes	N/EL	N/EL		Yes		Yes			Yes	6.2%		
Anaerobic digestion	CCM 5.7	59,299	6.2%	Yes	No	N/EL	Yes	N/EL	N/EL		Yes	Yes		Yes	Yes	Yes	3.6%		
Composting	CCM 5.8	1,820	0.2%	Yes	No	N/EL	Yes	N/EL	N/EL		Yes			Yes	Yes	Yes	0.0%		
Material recovery from waste	CCM 5.9	6,860	0.7%	Yes	No	N/EL	Yes	N/EL	N/EL		Yes				Yes	Yes	3.1%		
Closed landfills with biogas production	CCM 5.10	111	0.0%	Yes	No	N/EL	N/EL	N/EL	N/EL		Yes			Yes	Yes	Yes	0.0%		
Personal mobility devices	CCM 6.4	381	0.0%	Yes	No	N/EL	N/EL	N/EL	N/EL		Yes		Yes			Yes	0.0%		T
Company fleet vehicles	CCM 6.5	3,144	0.3%	Yes	No	N/EL	N/EL	N/EL	N/EL		Yes		Yes	Yes		Yes	0.4%		
Renovation of existing buildings	CCM 7.2	5,969	0.6%	Yes	No	N/EL	N/EL	N/EL	N/EL		Yes	Yes	Yes	Yes		Yes	1.5%		
Energy efficiency devices	CCM 7.3	16,708	1.8%	Yes	No	N/EL	N/EL	N/EL	N/EL		Yes			Yes		Yes	0.5%	E	
Electric charging columns at company premises	CCM 7.4	394	0.0%	Yes	No	N/EL	N/EL	N/EL	N/EL		Yes					Yes	0.1%	E	
Performance measurement, regulation and control devices	CCM 7.5	4,699	0.5%	Yes	No	N/EL	N/EL	N/EL	N/EL		Yes					Yes	0.6%	E	
Renewable energy technologies	CCM 7.6	432	0.1%	Yes	No	N/EL	N/EL	N/EL	N/EL		Yes					Yes	0.0%	E	
Wastewater treatment	WTR 2.2	31,137	3.3%	Yes	No	Yes	N/EL	N/EL	N/EL	Yes	Yes			Yes	Yes	Yes	n/a		
Collection and transport of non-hazardous and hazardous waste	CE 2.3	253	0.0%	Yes	No	N/EL	Yes	Yes	N/EL		Yes	Yes		Yes	Yes	Yes	n/a		
Depollution and dismantling of end-of-life products	CE 2.6	964	0.1%	N/EL	N/EL	N/EL	Yes	N/EL	N/EL		Yes	Yes		Yes	Yes	Yes	n/a		
Predictive maintenance	CE 4.1	1,689	0.2%	N/EL	N/EL	N/EL	Yes	N/EL	N/EL		Yes	Yes		Yes		Yes	n/a	E	
Collection and transport of hazardous waste	PPC 2.1	21	0.0%	N/EL	N/EL	N/EL	N/EL	Yes	N/EL		Yes	Yes	Yes		Yes	Yes	n/a		
Remediation of contaminated sites and areas	PPC 2.4	52	0.0%	N/EL	N/EL	N/EL	N/EL	Yes	N/EL	Yes	Yes	Yes	Yes		Yes	Yes	n/a		
CapEx of Taxonomy-aligned activities (A.1.)		553,462	57.9%	54.3%	0.0%	3.3%	0.3%	0.0%	0.0%	Yes	Yes	Yes	Yes	Yes	Yes	Yes	51.5%		
Of which enabling		97,252	10.2%	10.0%	0.0%	0.0%	0.2%	0.0%	0.0%	Yes	Yes	Yes	Yes	Yes	Yes	Yes	8.5%	E	
Of which transition		9,113	1.0%	1.0%						Yes	Yes	Yes	Yes	Yes	Yes	Yes	0.4%		T

				Substantial Contribution Criteria						DNSH Criteria									
Economic activities	Code	CapEx	Proportion of CapEx, year N	Climate change mitigation	Climate change adaptation	Water and marine resources	Circular economy	Pollution	Biodiversity and ecosystems	Climate change mitigation	Climate change adaptation	Water and marine resources	Circular economy	Pollution	Biodiversity and ecosystems	Minimum safeguards	Proportion of Taxonomy-aligned or Taxonomy-eligible turnover, year N-1	Category (enabling activity)	Category (transition activity)
A.2. Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)																			
		Thousands (€)	%	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	E; N/EL										
Thermoelectric	CCM 4.29	10,719	1.1%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								1.8%		
Cogeneration	CCM 4.30	18,226	1.9%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								1.0%		
District heating production boilers	CCM 4.31	2,749	0.3%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								1.2%		
Wastewater collection and treatment	CCM 5.3	595	0.1%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								3.8%		
Material recovery from waste	CCM 5.9	13,336	1.4%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								0.5%		
Company fleet vehicles	CCM 6.5	5,476	0.6%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								0.5%		
Data centre	CCM 8.1	349	0.0%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								0.3%		
Collection and transport of non-hazardous and hazardous waste	CE 2.3	356	0.0%	EL	N/EL	N/EL	EL	EL	N/EL								n/a		
Collection and transport of hazardous waste	PPC 2.1	2	0.0%	N/EL	N/EL	N/EL	EL	EL	N/EL								n/a		
Treatment of hazardous waste	PPC 2.2	487	0.1%	N/EL	N/EL	N/EL	N/EL	EL	N/EL								n/a		
CapEx of not Taxonomy-aligned activities (A.2.)		52,294	5.5%	5.4%	0.0%	0.0%	0.0%	0.1%	0.0%								16.5%		
Total (A.1 + A.2)		605,757	63.4%	59.7%	0.0%	3.3%	0.4%	0.1%	0.0%								68.0%		
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES																			
CapEx of Taxonomy-non-eligible activities (B)		350,108	36.6%																
Total (A+B)		955,864	100.0%																

(1) The European Taxonomy covers activities in the different objectives that have total or significant overlap (identical or comparable technical and DNSH screening criteria). The activities for which such an overlap occurs are specifically: for water distribution CCM 5.1, WTR 1.1 and WTR 2.1; for wastewater treatment CCM 5.3, WTR 2.2 and CE 2.2; for waste collection CCM 5.5, CE 2.3 and PCC 2.1; for anaerobic digestion and composting plants CCM 5.7, CCM 5.8 and CE 2.5; for waste treatment plants CCM 5.9 and CE 2.7. For more details on the considerations made in terms of the allocation of economic values for the calculation of KPIs, see the paragraph "Assessment of eligibility and alignment" in this chapter.

Taxonomy Objectives		Proportion of CapEx/Total CapEx	
		Taxonomy-aligned by objective (%)	Taxonomy-eligible by objective (%)
CCM	Climate change mitigation	54.3%	59.7%
CCA	Climate change adaptation	0.0%	0.0%
WTR	Protection of water and marine resources	11.0%	11.0%
CE	Transition to a circular economy	12.6%	14.0%
PPC	Pollution prevention and control	0.0%	0.1%
BIO	Protection and restoration of biodiversity	0.0%	0.0%

Model 1 - Nuclear and fossil gas related activities

	Nuclear energy related activities	
1.	The undertaking carries out, funds or has exposures to research, development, demonstration and deployment of innovative electricity generation facilities that produce energy from nuclear processes with minimal waste from the fuel cycle.	No
2.	The undertaking carries out, funds or has exposures to construction and safe operation of new nuclear installations to produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production, as well as their safety upgrades, using best available technologies.	No
3.	The undertaking carries out, funds or has exposures to safe operation of existing nuclear installations that produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production from nuclear energy, as well as their safety upgrades.	No
	Fossil gas related activities	
4.	The undertaking carries out, funds or has exposures to construction or operation of electricity generation facilities that produce electricity using fossil gaseous fuels.	Yes
5.	The undertaking carries out, funds or has exposures to construction, refurbishment, and operation of combined heat/cool and power generation facilities using fossil gaseous fuels.	Yes
6.	The undertaking carries out, funds or has exposures to construction, refurbishment and operation of heat generation facilities that produce heat/cool using fossil gaseous fuels.	Yes

Model 2 - (Revenue) - Taxonomy-aligned economic activities (denominator)

Row	Economic activities	Amount (€/000) and proportion					
		CCM + CCA		Climate change mitigation (CCM)		Climate change adaptation (CCA)	
		Amount	%	Amount	%	Amount	%
1.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation 2021/ 2139 in the denominator of the applicable KPI	-	-	-	-	-	-
2.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.27 of Annexes I and II to Delegated Regulation 2021/ 2139 in the denominator of the applicable KPI	-	-	-	-	-	-
3.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation 2021/ 2139 in the denominator of the applicable KPI	-	-	-	-	-	-
4.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.29 of Annexes I and II to Delegated Regulation 2021/ 2139 in the denominator of the applicable KPI	0.0	0.0%	0.0	0.0%	0.0	0.0%
5.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation 2021/ 2139 in the denominator of the applicable KPI	0.0	0.0%	0.0	0.0%	0.0	0.0%
6.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.31 of Annexes I and II to Delegated Regulation 2021/ 2139 in the denominator of the applicable KPI	0.0	0.0%	0.0	0.0%	0.0	0.0%
7.	Amount and proportion of other taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI	1,877,488	31.1%	1,877,488	31.1%	0.0	0.0%
8.	Total applicable KPI	3,044,921	50.4%	3,044,921	50.4%	0.0	0.0%

Model 2 (Operating expenses) - Taxonomy-aligned economic activities (denominator)

Row	Economic activities	Amount (€/000) and proportion					
		CCM + CCA		Climate change mitigation (CCM)		Climate change adaptation (CCA)	
		Amount	%	Amount	%	Amount	%
1.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation 2021/ 2139 in the denominator of the applicable KPI	-	-	-	-	-	-
2.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.27 of Annexes I and II to Delegated Regulation 2021/ 2139 in the denominator of the applicable KPI	-	-	-	-	-	-
3.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation 2021/ 2139 in the denominator of the applicable KPI	-	-	-	-	-	-
4.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.29 of Annexes I and II to Delegated Regulation 2021/ 2139 in the denominator of the applicable KPI	0.0	0.0%	0.0	0.0%	0.0	0.0%
5.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation 2021/ 2139 in the denominator of the applicable KPI	0.0	0.0%	0.0	0.0%	0.0	0.0%
6.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.31 of Annexes I and II to Delegated Regulation 2021/ 2139 in the denominator of the applicable KPI	0.0	0.0%	0.0	0.0%	0.0	0.0%
7.	Amount and proportion of other taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI	606,561	34.4%	606,561	34.4%	0.0	0.0%
8.	Total applicable KPI	648,002	36.8%	648,002	36.8%	0.0	0.0%

Model 2 - (Capital Expenditure) - Taxonomy-aligned economic activities (denominator)

Row	Economic activities	Amount (€/000) and proportion					
		CCM + CCA		Climate change mitigation (CCM)		Climate change adaptation (CCA)	
		Amount	%	Amount	%	Amount	%
1.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation 2021/ 2139 in the denominator of the applicable KPI	-	-	-	-	-	-
2.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.27 of Annexes I and II to Delegated Regulation 2021/ 2139 in the denominator of the applicable KPI	-	-	-	-	-	-
3.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation 2021/ 2139 in the denominator of the applicable KPI	-	-	-	-	-	-
4.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.29 of Annexes I and II to Delegated Regulation 2021/ 2139 in the denominator of the applicable KPI	0.0	0.0%	0.0	0.0%	0.0	0.0%
5.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation 2021/ 2139 in the denominator of the applicable KPI	0.0	0.0%	0.0	0.0%	0.0	0.0%
6.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.31 of Annexes I and II to Delegated Regulation 2021/ 2139 in the denominator of the applicable KPI	0.0	0.0%	0.0	0.0%	0.0	0.0%
7.	Amount and proportion of other taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI	519,346	54.3%	519,346	54.3%	0.0	0.0%
8.	Total applicable KPI	570,795	59.7%	570,795	59.7%	0.0	0.0%

Model 3 (Revenue) - Taxonomy-aligned economic activities (numerator)

Row	Economic activities	Amount (€/000) and proportion					
		CCM + CCA		Climate change mitigation (CCM)		Climate change adaptation (CCA)	
		Amount	%	Amount	%	Amount	%
1.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation 2021/ 2139 in the numerator of the applicable KPI	-	-	-	-	-	-
2.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.27 of Annexes I and II to Delegated Regulation 2021/ 2139 in the numerator of the applicable KPI	-	-	-	-	-	-
3.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation 2021/ 2139 in the numerator of the applicable KPI	-	-	-	-	-	-
4.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.29 of Annexes I and II to Delegated Regulation 2021/ 2139 in the numerator of the applicable KPI	0.0	0.0%	0.0	0.0%	0.0	0.0%
5.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation 2021/ 2139 in the numerator of the applicable KPI	0.0	0.0%	0.0	0.0%	0.0	0.0%
6.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.31 of Annexes I and II to Delegated Regulation 2021/ 2139 in the numerator of the applicable KPI	0.0	0.0%	0.0	0.0%	0.0	0.0%
7.	Amount and proportion of other taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the numerator of the applicable KPI	1,877,488	100.0%	1,877,488	100.0%	0.0	0.0%
8.	Total amount and proportion of taxonomy-aligned economic activities in the numerator of the applicable KPI	1,877,488	100.0%	1,877,488	100.0%	0.0	0.0%

Model 3 (Operating Expenses) - Taxonomy-aligned economic activities (numerator)

Row	Economic activities	Amount (€/000) and proportion					
		CCM + CCA		Climate change mitigation (CCM)		Climate change adaptation (CCA)	
		Amount	%	Amount	%	Amount	%
1.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation 2021/ 2139 in the numerator of the applicable KPI	-	-	-	-	-	-
2.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.27 of Annexes I and II to Delegated Regulation 2021/ 2139 in the numerator of the applicable KPI	-	-	-	-	-	-
3.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation 2021/ 2139 in the numerator of the applicable KPI	-	-	-	-	-	-
4.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.29 of Annexes I and II to Delegated Regulation 2021/ 2139 in the numerator of the applicable KPI	0.0	0.0%	0.0	0.0%	0.0	0.0%
5.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation 2021/ 2139 in the numerator of the applicable KPI	0.0	0.0%	0.0	0.0%	0.0	0.0%
6.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.31 of Annexes I and II to Delegated Regulation 2021/ 2139 in the numerator of the applicable KPI	0.0	0.0%	0.0	0.0%	0.0	0.0%
7.	Amount and proportion of other taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the numerator of the applicable KPI	606,561	100.0%	606,561	100.0%	0.0	0.0%
8.	Total amount and proportion of taxonomy-aligned economic activities in the numerator of the applicable KPI	606,561	100.0%	606,561	100.0%	0.0	0.0%

Model 3 (Capital Expenditure) - Taxonomy-aligned economic activities (numerator)

Row	Economic activities	Amount (€/000) and proportion					
		CCM + CCA		Climate change mitigation (CCM)		Climate change adaptation (CCA)	
		Amount	%	Amount	%	Amount	%
1.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation 2021/ 2139 in the numerator of the applicable KPI	-	-	-	-	-	-
2.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.27 of Annexes I and II to Delegated Regulation 2021/ 2139 in the numerator of the applicable KPI	-	-	-	-	-	-
3.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation 2021/ 2139 in the numerator of the applicable KPI	-	-	-	-	-	-
4.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.29 of Annexes I and II to Delegated Regulation 2021/ 2139 in the numerator of the applicable KPI	0.0	0.0%	0.0	0.0%	0.0	0.0%
5.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation 2021/ 2139 in the numerator of the applicable KPI	0.0	0.0%	0.0	0.0%	0.0	0.0%
6.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.31 of Annexes I and II to Delegated Regulation 2021/ 2139 in the numerator of the applicable KPI	0.0	0.0%	0.0	0.0%	0.0	0.0%
7.	Amount and proportion of other taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the numerator of the applicable KPI	519,346	100.0%	519,346	100.0%	0.0	0.0%
8.	Total amount and proportion of taxonomy-aligned economic activities in the numerator of the applicable KPI	519,346	100.0%	519,346	100.0%	0.0	0.0%

Model 4 (Revenue) - Taxonomy-eligible but not Taxonomy-aligned economic activities

Row	Economic activities	Amount (€/000) and proportion					
		CCM + CCA		Climate change mitigation (CCM)		Climate change adaptation (CCA)	
		Amount	%	Amount	%	Amount	%
1.	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	-	-	-	-	-
2.	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	-	-	-	-	-
3.	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	-	-	-	-	-
4.	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	336,110	5.6%	336,110	5.6%	0.0	0.0%
5.	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	781,867	12.9%	781,867	12.9%	0.0	0.0%
6.	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	27,716	0.5%	27,716	0.5%	0.0	0.0%
7.	Amount and proportion of other taxonomy-eligible but not taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI	21,740	0.4%	21,740	0.4%	0.0	0.0%
8.	Total amount and proportion of taxonomy eligible but not taxonomy-aligned economic activities in the denominator of the applicable KPI	1,167,433	19.3%	1,167,433	19.3%	0.0	0.0%

Model 4 (OpEx) - Taxonomy-eligible but not Taxonomy-aligned economic activities

Row	Economic activities	Amount (€/000) and proportion					
		CCM + CCA		Climate change mitigation (CCM)		Climate change adaptation (CCA)	
		Amount	%	Amount	%	Amount	%
1.	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	-	-	-	-	-
2.	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	-	-	-	-	-
3.	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	-	-	-	-	-
4.	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	7,838	0.4%	7,838	0.4%	0.0	0.0%
5.	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	21,449	1.2%	21,449	1.2%	0.0	0.0%
6.	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	1,931	0.1%	1,931	0.1%	0.0	0.0%
7.	Amount and proportion of other taxonomy-eligible but not taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI	10,224	0.6%	10,224	0.6%	0.0	0.0%
8.	Total amount and proportion of taxonomy eligible but not taxonomy-aligned economic activities in the denominator of the applicable KPI	41,441	2.4%	41,441	2.4%	0.0	0.0%

Model 4 (CapEx) - Taxonomy-eligible but not Taxonomy-aligned economic activities

Row	Economic activities	Amount (€/000) and proportion					
		CCM + CCA		Climate change mitigation (CCM)		Climate change adaptation (CCA)	
		Amount	%	Amount	%	Amount	%
1.	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	-	-	-	-	-
2.	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	-	-	-	-	-
3.	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	-	-	-	-	-
4.	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	10,719	1.1%	10,719	1.1%	0.0	0.0%
5.	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	18,226	1.9%	18,226	1.9%	0.0	0.0%
6.	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	2,749	0.3%	2,749	0.3%	0.0	0.0%
7.	Amount and proportion of other taxonomy-eligible but not taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI	19,756	2.1%	19,756	2.1%	0.0	0.0%
8.	Total amount and proportion of taxonomy eligible but not taxonomy-aligned economic activities in the denominator of the applicable KPI	51,450	5.4%	51,450	5.4%	0.0	0.0%

Model 5 (Revenue) - Taxonomy-non-eligible economic activities

Row	Economic activities	Amount (€/000)	%
1.	Amount and proportion of economic activity referred to in row 1 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	-
2.	Amount and proportion of economic activity referred to in row 2 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	-
3.	Amount and proportion of economic activity referred to in row 3 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	-
4.	Amount and proportion of economic activity referred to in row 4 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0.0	0.0%
5.	Amount and proportion of economic activity referred to in row 5 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0.0	0.0%
6.	Amount and proportion of economic activity referred to in row 6 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0.0	0.0%
7.	Amount and proportion of other taxonomy-non-eligible economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI	2,855,481	47.3%
8.	Total amount and proportion of taxonomy-non-eligible economic activities in the denominator of the applicable KPI	2,855,481	47.3%

Model 5 (OpEx) - Taxonomy-non-eligible economic activities

Row	Economic activities	Amount (€/000)	%
1.	Amount and proportion of economic activity referred to in row 1 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	-
2.	Amount and proportion of economic activity referred to in row 2 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	-
3.	Amount and proportion of economic activity referred to in row 3 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	-
4.	Amount and proportion of economic activity referred to in row 4 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0.0	0.0%
5.	Amount and proportion of economic activity referred to in row 5 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0.0	0.0%
6.	Amount and proportion of economic activity referred to in row 6 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0.0	0.0%
7.	Amount and proportion of other taxonomy-non-eligible economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI	1,080,923	61.4%
8.	Total amount and proportion of taxonomy-non-eligible economic activities in the denominator of the applicable KPI	1,080,923	61.4%

Model 5 (CapEx) - Taxonomy-non-eligible economic activities (numerator)

Row	Economic activities	Amount (€/000)	%
1.	Amount and proportion of economic activity referred to in row 1 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	-
2.	Amount and proportion of economic activity referred to in row 2 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	-
3.	Amount and proportion of economic activity referred to in row 3 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	-
4.	Amount and proportion of economic activity referred to in row 4 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0.0	0.0%
5.	Amount and proportion of economic activity referred to in row 5 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0.0	0.0%
6.	Amount and proportion of economic activity referred to in row 6 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0.0	0.0%
7.	Amount and proportion of other taxonomy-non-eligible economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI	350,108	36.6%
8.	Total amount and proportion of taxonomy-non-eligible economic activities in the denominator of the applicable KPI	350,108	36.6%

Policies for the environment

[E1.MDR-P_01-06, E1-2_01, E2.MDR-P_01-06, E2-1_01, E2-1_02, E2-1_03, E3.MDR-P_01-06, E3-1_01, E3-1_02, E3-1_03, E3-1_04, E3-1_05, E3-1_06, E3-1_07, E3-1_09, E4.MDR-P_01-06, E4-2_01, E4-2_02, E4-2_04, E4-2_05, E4-2_06, E5.MDR-P_01-06, E5-1_01, E5-1_02, E5-1_03, E5-1_04]

Iren Group places environmental protection at the centre of its action and, with the aim of minimising the impacts of its activities, it adopts state-of-the-art procedures and technologies so that, as indicated by the Sustainability Policy (see the paragraph "Governance policies and tools" in the chapter Iren Group Governance), it can go beyond mere compliance with regulatory requirements and, rather, identify, assess and manage the impacts, risks and opportunities arising from relevant environmental issues, namely, climate change, pollution, water resources, biodiversity and circular economy.

The Group adopts a certified Integrated Quality, Safety and Environment Management System, which systematises the set of standards and tools that guide operations also for environmental protection and continuous improvement. This system is based on the identification and assessment of impacts, identifying their relevance for the Group and for the context in which it operates and analysing the related risks and opportunities.

In this context, in order to guide decisions and make concrete commitments to ensure responsible business management, in addition to the Sustainability Policy Iren Group has adopted an Environmental Policy.

Iren Group Environmental Policy

The Group works to improve the environmental quality and the quality of life of the communities in which it operates, through the provision of services and the creation of infrastructure to enrich and enhance the area. Through synergies across its business areas, coupled with a focus on innovation, the Group is dedicated to reducing its environmental footprint. This commitment is rooted in a sustainable development strategy that evaluates impacts, risks, and opportunities, aiming to minimize negative effects and maximize positive outcomes, with a strong awareness of the social implications tied to these issues.

This strategy is implemented through the adoption and maintenance of an Environmental Management System in compliance with the ISO 14001 standard. Each company within the Group aligns its individual policies with this overarching document.

The management actively promotes staff engagement in environmental sustainability goals, recognising that participation and awareness are essential to preventing and reducing the environmental impact of the Group's activities. This commitment supports a proactive contribution to the green transition.

Furthermore, the Group encourages its suppliers to measure and improve their environmental performance by adopting principles aligned with the Group's Environmental Policy. Suppliers are not only required to comply with legal regulations but are also expected to embrace the voluntary commitments outlined below. To this end, Iren Group evaluates and qualifies its suppliers based on environmental criteria and assesses their environmental performance in activities conducted for the Group.

In line with its sustainable development strategy and its Sustainability Policy, the Group is committed to pursuing the following environmental objectives.

Counteract climate change and reduce energy consumption by:

- setting objectives and implementing actions for climate change mitigation and adaptation in accordance with the guidelines outlined in the Group's Climate Change Risk Policy;
- optimising and improving energy performance by assessing and monitoring the energy consumption of managed processes, implementing projects, and developing services and integrated solutions for energy efficiency targeted at clients and citizens;
- investing in the development and deployment of renewable energies to reduce climate-changing emissions and to facilitate the energy transition, in line with the Paris Agreement's temperature limitation.

Preventing pollution of environmental media – air, water, and soil – by:

- identifying measures to prevent and reduce potential negative impacts on air, water, and soil;
- phasing out the use of substances of concern and replacing or reducing hazardous substances in procurement activities to minimise environmental risks;
- analysing potential emergency scenarios to avoid or mitigate the impact of possible incidents on people and the surrounding environment;
- providing training and drills for personnel to ensure a swift and effective response to environmental emergencies in case of environmental accidents.

Safeguarding the integrity of water and marine resources by:

- designing products and services that consider the protection of water resources, preservation of marine ecosystems, and the prevention and reduction of pollution, tailored to the specific territorial characteristics, business activities, and community needs;
- sourcing and using water resources responsibly to progressively reduce consumption, with particular focus on water-stressed and high-risk areas;
- adopting solutions and technologies that enable the reuse of process water and wastewater;
- improving the efficiency of water networks serving facilities and communities to ensure more sustainable water sourcing from the environment.

Protecting biodiversity and ecosystems within the organisation's areas of operation, in line with the Group's Biodiversity Policy, by:

- conducting risk analyses and evaluating direct and indirect impacts, with special attention to significant effects that the Group's activities may have on biodiversity and ecosystems;
- identifying actions, following the "mitigation hierarchy" outlined in the Group's Biodiversity Policy, to prevent negative impacts and, where unavoidable, implementing solutions to minimize, restore, or compensate for those impacts;
- procuring and consuming raw materials, components, and products that are more sustainable, promoting their traceability;
- engaging with local communities to foster synergies aimed at protecting high-biodiversity areas, enhancing urban biodiversity and ecosystems and restoring degraded ecosystems, thereby improving the conservation status of habitats and the species inhabiting them;
- protecting and conserving biodiversity in areas where the Group operates, particularly in and near sensitive or protected natural areas.

Supporting the development of a circular economy by:

- developing and managing collection systems and facilities for the recovery, recycling, and enhancing of waste, either as material or as an energy source;
- enhancing the value of waste generated by company processes in accordance with the European Union's "waste hierarchy";
- managing and using resources, products, and equipment rationally in company processes to reduce consumption and maximize recovery at the end of their lifecycle;
- conducting thorough lifecycle assessments of products - from raw material procurement to usage and disposal - to minimize the use of virgin resources, promote the use of renewable resources, and encourage the reuse of secondary (recycled) resources;
- collaborating with suppliers to implement initiatives that support the use of secondary raw materials.

The Group's Environmental Policy and Sustainability Policy, which apply to all Group Companies, are reviewed annually and, if appropriate, updated according to the results of impact, risk and opportunity assessments or when regulatory requirements, business strategies or changes in context so require, also with a view to supporting continuous improvement. The policies are disseminated and made fully available to all Group personnel via the Company intranet, and to stakeholders via publication on the website www.gruppoiren.it.

The responsibility for the application of the Sustainability Policy lies with Top Management, while the CEO is responsible for the application of the Environmental Policy, while all Group employees are expected to contribute actively.

The commitments stated in the policies are realised in the Group's business strategy, which has defined impact reduction objectives and adopts tools for the prevention, monitoring and measurement of the impact of its activities in the short, medium and long term (as illustrated in detail in the following chapters).

Environmental impacts, risks and opportunities

[E1.IRO-1_01, E2.IRO-1_01, E2.IRO-1_02, E3.IRO-1_01, E3.IRO-1_02, E4.IRO-1_01, E4.IRO-1_06, E5.IRO-1_01, E5.IRO-1_02]

The identification of the impacts, risks and opportunities relevant to Iren Group was carried out according to the process described in paragraph "Double materiality assessment" in the chapter Strategy for sustainable development.

Specifically, the identification of potential impact, risk and opportunity factors related to environmental factors and dependence on natural capital, functional to the definition of effective management strategies in line with the provisions of the Group's Sustainability Policy and Environmental Policy, was articulated in several steps:

- initial context analysis in order to screen the Company's assets and activities, covering the entire scope of the Group. In this analysis, the value chains of all the businesses managed by the Group were reconstructed and analysed, identifying the inputs, activities, stakeholders involved and outputs for each segment of the chain (upstream, own operations, downstream). In this analysis, the following sources were considered: corporate documents, environmental impact

analyses conducted by Group Companies, interviews with individual Business Units, Group Risk Register, Implementation Guidance on Double Materiality Analysis and Value Chain, published by EFRAG, OECD Guidance on Duty of Care for Responsible Business Conduct, and external expert assessments contained in publicly available reports and analyses;
- baseline analysis on impacts and dependencies focused on Iren's own operations, considering all activities managed, for a preliminary qualitative assessment based on sectoral data. In particular, the analysis was carried out for homogeneous plant types (cogeneration plants, hydroelectric production plants, waste-to-energy plants, wastewater treatment plants, etc.) - characterised by similar technological, construction and operating logics - and according to comparable geographical conditions, which, as a result, lead to the production of similar environmental effects. To carry out this clustering, the environmental aspect quantification and assessment sheets prepared within the framework of environmental management systems were used for the different activities and types of site in order to identify possible and recurring impacts. In relation to the supply chain, the main types of materials procured and the potential environmental impacts of their production were considered. At the same time, through the analysis of value chains and climate and environmental scenarios, dependencies relevant to the Group's activities were identified: these were climate change, extreme natural events, and water availability and quality;
- identification of impacts with the involvement of the affected communities, through dedicated meetings of the Iren Local Committees that include representatives of local communities from the environmental, social, economic, institutional, research, cultural and educational perspectives. In particular, the impact materiality analysis process involved the consultation of stakeholders through an online questionnaire, by which the Group collected impact assessments (scale, scope, irremediable character) from 56 experts and representatives of stakeholder categories relevant to the Group. The assessments were aggregated to those made by the Group's management;
- assessment of impacts, risks and opportunities identified according to the methodology described in the paragraph "Double materiality assessment" in the chapter Strategy for sustainable development.

The relevance analysis of impacts and dependencies related to environmental issues also identified the main risks and opportunities associated with them. In addition to these, the main operational, physical (chronic and acute), transitional (regulatory, technological, market) and reputational factors with which risks and opportunities are associated in the environmental sphere were identified, considering risks in their intrinsic value. The result of this assessment was the identification of 14 impacts, 38 risks and 11 opportunities, related to the following factors:

- climate change;
- air pollution (not GHG);
- water pollution;
- soil pollution;
- water withdrawals;
- water discharges;
- direct impact on biodiversity;
- use of resources;
- waste.

These impacts, risks and opportunities and the related actions for their effective management are detailed in the following chapters devoted to the relevant environmental issues.

Meeting the challenge of climate change

[E1.SBM-3_01, E1.IRO-1_01, E1.IRO-1_02]

The process for identifying climate-related impacts, risks and opportunities, particularly in relation to GHG emissions, has been described in the paragraph "Double materiality assessment" in the chapter Strategy for sustainable development, for the general analysis part, and in the previous paragraph for the specific process concerning environmental aspects.

IMPACTS

Negative impacts:

- Use of non-renewable energy sources, such as natural gas, in the Group's activities and production processes
- Generation of GHG (greenhouse gas) emissions by the Group through its activities and production processes

Positive impacts:

- Contribution to the achievement of national and international environmental/climate objectives through the Group's green transition plan, the reduction of the consumption of natural resources and non-renewable energy, and initiatives to raise awareness and collaboration with stakeholders
- Offering services dedicated to efficiency, power self-generation and sustainable mobility that support communities and customers in reducing their impact on climate change

RISKS

- Acute physical risk related to water (drought, heavy rainfall, flooding) with significant damage to and failure or malfunctioning of infrastructure, interruption or limitation of activities and reduction of hydropower generation, increased charges for interventions, interruption of supply of goods and services by strategic suppliers, soil pollution, impact on water quality/water stress, personnel health and safety criticalities
- Acute physical risk related to solid mass (landslides, subsidence) with significant damage to and failure or malfunctioning of infrastructure, interruption or limitation of activities, increased costs for interventions, interruption of supply of goods and services by strategic suppliers, personnel health and safety criticalities
- Chronic physical risk related to temperature (change in temperature, thermal stress, temperature variability) with damage to infrastructure, lower plant efficiency, critical issues in the provision of services, variations in the demand for gas/district heating, with a consequent reduction in revenue
- Acute temperature-related physical risk such as heat waves, cold/frost, wildfires etc.
- Change in consumer demand for products and services that favour energy saving and a lower environmental impact (e.g. green energy) (transition risk)
- Decarbonization of the thermal sector and failure to achieve renewable thermal energy targets with payment of compensatory contribution (transition risk)
- Legal/regulatory changes related to emissions/energy efficiency that have repercussions on the achievement of the Plan's objectives and the Group's economic situation (e.g. increase in costs deriving from the ETS, incentives on efficiency, penalties deriving from the tightening of regulations, etc.) (transition risk)
- Risk that the Group does not exploit the lever of technological change (e.g. investments in plants aimed at reducing emissions) and/or does not maintain the efficiency of existing infrastructures, thus not contributing to the reduction of impacts on the surrounding community and the environment, with effects on performance and competitive capacity (e.g. decrease in the market value of the plants, costs of decommissioning or upgrading obsolete plants) (transition risk)

OPPORTUNITIES

- Growth in renewable power generation contributing to decarbonization and green transition, and reduction of dependence on fossil fuels
- Policies and initiatives to support the progressive electrification of consumption that can produce positive economic effects for the Group
- Change in consumer behaviour resulting from increased sensitivity towards sustainable services/products (e.g. waste sorting, use of green/certified energy, responsible use of water resources), also thanks to environmental education and awareness campaigns and programmes carried out by the Company, which can positively affect the Group's economic performance (e.g. lower costs for treating and selecting waste for recycling, acquisition of new market shares in the sale of green energy to support the green transition) and increase operational efficiency
- Greater efficiency in the use of resources, thanks to the use adoption of innovative and technological tools with positive consequences on the Company's economic and financial performance (lower costs, higher revenue) and positive impacts on communities and reputation
- Business opportunities related to the green transition, circular economy, the territory and technological and digital evolution (e.g. services for energy efficiency and self-production, material recovery from waste, sustainable mobility, etc.) with a consequent positive impact on communities and the environment
- Reduced operating expenses and increased profit margins due to lower than expected permit price trends

Analysis of resilience to climate risks

[E1.SBM-3_01, E1.SBM-3_02, E1.SBM-3_03, E1.SBM-3_04, E1.SBM-3_05, E1.SBM-3_06, E1.SBM-3_07, E1.IRO-1_03, E1.IRO-1_04, E1.IRO-1_05, E1.IRO-1_06, E1.IRO-1_07, E1.IRO-1_08, E1.IRO-1_09, E1.IRO-1_10, E1.IRO-1_11, E1.IRO-1_12, E1.IRO-1_13, E1.IRO-1_14, E1.IRO-1_15, E1-3_02]

In order to analyse the resilience of the Group's business model and strategy to climate change, the Group carried out a climate change risk analysis and adopted a climate change risk policy that defines the guidelines, organisational/management principles and rules for the proper management of such risks (see paragraph "Climate change policies" in this chapter).

In the climate risk analysis, physical and transitional risks were considered over three time horizons (2030-2040-2050) consistent with the Business Plan. The time horizons identified are closely linked to the expected lifespan of assets, strategic planning horizons and capital allocation plans, as they enable Iren Group to assess how changes in the physical and regulatory environment may affect operations and investments over time.

In order to identify and assess exposure to climate risks and variables, the analysis was based on the climate scenarios described in the paragraph "Scenario analysis" of this chapter.

Among the effects of climate change, account is taken of extremes of atmospheric phenomena (acute physical risks) that can generate events such as droughts and fires, heat waves, cyclones, landslides, water bombs, floods; these events produce impacts on the hydrology of hydroelectric and aqueduct plants, with the related economic implications and are aspects of attention for the consequences they produce on the property assets (e.g. failures in the district heating network) and on margins (reduction due to damage to production facilities). These events also have an impact on the scheduling of the availability of thermoelectric generating units and the related scheduled maintenance. Furthermore, climate change trends determine progressive changes in climatic variables (chronic physical risks) such as temperature, which mainly impacts on the dynamics of consumption of heat for district heating, gas, water and electricity or rainfall, with impacts on the production of hydroelectric plants and on the scarcity of water resources for distribution.

For transition risks, the financial implications have been identified of possible political, market, technological and regulatory developments that may produce risks and/or opportunities for the Group, such as, for example, the costs associated with the Emissions Trading System and their variation. These risks, related to energy and climate change mitigation, have various effects on the Group's activities:

- the risk arising from the change in consumer needs towards products and services that favour energy saving and a lower environmental impact, is estimated to have an impact on the Energy BU, in particular on the thermal sector, and on the Market BU, in terms of risks and/or opportunities in the commercial sector;
- the risk arising from legal/regulatory changes related to emissions and/or energy efficiency is estimated to have an impact on the Environment BU, particularly with regard to the possible extension of the scope of application of the ETS mechanism to waste-to-energy plants;
- the risk related to the decarbonization of the thermal sector is estimated to have its greatest effects on the Energy BU, particularly on district heating, with reference to the recent evolution of legislation that requires a reduction in CO_2 emissions from the production and use of thermal energy, using renewable sources or waste heat;
- on the other hand, the risk of failure to exploit the leverage of technological change is a risk that cuts across the Group's activities and concerns the ability to maintain a competitive advantage and adequate infrastructure efficiency.

To assess the effects, the Group built mathematical models based on key metrics, such as the number of heating and cooling degree days, the percentage of power generation from renewable sources, the ratio of energy sold to district heating, losses in the water network, the number of insurance claims for catastrophic events and the failure rate in the gas distribution networks. Mathematical models combine the physical, transitional and socio-economic variables entered and return quantitative outputs (such as changes in EBITDA margin or increases in OpEx), which are used for medium- and long-term strategic planning.

Among the elements that emerged from the analysis, it was found that the Group's activities and *assets* that require significant efforts to be compatible with the transition to a low-carbon economy are represented by power generation plants from conventional sources and, to a lesser extent, gas-fuelled cogeneration plants and waste-to-energy plants, for which specific strategies described below were evaluated (see paragraph "Green transition plan" in this chapter).

The Group's planned investments in the short and medium term, such as technological improvements for infrastructure resilience and operational efficiency, and the development of facilities for renewable power generation or material recovery from waste, are driven by the need to respond promptly to immediate or increasing risks (extreme weather-related events), or to opportunities that may rapidly emerge (regulatory changes, evolving climate policies, technological innovations or progressive adoption of green technologies). In contrast, in the long run, where the focus shifts to large-scale, chronic and systemic physical risks related to the transition to a low-carbon economy, investments are geared towards reshaping the business portfolio.

From the application of the model it emerges that the actions contemplated in the Business Plan to 2030, which also outlines asset-specific investments, have a mitigating effect on the impacts of climate change.

In addition, the team carried out an analysis specifically aimed at verifying the DNSH (Do No Significant Harm) criterion of the EU Taxonomy, aimed at adaptation to climate change. A further assessment of the physical climatic risks (acute and chronic) was carried out for each activity and an adaptation plan was defined in the event of significant risk exposure, with solutions based on:

- engineering: for example, to cope with risks such as the heat wave that causes thermal stress on the cables of the electricity distribution network, by means of new ways of laying the lines and increasing the redundancy of power supply to the substations; coping with the risk of rising sea levels and the consequent physical damage to the purification plants, by building a new plant in a non-floodable area; or adapting the reefs (with more stringent criteria for the future) and measures against internal flooding (physical barriers);
- technology: for instance, to prevent landslides and potential physical harm to hydroelectric plants, monitoring systems should be activated; to prevent heat waves from affecting employee health and/or reputation due to the disruption of waste collection services, automation of collection systems (e.g. computerised eco-islands; autonomous driving) and extensive information tools should be implemented to communicate any anticipated service interruptions in the event of extreme weather-related events.

Scenario analysis

[E1.IRO-1_08, E1.IRO-1_15, E1.IRO-1_16, E1-4_24]

The climate data analysed are based on the scenarios published by the International Panel on Climate Change (IPCC), the Representative Concentration Pathways (RCPs), where the number associated with each RCP indicates the "strength" of climate change generated by human activity by 2100 compared to the pre-industrial period. The climate scenarios considered in the analysis are:

- IPCC (Intergovernmental Panel on Climate Change) RCP 2.6 which predicts a temperature increase at the end of the century compared to pre-industrial levels in a likely range between 0.3°C and 1.7°C;
- IPCC RCP 4.5, a stabilisation scenario that forecasts a temperature increase at the end of the century compared to pre-industrial levels in a likely range between 1.1°C and 2.6°C. RCP 4.5 is considered by Iren as the most representative of the current global climate and political context and consistent with the temperature increase estimates considered in the 2030 targets (Nationally Determined Contributions);
- IPCC RCP 8.5 ("business as usual") which predicts a rise in temperatures at the end of the century within a probable range of between 2.6°C and 4.8°C compared to pre-industrial levels;
- IEA Net Zero Emissions by 2050 Scenario (NZE) shows a pathway for the global energy sector to achieve zero net CO_2 emissions by 2050 and is consistent with limiting the global temperature increase to 1.5°C with no or limited temperature overshoot (with a 50% probability);
- The IEA Stated Policies Scenario (STEPS) provides a sector-by-sector assessment of the policies that have been put in place to achieve the stated and other energy-related targets, taking into account the policies and implementation measures affecting energy markets adopted by the end of August 2024, together with the related policy proposals, even if the specific measures needed to implement them have yet to be fully developed;
- The Iren scenario was elaborated taking as a benchmark AFRY's Italian market scenario and REF-E Scenario - New 2030 objectives: risks and opportunities in the energy market for RES and storage by MBS. Generally speaking, it contemplates a gradual recovery in energy demand, albeit slower than the pre-crisis 2021 trend, a gradual fall in the gas price, brought about by the gradual resolution in the medium term of geopolitical tensions and the significant entry of LNG on the European market, which nevertheless remains more expensive than the pipeline price, a trend in pun that partially follows the trend in gas, but remains supported by the impact of the strong increase in CO_2 prices related to the achievement of the targets set at European level to 2050, and a sustained development of renewables.

Internal carbon price

[E1-8_01, E1-8_02, E1-8_03, E1-8_04, E1-8_05, E1-8_06, E1-8_07, E1-8_08, E1-8_09]

In Iren Group, the internal carbon price is considered as a "shadow price" and applied to decision-making processes related to capital expenditure (CapEx), operations, risk and opportunity management, economic and financial assessments of projects and future investments, in order to ensure the achievement of the decarbonization targets defined in the Business Plan. The application of internal pricing is mandatory for certain decision-making processes, such as risk and opportunity management and economic and financial evaluations of future projects and investments.

The value of the internal carbon price is determined in alignment with the price of allowances under the European Trading System (ETS), considering an effective limit of 75 euro per tonne of CO_{2e} and a maximum price of 85 euro per tonne of CO_{2e}. The price applies to Scope 1 emissions and evolves over time, following market scenario analyses and EUA price forecasts provided by research institutes and major carbon market players. The percentage of total emissions in the reference year covered by this internal price is 82%.

The application of the internal carbon price in economic-financial evaluations of future investments is strongly correlated to the assessment of the risk of a carbon taxation system being extended to all activities: for example, focusing on waste-to-energy plants, which are currently excluded from the ETS, the Group has planned to introduce CO_2-reducing technologies by 2030, such as carbon capture and storage systems to mitigate this risk.

Climate change policies

[E1.GOV-3_01, E1.GOV-3_02, E1.GOV-3_03, GOV-3_05, E1-1_02, E1-2_01]

Iren Group sets out in its Environmental Policy and Sustainability Policy (see chapter Policies for the environment in this section) its orientation towards mitigating the risks linked to climate change and seizing the opportunities of the green transition, with the aim of contributing to combating climate change and reducing energy consumption, through:

- the definition of targets and consequent actions for climate change mitigation and adaptation;
- optimising and improving energy performance by assessing and monitoring the energy consumption of managed processes, implementing projects, and developing services and integrated solutions for energy efficiency targeted at clients and the public;
- investments in the development and deployment of renewable energies to reduce climate-changing emissions and to facilitate the energy transition, in line with the Paris Agreement's temperature limitation.

Iren Group's policies are aligned with European Directives and the Paris Agreement, and are integrated with the Climate Change Risk Policy, which defines guidelines for climate risk management. The Group also adheres to the principles of the UN Global Compact and aligns itself with the 2030 Agenda for Sustainable Development.

The Climate Change Risk Policy carefully analyses risk factors, both physical and transitional, and establishes management strategies (exclusion, acceptance and management), as well as providing reporting guidelines, ensuring information transparency vis-à-vis all stakeholders. The Policy applies to all Group Companies and the production chain, in order to provide an integrated risk assessment along the entire value chain.

Climate change risk management is an integral part of the Enterprise Risk Management system that allows not only to monitor exposure to damaging events, but also to seize opportunities arising from changes in the external environment, contributing to the achievement of Sustainable Development Goals (SDGs), both nationally and internationally. The Policy distinguishes physical risks from impact at Group level, focusing on risks deemed relevant, defined according to the assessment thresholds adopted by the ERM system.

Remuneration Policy

The Remuneration Policy (see paragraph on "Remuneration policies" in the chapter Iren Group Governance) is a tool to support the implementation of the Group's medium- and long-term strategies for sustainable development, including climate change mitigation strategies.

The Policy defines, for Executive Directors (Chairperson, Deputy Chairperson and Chief Executive Officer) and for Senior Executives with Strategic Responsibilities, sustainability objectives, in line with the Business Plan, to the achievement of which a significant component of short- and long-term variable remuneration is subordinated. A significant portion is linked to performance objectives on climate change. The climate-related goals covered by the short- and long-term reward scheme are related to the areas of decarbonization, circular economy, sustainable use of water resources and the development of resilient cities.

In short-term variable remuneration, ESG targets have a weight of 30% of the total variable remuneration, of which an average of 60% for climate-related targets. The long-term variable remuneration - LTI Plan 2022-2024 (Long Term Incentive) - is subject to passing a "gate" condition and achieving sustainability targets, which account for 25% of the total variable remuneration, of which 80% for climate-related targets.

Green transition plan

[E1-1_01, E1-1_03, E1-1_04, E1-1_06, E1-1_07, E1-1_08, E1-1_11, E1-1_12, E1-1_13, E1-1_14, E1.MDR-A_01-12, E1-3_01, E1-3_03, E1-3_04, E1-3_05, E1-3_06, E1-3_07, E1-3_08]

The Green Transition Plan is one of the pillars of Iren Group's strategy: the strategies, defined downstream from the analysis of impacts, risks and opportunities, the resilience analysis and consistent with the Group's policies, are translated into actions within the Green Transition Plan and included in the 2030 Business Plan, approved by the Board of Directors, with the definition of the investments necessary for their implementation and the effects on the Group's financial performance.

The Climate Change Transition Plan has a medium- (2027) and long-term (2030) time horizon and is based on four focus areas, each contributing to the GHG reduction targets of the entire value chain: decarbonization, water resources, circular economy and resilient cities.

The Group undertakes to extend the horizon of the Green Transition Plan to 2050, evaluating possible options for achieving climate neutrality at that time horizon.

Focus areas	Actions	Expected result
Decarbonization	• **reshaping the power generation mix** with an increase in generation from renewable sources, particularly hydro, solar and wind power • **reduction of generation from conventional sources** not enabling district heating service • **introduction of CO_2 emission capture technologies** in waste-to-energy • **reduction of energy consumption** in generation processes • progressive substitution of purchased electricity with **GO-certified energy** • **reduction of fossil fuel consumption** through the use of hydrogen and biomethane blended with natural gas and electrification of the Company's vehicle fleet	Achieve the decarbonization targets defined in the Business Plan to 2030, verified and certified by Science-Based Targets initiative (SBTi)
Circular economy	• **increasing the percentage of sorted collection** in the local areas served to enable the waste-to-energy chain • **enhancement of waste as a material** through the construction of new plants, with a significant increase in treatment capacity • **production of biomethane from biodegradable waste** by enhancing the organic and vegetable fraction of waste managed • **closure of the management cycle of non-recoverable waste** with its energy enhancement (generation of electric and thermal power) See also the chapter Supporting the circular economy	Contribute significantly to the reduction of resource use for the production of goods, the reduction of GHG emissions and the replacement of fossil fuels with renewable sources
Water resources	• **reduction of leakages in the managed water network** also thanks to its progressive division into districts, which allows timely monitoring of efficiency See also the chapter Sustainable use of water and marine resources	Increasing the efficiency, including energy efficiency, of the integrated water service and reducing resource wastage to combat water scarcity and water stress
Resilient cities	• **development of products and services offered to customers** and communities in the field of energy efficiency (e.g. energy upgrading of buildings and public lighting systems), sale of GO-certified renewable energy and extension of district heating with a significant contribution to improving air quality in cities See also the chapters Customer orientation and Sustainable development of local communities	Supporting customers and communities in reducing GHG emissions

The **decarbonization levers** identified by Iren Group to reduce GHG emissions and mitigate climate change are transversal to the Green Transition Plan areas and can be categorised as follows:

- **use of energy from renewable sources,** through the development of 2,060 MW of installed renewable power capacity (+240% in 2030 compared to the 2020 base year); growth in electricity generated from renewable sources, particularly photovoltaic and wind power (+170% in 2030 compared to 2020), and simultaneous remodelling of fossil fuel power generation, through the development of new renewable plants; total replacement of electricity from conventional sources purchased by the Group with GO-certified electricity;
- **technological and process innovation,** for example through the installation of CO_2 capture technologies at the Group's main waste-to-energy plants;
- **transition to low-carbon fuels**, e.g. with a gradual introduction of hydrogen and biomethane blending with natural gas in the largest cogeneration plants (+11% in 2030 compared to 2020) and the gradual electrification of the Group's vehicle fleet (+130% in 2030 compared to 2020);

- **commercial initiatives** that support the progressive electrification and reduction of consumption, also supported by the production of electricity from renewable sources, through the development of services for domestic, business and public administration customers, in particular for the energy efficiency of buildings, and of commercial initiatives to shift the customer base to electricity.

In 2024, 665 million euro were invested in the implementation of the actions envisaged in the focus areas of the Transition Plan, as illustrated above, representing 65% of the total investments made (amounting to 942 million euro for investments in property, plant and equipment and intangible assets, investments in financial assets and acquisition of subsidiaries, as reported in "Statement of Cash Flows - Change in Net Financial Debt") and energy efficiency work for customers (amounting to 74 million euro) for a total of 1,016 million euro. See the chapter European Taxonomy for the breakdown of these investments on the Group's activities and the related OpEx, including gas expenses.

Within the framework of the 2030 Business Plan, and consistent with these focus areas, several Group objectives have been defined, including GHG emission reduction targets, which contribute to climate change mitigation; an in-depth description of the stakeholders involved, the methodologies used, the 2024 achievements and the reference SDGs, is developed in the paragraph "Climate targets" of this chapter.

In the Group's Business Plan to 2030, **investments** totalling 8.2 billion euro are contemplated, about 70% of which, together with about 40% of the planned operating expenses, will be allocated to the four focus areas of the Transition Plan and aimed at maintaining and increasing the alignment of the Group's activities with the **EU Taxonomy**. Specifically, these are investments and operating expenses intended for:

- renewable sources (photovoltaic, wind and hydroelectric) (CCM 4.1/CCM 4.3/CCM 4.5 Taxonomic activities);
- low-carbon electricity and gas distribution (CCM 4.9/CCM 4.14 Taxonomic activities);
- electric and thermal energy storage (CCM 4.10/CCM 4.11 Taxonomic activities);
- district heating (CCM 4.15);
- water systems and water network leakage control technologies (CCM 5.1/WTR 1.1);
- wastewater collection and treatment systems (CCM 5.3/WRT 2.2);
- sorted waste collection (CCM 5.5);
- recovery of organic waste by anaerobic digestion or composting (CCM 5.7/CCM 5.8/CE 2.5);
- collection and transport of non-hazardous and hazardous waste (CE 2.3/PPC 2.1);
- treatment of hazardous waste (PPC 2.2);
- sorting and recovery of materials from non-hazardous waste (CCM 5.9 / CE 2.7);
- Company fleet vehicles and recharging stations at Company premises (CCM 6.5/CCM 7.4).

Based on the Green Transition Plan's forecasts, the Group's main sources of **locked-in GHG emissions** are electricity and heat production plants (cogeneration and waste-to-energy) for which specific reduction targets have been set in the Group's Business Plan. In particular, emissions from cogeneration plants are expected to be progressively reduced through the introduction of hydrogen and green gas blending with methane gas. Furthermore, with regard to the enhancement of waste with the generation of electricity and heat, which Iren Group manages to close the waste cycle and to feed district heating, investments in CO_2 capture technologies are planned. The permanence of locked-in GHGs is also considered in the transition risk assessment, particularly in connection with the possible extension of the ETS to waste-to-energy plants, with increased costs in connection with emissions related to the non-biogenic share of waste, which, according to Group estimates, is expected to be around 340,000 tonnes by 2030.

[E1-3_03]

Reduction in GHG emissions achieved compared to base year 2020 (tCO_2eq)	2024
Energy efficiency and consumption reduction	-250,214
Renewable sources	-473,098
Process modification	-2,344
Scope changes	20,321
Other	-100,638
Total	-805,973

[E1-3_04]

Projected GHG emission reduction compared to base year 2020 (tCO_2eq)	2030
Energy efficiency and consumption reduction	-740,594
Renewable sources	-1,047,672
Process modification	-987,824
Total	-2,776,090

According to the exclusion criteria defined in Commission Delegated Regulation (EU) 2020/1818 defining minimum standards for indices used as references for financial instruments and financial contracts or to measure the performance of investment funds aligned with the Paris Agreement, the Group is not excluded from such indices.

Sustainable finance for climate change

[E1-3_05]

One of the levers enabling the achievement of the Group's Business Plan targets is sustainable finance (see paragraph "Sustainable finance instruments" in the chapter Strategy for sustainable development): the full integration of environmental, social and governance (ESG) factors into strategy and operations makes it possible to combine investment, sustainability and financing sources and represents a driver of growth and value creation for all stakeholders. To support its sustainable investment strategies, the Group has over time made increasing and diversified use of numerous ESG financial instruments, which accounted for 89% of the Group's total funding sources at the end of December 2024.

Group performance

Energy consumption and mix

[E1-5_01, E1-5_02, E1-5_03, E1-5_04, E1-5_05, E1-5_06, E1-5_07, E1-5_08, E1-5_09, E1-5_10, E1-5_11, E1-5_12, E1-5_13, E1-5_14, E1-5_15, E1-5_16, E1-5_17, E1-5_18, E1-5_19, E1-5_20, E1-5_21, E1-5_22, E1-5_23]

The **direct energy consumption** of the Group concerns the use of fuels for the generation of electricity and heat (co-generation plants, thermal plants, boilers, waste-to-energy plants and landfills), and the non-renewable primary energy flows not directly associated with the production of energy (e.g. site heating, fuel for the Company vehicle fleet, etc.), used in carrying out its activities.

The Group's high-impact sectors are electricity and heat generation, district heating, gas distribution, electricity distribution, public lighting, gas and electricity sales, integrated water service and environmental services.

The Group's consumption also includes **indirect consumption**, consisting of electricity purchased and consumed for both offices and plants. The electricity used by the power generation plants is self-generated and can be partly purchased from third parties, if the needs exceed self-generation.

[E1-5_01, E1-5_02, E1-5_03, E1-5_04, E1-5_05, E1-5_06, E1-5_07, E1-5_08, E1-5_09, E1-5_15]

Energy consumption and energy mix (MWh)	2024
Fuel consumption from coal and coal products	0
Fuel consumption from crude oil and petroleum products	213,715
Fuel consumption from natural gas	13,894,772
Fuel consumption from other fossil sources	44,178
Consumption of purchased or acquired electricity, heat, steam and cooling from fossil sources	160,922
Total fossil energy consumption	**14,313,587**
Share of fossil sources in total energy consumption (%)	95.80%
Consumption from nuclear sources	**5,342**
Share of consumption from nuclear sources in total energy consumption (%)	0.04%
Fuel consumption from renewable sources, including biomass	322,941
Consumption of purchased or acquired electricity, heat, steam and cooling from renewable sources	273,064
Consumption of self-generated non-fuel renewable energy	25,958
Total renewable energy consumption	**621,963**
Share of renewable sources in total energy consumption (%)	4.16%
Total energy consumption	14,940,892

[E1-5_16, E1-5_17]

Power generation (MWh)	2024
Power generation from fossil sources	9,918,287
Power generation from renewable sources	2,294,361
Annual electricity generation of the Group – Total	9,337,955
Annual thermal power generation of the Group – Total	2,874,693

[E1-5_18, E1-5_19, E1-5_22, E1-5_23]

Energy intensity	2024
Total energy consumption of activities in high climate impact sectors compared to net revenue from these activities (MWh/euro)	0.0025
Net revenue from activities in high climate impact sectors used for the calculation of energy intensity (euro)	5,899,832,059
Net revenue (other) (euro)	143,293,222
Total net revenue (balance sheet) (euro)	6,043,125,281

This amount represents total Income Statement Revenue and is composed of "Revenue from goods and services" and "Other income", detailed in Notes 33 and 34 of Chapter "XI. Notes to the Income Statement".

GHG emissions

[E1-6_01, E1-6_02, E1-6_03, E1-6_04, E1-6_07, E1-6_08, E1-6_09, E1-6_10, E1-6_11, E1-6_12, E1-6_13, E1-6_15, E1-6_16, E1-6_17, E1-6_18, E1-6_19, E1-6_20, E1-6_21, E1-6_22, E1-6_23, E1-6_24, E1-6_25, E1-6_26, E1-6_27, E1-6_28, E1-6_29, E1-6_30, E1-6_31, E1-6_32, E1-6_33, E1-6_34, E1-6_35]

Greenhouse gas (GHG) emissions are produced by Iren Group directly in its operational processes (scope 1) and indirectly both through the possible procurement of electricity from third parties (Scope 2) and along the value chain (Scope 3). In the following tables, they are considered and reported as GHG (CO_2 equivalent) emissions:

- Scope 1: direct emissions from Group-owned sources, such as combustion to generate energy, exhaust gases from Company vehicles, methane leaks during gas distribution, fluorinated gases used in electrical and refrigeration systems, and fuel consumption to heat buildings;
- Scope 2: indirect emissions from electricity purchased and consumed both at the Group's plants and offices;
- Scope 3: indirect emissions along the value chain, not directly controlled by the Group.

Scope 1 GHG emissions

[E1-6_12, E1-6_13]

Total GHG emissions (tCO_2eq)	2024
Total GHG emissions (location-based)	7,106,673
Total GHG emissions (market-based)	7,176,997

[E1-6_07]

Scope 1 GHG emissions by operating segment (tCO_2eq)	2024
Net energy output	**3,351,322**
Cogeneration	1,943,845
Boilers	94,661
Thermoelectric	862,821
Waste-to-energy plants (non-biogenic portion)	449,995
Methane releases from the gas distribution network	**18,695**
Other direct emissions	**45,878**
Process utilities, general services, site heating	12,421
Activities supporting generation	530
Company vehicles	32,927
Total	3,415,895

[E1-6_03]

Scope 1 GHG emissions by source type (tCO_2eq)	2024
Stationary combustion	3,351,322
Mobile combustion	32,927
Process emissions	12,951
Fugitive emissions	18,695
Total	3,415,895

[E1-6_08]

Scope 1 GHG emissions included in ETS (%)	2024
Scope 1 GHG emissions covered by regulated emissions trading schemes	85%

[E1-6_17]

Scope 1 biogenic GHG emissions (tCO_2eq)	2024
Waste-to-energy plants (biogenic portion)	468,361
Landfills	53,268
Biodigesters	5,906
Wastewater treatment plants	3,255
Total	530,790

Below are the methodologies, significant assumptions and emission factors used to measure Scope 1emissions:

- power generation plants: emissions are calculated on the basis of the consumption of fuels used for power generation (electricity and/or heat) in the reference period and on the basis of the fuel emission coefficients published in the latest available update of the National Standard Parameters table of the Ministry for the Environment and Energy Security;
- company vehicles: emissions are calculated on the basis of kilometres travelled by each vehicle in the company fleet and vehicle category, using the latest available emission coefficients from INEMAR - ARPA Lombardia (2018);
- fugitive emissions of methane from the gas distribution network: these are calculated based on the volume of methane distributed in the network, assuming a gas leakage rate value of 0.1% and a Global Warming Potential (GWP) of methane of 27;
- other emissions from power generation processes and Group activities: these are calculated on the basis of the consumption of fuels used for activities ancillary to production processes (heating, air conditioning and other activities) in the reference period on the basis of the fuel emission coefficients published in the latest available update of the National Standard Parameters table of the Ministry for the Environment and Energy Security and on the specific GWPs for individual fluorinated gases.

Scope 2 GHG emissions

[E1-6_09, E1-6_10]

GHG emissions – Scope 2 (tCO_2eq)	2024
Gross location-based GHG Scope 2 emissions	114,197
Gross market-based Scope 2 GHG emissions	184,521

[E1-6_24]

Scope 2 biogenic GHG emissions (tCO_2eq)	2024
Gross location-based GHG Scope 2 emissions - biogenic share	18,919
Gross market-based Scope 2 GHG emissions - biogenic share	1,170

The methodologies, significant assumptions the emission factors, used to measure Scope 2 emissions are as follows:

- location-based: emissions are calculated based on the consumption of electricity used by the Group for its activities and the average emission intensity value of the networks where energy consumption occurs, using the average emission factor of the networks published in the latest available update of the Italian National Inventory Report by ISPRA (institute for environmental protection and research). The figure for location-based Scope 2 biogenic emissions is calculated on the basis of the share of biopower generation in the total energy produced nationwide, provided in the latest available version of Terna's energy balance;
- market-based: emissions are calculated on the basis of the consumption of electricity used by the Group for its activities and the type of electricity purchased. Emissions are, therefore, obtained by setting at zero emissions the share of electricity purchased from renewable sources certified by Guarantee of Origin (16% of total purchased energy) and multiplying the share of electricity purchased from non-renewable sources by the emission factor that refers to the latest available figure of the national residual mix published in the AIB's European Residual Mixes. For the calculation of the figure for biogenic purpose 2 market-based emissions, the share is always taken from the latest available version of AIB's European Residual Mixes.

Scope 3 GHG emissions

[E1-6_04, E1-6_11]

Scope 3 GHG emissions by category (tCO_2eq)	2024
1. Purchased goods and services	670,779
1.1 Cloud computing and data centre services	19,117
2. Capital goods	47,541
3. Fuel and energy-related activities (not included in Scope 1 or 2)	422,044
4. Upstream transportation and distribution	35,109
5. Waste generated in operations	79,367
6. Business travelling	460
7. Employee commuting	12,283
8. Upstream leased assets	3,072
9. Downstream transportation and distribution	0
10. Processing of sold products	0
11. Use of sold products	2,218,966
12. End-of-life treatment of sold products	0
13. Downstream leased assets	426
14. Franchising	0
15. Investments	67,417
Total	3,557,464

[E1-6_25]

Scope 3 GHG emissions from primary supplier data (%)	2024
Scope 3 GHG emissions obtained from primary data of suppliers or value chain partners	4%

[E1-6_28]

Scope 3 biogenic GHG emissions (tCO_2eq)	2024
Biogenic Scope 3 GHG emissions	55,733

The methodologies, significant assumptions and emission factors used to measure Scope 3emissions are summarised below:

- category 1 (purchased goods and services), category 2 (capital goods), category 4 (upstream transportation and distribution) and category 8 (upstream leased assets): the methodology for calculating emissions was updated in 2024, supplementing the spend-based methodology (turnover from suppliers) with a supplier-specific approach. In fact, for suppliers active on the Open-Es portal, the Scope 1, 2 and 3 emissions declared by them are taken into account and are weighted according to the percentage of their turnover towards Iren Group. For companies not registered on the Open Es portal, turnover in the year is analysed and emissions related to each type of goods and services purchased are estimated using the UK Government GHG Conversion Factors for Company Reporting (DEFRA) and U.S. Environmental Protection Agency - Supply Chain Greenhouse Gas Emission Factors by NAICS-6, specific to each category;
- category 3 (fuel and energy-related activities - not included in Scope 1 or 2): emissions are calculated on the basis of fuel and electricity consumption used by the Group and the UK Government GHG Conversion Factors for Company Reporting (DEFRA) Well-to-Tank (WTT) emission factors. These factors make it possible to quantify the emissions associated with the extraction, processing and transport of purchased fuels and electricity. Emission factors are kept constant and equal to the base year 2020 for the purposes of comparability over the years and monitoring of the target validated by SBTi;
- category 5 (waste generated in operations): emissions are calculated on the basis of waste produced by the Group and emission factors from the Ecoinvent 3.7.1 database processed using the Simapro software;
- category 6 (business travelling): emissions are calculated by the Group's travel agency (which manages all Group employee travel), Cisalpina Tours, which has established a partnership with Rete Clima to analyse the environmental impacts of its customers. For the calculation of CO_2 emissions, all services booked through the travel agency portal (plane, train, rentals, hotel) are considered.
- category 7 (employee commuting): from 2024 onwards, emissions are calculated on the basis of data from the Group's home-work commuting plan, based on employees' answers to a questionnaire concerning the kilometres travelled each day to get to the office, repartitioned on the average number of Group employees. The conversion factors used are derived from ISPRA's database of average emission factors for road transport;

- category 11 (use of sold products): emissions are calculated on the basis of the volumes of gas distributed to end users multiplied by the emission factor related to gas combustion, as published in the latest available update of the Italian National Inventory Report by ISPRA;
- category 13 (downstream leased assets): emissions are calculated based on rental and lease income and emission factors from UK Government GHG Conversion Factors for Company Reporting (DEFRA) and U.S. Environmental Protection Agency - Supply Chain Greenhouse Gas Emission Factors by NAICS-6;
- category 15 (investments): emissions are calculated by multiplying the revenue of investees not consolidated on a line-by-line basis (in proportion to the Group's share of ownership) by the emission factors set out in UK Government GHG Conversion Factors for Company Reporting (DEFRA) and U.S. Environmental Protection Agency - Supply Chain Greenhouse Gas Emission Factors by NAICS-6.

For categories 1 to 13, listed above, data are reported for all the consolidated companies of Iren Group and non-consolidated investees that are part of the value chain, in relation to the type of activity considered by the category. Category 15 includes issues by non-consolidated investee that are not part of the value chain.

The following Scope 3 emission categories are not considered applicable:

- category 9 (downstream transportation and distribution): given the nature of the activities managed by Iren Group, downstream transport and distribution activities by third parties are not relevant and therefore, if there are emissions relating to this category, they are included in category 4 (upstream transport and distribution), the calculation criteria for which are the same as for category 9;
- category 10 (processing of sold products): the sale of intermediate products requiring transformation processes is not applicable for Iren Group, which is mainly active in the sale of services and energy commodities;
- category 12 (end-of-life treatment of sold products): the sale of products is not relevant for Iren Group, which is mainly active in the sale of services and energy commodities. Consequently, Scope 3 emission category 12 is not applicable;
- category 14 (franchises): the Group does not operate any franchised business and therefore the issues arising from this category are not applicable.

It should be noted that the information regarding the Scope 1, Scope 2 and Scope 3 emissions of the companies in the value chain may refer, if data for the year 2024 is not available at the closing date of this report, to the previous financial year, assuming that the size of the business operated by these companies has not changed significantly. This ensures the use of the latest available data from the entities in the value chain. The reference period considered is always the full financial year for all entities in the value chain, maintaining consistency and comparability of data used in the calculation of GHG emissions. This uniformity allows for accurate and reliable measurement of emissions along the value chain.

[E1-6_30, E1-6_31, E1-6_33, E1-6_34, E1-6_35]

Emissions intensity (tCO_2eq/€)	2024
Total GHG emissions (position-based) per net revenue [1]	0.0012
Total GHG emissions (market-based) per net revenue	0.0012

[1] The revenue used for the calculation refers to the amount represents the total revenue in the Income Statement and is composed of "Revenue from goods and services" and "Other income", detailed in Notes 33 and 34 in Chapter "XI. Notes to the Income Statement".

GHG uptake and storage

[E1-7_01, E1-7_03, E1-7_04, E1-7_05, E1-7_06, E1-7_07, E1-7_08, E1-7_10, E1-7_11, E1-7_13, E1-7_14, E1-7_16, E1-7_17, E1-7_18, E1-7_19]

To contribute actively to the reduction of emissions, Iren Group has developed and implemented a number of projects aimed at the absorption and storage of greenhouse gases. These initiatives, ranging from the creation of urban green areas to CO_2 recovery, represent a tangible contribution to reducing the carbon footprint generated by the Group's activities.

The Heat Garden	
The Heat Garden project saw the creation of a green structure, consisting of terraces and roof gardens, of over 2,500 m^2 in the areas adjacent to one of the Group's heat storage plants (San Salvario - TO), with the aim of increasing the absorption capacity of atmospheric carbon, improving air quality and mitigating the environmental and visual impact of technological infrastructures. The quantification of the CO_2 absorbed by the plant is carried out considering the number and type of trees planted. Each tree species is associated with an annual CO_2 absorption rate, the value of which is taken from literature sources and industry publications. Through these measures, The Heat Garden project contributes concretely to the mitigation of greenhouse gas emissions and environmental protection in the areas served by district heating in the San Salvario neighbourhood	
Greenhouse gases (GHG) concerned	carbon dioxide (CO_2)
Type of absorption and storage	CO_2 absorbed through a planting process in terraces and roof gardens (afforestation) in urban areas
Amount of GHG absorbed in 2024	25 tCO_2eq
Qualification as a nature-based solution	The initiative is part of the Nature-based Solutions (NbS), as afforestation contributes to CO_2 reduction and also improves biodiversity while reducing air pollution
Managing the risk of non-permanence	To ensure that the carbon absorbed is maintained in the long term, the project includes measures to monitor and maintain the green areas: • selection of native and resistant tree species to improve the adaptability of plants and reduce the risk of mortality • periodic monitoring of afforested areas to assess the growth and efficiency of CO_2 absorption • management plans for the care and replacement of plants in the event of loss due to disease or extreme weather-related events

Urban forest in the vicinity of the Integrated Environmental Hub (PAI) of Parma	
Near the Integrated Environmental Hub (PAI), an urban forest has been planted with more than 3,000 trees and shrubs over an area of 30,000m^2. The project contributes concretely to the mitigation of GHG emissions and the environmental redevelopment of adjacent, predominantly industrial areas.	
Greenhouse gases (GHG) concerned	carbon dioxide (CO_2)
Type of absorption and storage	CO_2 absorbed through a process of planting trees and shrubs (afforestation)
Amount of GHG absorbed in 2024	Given the recent construction of the forest, the quantities of GHG absorbed will be available from 2025 onwards
Qualification as a nature-based solution	The initiative is part of the Nature-based Solutions (NbS), as afforestation contributes to CO_2 reduction and also improves biodiversity while reducing air pollution
Managing the risk of non-permanence	To ensure that the carbon absorbed is maintained in the long term, the project includes measures to monitor and maintain the forest. This includes the selection of native plants typical of the landscape and surrounding forests, i.e. the oak-harvest belt, to improve the plants' adaptability and reduce their risk of mortality

CO_2 food grade to biodigestion of organic waste	
The biodigestion plant in Reggio Emilia, which became operational in 2022, processes the separated organic fraction of food residues and pruning clippings into important resources: compost, biomethane and biogenic CO_2. Thanks to an innovative process, biogenic CO_2 is purified and liquefied to the required quality for reuse in the food and beverage sector (food grade), and then marketed, thanks to an agreement with NIPPON Gases, in the food chain	
Greenhouse gases (GESGHG) concerned	carbon dioxide (CO_2)
Type of absorption and storage	The CO_2 absorbed and sold is CO_2 avoided (i.e. not released into the atmosphere) thanks to its recovery from the biogas upgrading section into biomethane. The biogas produced by anaerobic digestion is a gaseous mixture consisting mainly of methane and CO_2. CO_2 absorption occurs through a hybrid process. In the refining (upgrading) section, the biogas is pre-treated to remove volatile organic compounds and hydrogen sulphide and then sent to a membrane separation system. Two streams are generated by membrane treatment: methane flow and carbon dioxide (CO_2) flow. The CO_2 stream is purified to obtain food-grade carbon dioxide through the following treatments: compression, cooling (with condensate draining), purification (activated carbon filters) and drying, dust filtration, liquefaction and purification from non-condensable gases. The liquefied CO_2 is then stored in 2 tanks of approximately 50 t each
Amount of GHG absorbed in 2024	1,482 tCO_2eq
Qualification as a nature-based solution	Qualification as a nature-based solution is not applicable, as it is a technological solution
Managing the risk of non-permanence	The section of the plant dedicated to the treatment and storage of CO_2 is characterised by monitoring measures and constant maintenance. A biomethane traceability system compliant with the National Certification System (NCS) of the sustainability of biofuels and bioliquids is implemented (system certified by an accredited third party from November 2022). An HACCP (Hazard Analysis and Critical Control Points) system has also been implemented, in accordance with the requirements of Regulation (EC) 852/2004 as amended on food hygiene

Financing projects with carbon credits

[E1-7_03, E1-7_12, E1-7_13, E1-7_16, E1-7_17, E1-7_20, E1-7_21, E1-7_22, E1-7_23, E1-7_24, E1-7_25]

The Group has not currently defined a path towards carbon neutrality and the possible purchase of carbon credits for this purpose will be evaluated in the future.

As of 31 December 2024, the Group has written off 2,581 carbon credits (Clean Development Mechanism) to cover the volumes of gas sold under the “offset gas” offer, which was initiated in previous years and is no longer renewed. The carbon credits finance two emission reduction projects and relate to the construction of two hydropower plants in Vietnam and Uganda.

Climate targets

[E1.MDR-T_01-13, E1-1_02, E1-1_15, E1-4_01, E1-4_02, E1-4_07, E1-4_08, E1-4_12, E1-4_13, E1-4_16, E1-4_18, E1-4_20, E1-4_22, E1-4_23, E1-4_24]

Iren Group's targets, included in the 2030 Business Plan, concretise the implementation of the Sustainability Policy. Below are the targets directly related to climate change mitigation and adaptation. It should be noted that other targets of the Business Plan, particularly related to the sustainable use of water resources and the circular economy (for which see the dedicated chapters), also generate a significant contribution in terms of climate change mitigation, through the reduction of non-renewable resources consumption and GHG emissions.

The GHG emission reduction targets, verified and certified by SBTi, were adopted by the Group in 2020 and are aligned with the "well-below two degrees" scenarios, consistent with the Paris Agreement's goal of limiting the global temperature increase to well below 2°C compared to pre-industrial levels and the intent to pursue efforts to limit the temperature increase to 1.5°C.

In view of the acceleration introduced in 2023 by the completion of the EU "Fit for 55%" regulatory package and the outcomes of COP28 - which concluded with the approval of a document recognising the need for deep, rapid and lasting reductions in GHG emissions, in line with the goal of limiting the temperature increase to 1.5°C - Iren Group has begun internal analyses for a reassessment of its targets, which will, in any case, be reviewed by 2026.

The **GHG reduction targets** are:

- 47% reduction in the carbon intensity of power generation (Scope 1) by 2030 compared to 2020;
- zeroing of Scope 2 emissions, calculated according to the GHG Protocol market-based methodology, by supplying 100% renewable electricity by 2030;
- 25% reduction in Scope 3 emissions related to the use of products sold (category 11) and 13% reduction in Scope 3 emissions related to the purchase of energy (category 3), at 2030 compared to 2020.

The definition of the targets is based on the GHG inventory prepared by the Group according to the GHG Protocol Accounting Standards methodology, which stipulates that the targets refer to certain percentage levels of its emissions inventory and that no carbon credits, removals or avoided emissions are included in the calculation.

The base year for the targets is 2020, identified as being representative of the normal course of the Group's business, not significantly influenced by external factors and substantially in line with the performance of the previous two years.

Reduction of the carbon intensity of power generation (Scope 1 GHG)				
Main scope	power generation/own operations			
Stakeholders engaged	environment, business customers, community, suppliers, investors			
Target/Results (gCO^2/kWh) (intensity)	Base year 2020	2024 Results	2027 (medium-term)	2030 (long-term)
	332	315	287	176
Methodologies, assumptions and scientific data used	The target is calculated following the methodology provided by the GHG Protocol and Science-Based Target initiative; the assumptions on decarbonization levers underlying the forecasts are based on what is forecast by the climate scenarios in line with the WB2D trajectory (see the paragraph " Scenario analysis" in this chapter), on projections of energy market trends, on SNAM's (the national methane pipeline company) scenarios for the hypotheses of the development of hydrogen and biomethane blends in gas distribution networks, on internal technical studies for their use in the Group's power generation plants, and on specialist studies on the applicability of CO_2 capture technologies in waste-to-energy plants. The Scope 1 emissions target refers to 95% of the Group's total Scope 1 emissions in the base year.			
2024 Results	The result is in line with expectations, the trend is downward by virtue of investments in renewables (photovoltaics and wind power) and the increase in hydropower generation in 2024, a particularly rainy year			
SDGs				

Zeroing of Scope 2 emissions due to 100% supply of GO renewable electricity

Main scope	transversal to all services managed by the Group/own operations			
Stakeholders engaged	environment, community			
Target/Results (%) (intensity)	Base year 2020	2024 Results	2027 (medium-term)	2030 (long-term)
	0	16	95	100
Methodologies, assumptions and scientific data used	The target is calculated following the methodology provided by the GHG Protocol and Science-Based Target Initiative; the assumptions underlying the forecasts are based on what is predicted by the climate scenarios in line with the WB2D trajectory (see paragraph "Scenario analysis" in this chapter) and on projections of energy market developments. The target covers 100% of Scope 2 emissions			
2024 Results	The result is in line with expectations			
SDGs				

Reduction of Scope 3 emissions related to the use of products sold (category 11 of the GHG Protocol)

Main scope	customer care/own operations/downstream value chain		
Stakeholders engaged	environment, community, investors		
Target/Results (%) (absolute)	Base year 2020	2024 Results	2030 (long-term)
	target expressed as % reduction from base year	-10%	-25%
Methodologies, assumptions and scientific data used	The target is calculated following the methodology provided by the GHG Protocol and Science-Based Target Initiative; the assumptions underpinning the forecasts are based on the climate scenarios in line with the WB2D trajectory (see paragraph Scenario analysis in this chapter), on hydrogen market development projections and on SNAM's scenarios for the assumptions on the development of hydrogen and biomethane blends in gas distribution networks. Scope 3 targets refer to 72% of the Group's base year Scope 3 emissions		
2024 Results	The result is in line with expectations		
SDGs			

Reduction of Scope 3 emissions related to energy purchase (GHG Protocol category 3)

Main scope	transversal to all services managed by the Group/own operations		
Stakeholders engaged	environment, suppliers, investors		
Target/Results (%) (absolute)	Base year 2020	2024 Results	2030 (long-term)
	target expressed as % reduction from base year	-12%	-13%
Methodologies, assumptions and scientific data used	The target is calculated following the methodology provided for by the GHG Protocol and Science-Based Target initiative; the assumptions on decarbonization levers underlying the forecasts are based on the climate scenarios in line with the WB2D trajectory (see paragraph "Scenario analysis" in this chapter), on projections of energy market trends, on SNAM's scenarios for the assumptions on the development of hydrogen and biomethane blends in methane gas distribution networks, and on internal technical studies for their use in the Group's power generation plants. Scope 3 targets refer to 72% of the Group's base year Scope 3 emissions		
2024 Results	The result is in line with expectations		
SDGs			

[IREN_E1_5_X003]

Installed power from renewable sources				
Main scope	power generation from renewable sources/own operations			
Stakeholders engaged	environment, community, institutions			
Target/Results (%) (absolute)	Base year 2020	2024 Results	2027 (medium term)	2030 (long term)
	600	836	1,270	2,060
Methodologies, assumptions and scientific data used	The assumptions underlying the target are based on Italian and European energy market development projections and scenarios to 2030 that highlight risks and opportunities in the renewables and storage market			
2024 Results	The result is in line with expectations			
SDGs	7, 13			

[IREN_E1_5_107]

Energy savings in production processes (power generation and storage, water cycle, waste utilisation, e-mobility)				
Main scope	transversal to all services managed by the Group/own operations			
Stakeholders engaged	environment, suppliers			
Target/Results (toe) (absolute)	Base year 2020	2024 Results	2027 (medium term)	2030 (long term)
	672,000	767,000	1,025,000	1,409,000
Methodologies, assumptions and scientific data used	For the definition of the target, the Group's fuel consumption for power generation is compared with the consumption recorded by the national electricity system to produce the same amount of electricity and/or heat; in waste treatment, the energy saving is calculated as the loss of fuel consumption for the production of new raw material, replaced by secondary raw material from waste; for all other processes, the calculation is made according to the lesser amount of fuel used. Future projections are based on climate scenarios in line with the WB2D trajectory (see paragraph "Scenario analysis" in this chapter) and on the evolution of energy markets and other significant sectors (e.g. automotive sector for the electrification of the corporate fleet)			
2024 Results	The result is in line with expectations			
SDGs	7, 13			

[IREN_E1_6_X006]

Electrification and decarbonization of the corporate fleet				
Main scope	across all services operated by the Group/own operations and upstream value chain			
Stakeholders engaged	environment, community			
Target/Results (%) (absolute)	Base year 2020	2024 Results	2027 (medium term)	2030 (long term)
	19	22	29	44
Methodologies, assumptions and scientific data used	The target projections are based on the projected climate scenarios in line with the WB2D trajectory (see the paragraph "Scenario analysis" in this chapter), on the projected developments in the automotive sector in terms of the availability of electric vehicles in the categories required for the Group's services, and on the objectives of the European regulation on CO_2 emissions from cars and vans (Regulation (EU) 2023/851)			
2024 Results	The result is in line with forecasts, despite changes in the Company's scope			
SDGs	9, 11, 13			

Other objectives included in the Group's Business Plan, more closely related to other thematic areas, also make a significant contribution in terms of climate change mitigation. See the specific chapters indicated for more details on these objectives:

- sale of certified renewable electricity to end customers (see the chapter Customer orientation);
- energy savings from the products and services sold (energy efficiency products and services) (see the chapter Customer orientation);
- CO_2 emissions avoided by material recovery from waste (see the chapter Supporting the Circular Economy);
- increase in district heating volumes (see the chapter Sustainable Development of Local Communities).

The Group has structured a quarterly and annual monitoring system of sustainability performance that allows it to make the necessary analysis and management choices to ensure the achievement of the Strategic Plan objectives and has integrated sustainability objectives into the Group's remuneration system. Sustainability reporting is a tool for monitoring the adherence of operations to the strategy and, with this in mind, reports on the progress made towards achieving the targets set by the Group.

In updating the 2030 Business Plan, carried out in 2024, while confirming the strategic vision and consistency with the main macro-trends in the sector (decarbonization, development of renewables, circular economy, energy efficiency and protection of natural resources), the Group decided to revise some medium- and long-term targets, with a greater focus on investments with a low execution risk, high predictability of results and a high degree of flexibility that allows for a temporal modification of disbursements for development projects when necessary. Within this framework, the revision of the targets concerned in particular:

- the increase in installed capacity from renewable sources that has been temporally shifted, both in view of the long authorisation times and the profitability of investments;
- the volumes of waste treated in Group plants, the production of biomethane from biodegradable waste, and CO_2 emissions avoided from waste management, down from previous forecasts in relation to the market scenario that shows an overall reduction in certain waste fractions, particularly paper, organic and vegetable waste, to be sent for treatment;
- energy savings in generation processes, which sees an update of the target in direct correlation to the reasons outlined in the previous two points;
- the increase in district heating volumes, with forecasts increasing compared to previous ones due to the scope changes envisaged in the plan arch;
- the electrification of the corporate fleet, which sees a reshaping of the target on the basis of automotive market scenarios and forecasts on the availability of vehicles for the types needed to perform the Group's services;
- the sale of certified renewable electricity to end customers and energy savings from products and services sold, which are revised based on the resetting of renewable power generation targets from Group plants, energy market scenarios and developments in the energy efficiency sector.

Preventing pollution

[E2.IRO-1_01, E2.IRO-1_02, E2.IRO-1_03]

Iren Group considers pollution as a fundamental aspect of environmental sustainability and adopts **prevention, monitoring and technological innovation strategies** to mitigate its effects. The outlines of the Business Plan to 2030 chart a course that reinforces the already very high control of potential pollution factors in environmental matrices:

- the gradual growth of **power generation** from renewable sources, such as wind and solar power, and the prospective change in the production mix makes a contribution to reducing air emissions;
- the **sustainable use of water resources**, through processes and technologies for the efficient management of discharges and investments to increase wastewater treatment capacity to serve communities, reduces the emission load in water;
- the adoption of **circular economy** principles in the management of Iren's own waste and that of the communities served, aims to reduce waste production, material recovery and energy recovery, with positive effects on air and soil pollution.

Furthermore, the adoption of certified environmental management system within the Group ensures that structured policies and procedures are in place to identify and manage environmental risks and opportunities associated with all business activities.

IMPACTS
✗ • Potential environmental impacts generated by the supply chain, also resulting from insufficient monitoring by Iren Group
✓ • Improvement of the quality of the water resources returned to the environment thanks to wastewater treatment systems (wastewater treatment plants) and constant analyses carried out

RISKS	OPPORTUNITIES
• Risk that the Group does not exploit the leverage of technological change (e.g. investments in plants aimed at reducing emissions) and/or does not maintain the efficiency of existing infrastructures, thus not contributing to the reduction of impacts on the surrounding community and the environment, with effects on performance and competitive capacity (e.g. decrease in the market value of plants, costs of decommissioning/adaptation of plants that have become obsolete) • Risk of water, soil or air pollution and impact on the surrounding community (e.g. noise and odour pollution) from activities managed by the Group	• Business opportunities related to the green transition, the circular economy, territory and technological and digital evolution (e.g. services for energy efficiency and self-production, material recovery from waste, sustainable mobility, etc.) with a consequent positive impact on communities and the environment

Significant impacts, risks and opportunities related to pollution were analysed through the process described in the paragraph "Double materiality assessment" in the chapter Strategy for sustainable development for the general analysis part, and in the paragraph "Environmental impacts, risks and opportunities" in the chapter Policies for the environment, for the specific process concerning environmental aspects.

The Group's activities for which there is the greatest potential pollution risk, due to accidental factors, are mainly:

- management of landfills, where the generated leachate can leak from storage areas in the event of accidental rupture of waterproofing liners;
- power generation, where uncontrolled atmospheric emissions could occur in the event of major accidental events (major breakdowns leading to fires, etc.);
- management of sewer networks and wastewater treatment plants, should there be any spillage into water as a result of a break in the sewer network or a malfunction of the wastewater treatment plants.

Policies to prevent pollution

[E2.MDR-P_01-06, E2-1_01, E2-1_02, E2-1_03]

In its **Environmental Policy** (see chapter Policies for the environment in this section) the Group has defined commitments to effectively manage impacts, risks and opportunities through the prevention and control of pollution in air, water and soil, in accordance with best practices and environmental regulations. Consistent with the EU Action Plan "Towards Zero Pollution for Air, Water and Soil", The Environmental Policy outlines an approach that prioritises a commitment to prevent and reduce potential negative impacts from pollution of environmental matrices through appropriate mitigation strategies. Because of this, the Group uses preventative tools, tracks and evaluates the short-, medium- and long-term effects of its operations, and implements technologies and processes for sustainable water management (reduction of withdrawals, efficient management and reduction of water discharges, reuse of recovered water resources), particularly in water-stressed areas, for the reduction of emissions into the air, water and soil, and for the sustainable use of resources, beginning with the use of renewables and the exploitation of waste as a material. This approach also extends to the potential environmental impact generated by the supply chain, by means of a thorough check of suppliers on environmental aspects during the qualification phase, during the negotiation phase and during the execution of contracts.

The Group's **certified Environmental Management System** (compliant with ISO 14001) organises the set of standards and tools that guide its operations for environmental protection and continuous improvement.

Actions and resources to prevent pollution

[E2.MDR-A_01-12, E2-2_02, E2-2_03, E2-2_04]

Through an integrated approach aligned with its policies, Iren has implemented a series of concrete actions, both systematic and targeted, to control polluting emissions. These actions focus on emission reduction (monitoring, efficiency and technological improvement of plants, procedures and training) and prevention (reduction of emissions and use of chemicals).

Actions	
Monitoring	• **constant monitoring of polluting emissions** to ensure compliance with emission limits and guide management and planning strategies for continuous improvement (see paragraph "Monitoring pollution" in this chapter) • carrying out **monitoring campaigns** in the area nearby the plant, to verify that there are no significant effects on the environment with respect to the emissions produced (as in the case of the Turin and Piacenza waste-to-energy plants), or through periodic medical examinations of plant personnel, to verify that the emissions do not have negative consequences on people's health (as in the case of the Parma and, again, Turin waste-to-energy plants)
Efficiency and technological improvement of plants	• **securing the storage of** hazardous materials by implementing infrastructures and solutions to ensure the safe handling of substances that could pose an environmental risk • modernisation and **improvement of infrastructures**, including the removal of obsolete or inadequate equipment that could cause environmental damage: - demolition of the conventional thermal unit 2nd GT at the Moncalieri cogeneration plant to reduce the risk of ground pollution (total investment of about €800,000, partly already made and partly to be made by 2026) - improvement of the hydraulic tightness of the underground domestic wastewater collection tanks at the Tusciano hydroelectric core to prevent the runoff of contaminated water and/or liquids during maintenance (total planned investment of approximately €20,000, partly already made and partly to be made by the end of 2025)
Procedures and training	• **constant updating of operational procedures** to minimise the risk of potential spills from waste transport vehicles • **continuous staff training** on environmental policies, procedures and management systems
Reduction of polluting emissions	• adoption of **filtration and abatement systems** for pollutant emissions and **wastewater treatment** in all relevant plants to ensure compliance of atmospheric emissions and discharges with environmental regulations and authorisations • **installation of new technologies and implementation of specific measures** to further improve emission abatement in waste-to-energy plants: - further removal of mercury from flue gases, beyond what is required by the already stringent legal limits, at the Foci and Piacenza waste-to-energy plants (total investment in work carried out = approximately €400,000) - improvement of emission performance at the Turin waste-to-energy plant (total investment of approximately €450,000, partly already made and partly to be made in 2025) - further reduction of nitrogen oxide (NOx) emissions through a new DeNox system at the Piacenza waste-to-energy plant (total investment of around €6.7 million, partly already made and partly to be made in 2025)
Reducing the use of chemicals	• construction of a reverse osmosis plant for the production of demineralised water in the Turin North thermoelectric power plant, which **significantly reduces the use of hydrochloric acid and caustic soda** (work also planned for the Reggio Emilia Energy Hub, see paragraph "Targets to prevent pollution" in this chapter) with positive effects also on the quality of industrial wastewater discharges, reducing the concentration of chlorides (total investment of approximately €550,000)

Continuous monitoring of emissions into water, air and soil is a systematic activity carried out in all potentially polluting activities and is at the core of the Group's commitment to prevent and mitigate related impacts and risks.

Monitoring pollution

[E2-4_01, E2-4_02, E2-4_03, E2-4_04, E2-4_09, E2-4_10, E2-4_11, E2-4_12, E2-4_15]

The monitoring of emissions is carried out using established methodologies and in compliance with current regulations. Each potentially polluting activity is subject to specific authorisation procedures laid down by law (Legislative Decree No. 152/2006) that establish which substances are relevant for each plant and impose parameters and emission limits for these substances, thus ensuring the protection of the environment and public health.

The monitoring plans provide for the set of measurements, carried out by means of periodic or continuous measurements, of the parameters specified in the environmental permits, defining the monitoring points and measurement frequencies.

The mapping and analysis of the Environmental Monitoring Plans, required by the permits for the Group's plants, and the collection of data on plants with emissions above the thresholds indicated in Annex II of Regulation (EC) No. 166/2006, identified 6 significant substances for emissions into the air and 14 for emissions into water, while no significant substances were found for emissions into soil.

[E2-4_01]

Total emissions of pollutants (t) (1) - 2024	to water	to air
Carbon monoxide (CO)	-	4,532.85
Nitrogen oxides (NOx/NO_2)	-	2,998.82
Ammonia (NH_3)	-	695.75
Zinc and compounds (expressed as Zn)	13.27	0.23
Nickel and compounds (expressed as Ni)	3.80	0.09
Polychlorinated Biphenyls (PCB)	-	0.0007
Chlorides (expressed as total Cl)	14,128.60	-
Total Organic Carbon (TOC) (expressed as total C or COD/3)	6,707.74	-
Total nitrogen	1,922.00	-
Total phosphorus	234.44	-
Phenols (expressed as total C)	2.79	-
Chromium and compounds (expressed as Cr)	1.91	-
Copper and compounds (expressed as Cu)	0.69	-
Lead and compounds (expressed as Pb)	0.18	-
Cyanides (expressed as total CN)	0.13	-
Arsenic and compounds (expressed as As)	0.07	-
Dieldrin	0.03	-
Aldrin	0.03	-
Total	23,015.68	8,227.74

(1) Consolidated total of emissions from facilities for which the threshold value in Annex II of Regulation (EC) No. 166/2006 is exceeded.

Air emissions

The main atmospheric emissions generated by the Group come from the unsorted waste treatment plants and power generation plants. The pollutants emitted include carbon monoxide (CO), nitrogen oxides (NOx) and ammonia (NH_3).

[E2-4_02]

Total emissions of pollutants into the air by type of emission source and pollutant (t) [1]	2024
Mechanical biological waste treatment plants - Total	5,327.93
Carbon monoxide (CO)	2,332.83
Nitrogen oxides (NOx/NO_2)	2,321.42
Ammonia (NH_3)	673.68
Thermoelectric plants - Total	2,494.54
Carbon monoxide (CO)	2,200.02
Nitrogen oxides (NOx/NO_2)	294.52
Cogeneration plants - Total	226.18
Nitrogen oxides (NOx/NO_2)	226.18
Waste-to-energy plants - Total	157.02
Nitrogen oxides (NOx/NO_2)	156.70
Zinc and compounds (expressed as Zn)	0.23
Nickel and compounds (expressed as Ni)	0.09
Polychlorinated Biphenyls (PCB)	0.0007
Wastewater treatment plants - Total	22.08
Ammonia (NH_3)	22.08
Total air emissions	8,227.75

[1] Consolidated total of emissions from facilities for which the threshold value in Annex II of Regulation (EC) No. 166/2006 is exceeded.

Emissions to water

Relevant water emissions for the Group are related to the management of the integrated water service: In particular, the highest concentrations of pollutants are found in discharges from Wastewater treatment plants serving local communities.

In this respect, it is important to emphasise that the **treatment of urban wastewater (sewage) is in itself a pollution-reducing action**: although the process generates polluting emissions, these are merely the result of the abatement of substances present, in much higher concentrations, in the wastewater entering the Wastewater treatment plants. The wastewater treatment process separates and removes most of the pollutants in the treated effluent to ensure that the water returned to the environment respects the quality standards defined by the competent authorities. There are different rules for discharges in areas sensitive to nutrient inputs. This is the case, for example, of the Po river basin to which the discharges from the plants managed by Iren in Piedmont and Emilia-Romagna are connected, and for which more restrictive limits for nitrogen and phosphorus apply.

[E2-4_03]

Total emissions of pollutants into water by type of emission source and pollutant (t) [1]	2024
Wastewater treatment plants - Total	23,015.68
Chlorides (expressed as total Cl)	14,128.60
Total Organic Carbon (TOC) (expressed as total C or COD/3)	6,707.74
Total nitrogen	1,922.00
Total phosphorus	234.44
Zinc and compounds (expressed as Zn)	13.27
Nickel and compounds (expressed as Ni)	3.80
Phenols (expressed as total C)	2.79
Chromium and compounds (expressed as Cr)	1.91
Copper and compounds (expressed as Cu)	0.69
Lead and compounds (expressed as Pb)	0.18
Cyanides (expressed as total CN)	0.13
Arsenic and compounds (expressed as As)	0.07
Dieldrin	0.03
Aldrin	0.03
Total emissions into water	23,015.68

[1] Consolidated total of emissions from facilities for which the threshold value in Annex II of Regulation (EC) No. 166/2006 is exceeded.

[E2-4_11, E2-4_12]

Emissions pollutants to water in areas at water risk or of high-water stress (%)	2024
In areas at water risk	0.29%
In areas of high-water stress	0.29%

Substances of concern and very high concern

[E2-5_01, E2-5_02, E2-5_03, E2-5_04, E2-5_05, E2-5_06, E2-5_07, E2-5_08, E2-5_09, E2-5_10, E2-5_11, E2-5_12, E2-5_13]

Despite the fact that substances of concern and substances of very high concern are not a material issue for Iren Group, which among other things is not subject to the registration and authorisation requirements of the REACH regulation, some of the substances monitored in air and water emissions, shown in the tables above, meet the criteria that define a substance of concern or a substance of very high concern. In view of the active monitoring of these substances, the Group also decided to report data on them, broken down into the three main hazard classes:

- physical hazard - substances that can cause immediate physical damage, such as fire, explosion or corrosion;
- health hazard - substances that may have harmful effects on the human organism, both short-term and long-term, including acute and chronic toxicity;
- environmental hazard - substances that can damage the ecosystem, through toxicity to living organisms, persistence in the environment and bioaccumulation.

[E2-5_03, E2-5_04]

Substances of concern that leave facilities as emissions by hazard class (t)	2024
Substances of concern - physical hazard	4,781.48
Substances of concern - health hazard	4,553.84
Substances of concern - environmental hazard	252.65
Substances of concern that leave facilities as emissions - Total (1)	4,788.28

(1) Some substances belong to more than one hazard class. The weight of these substances is listed in each hazard class to which they belong. As a result, the sum of the groupings of substances by hazard classes (table rows) is greater than the total shown in the table.

[E2-5_09, E2-5_10]

Substances of very high concern as emissions by hazard class (t)	2024
Substances of very high concern - health hazard	0.18
Substances of very high concern - environmental hazard	0.18
Substances of very high concern that leave facilities as emissions - Total (1)	0.18

(1) Some substances belong to more than one hazard class. The weight of these substances is listed in each hazard class to which they belong. As a result, the sum of the groupings of substances by hazard classes (table rows) is greater than the total shown in the table.

Methodologies for measuring and monitoring emissions

[E2-4_09, E2-4_10, E2-4_15]

The Group's approach to monitoring emissions from its plants ensures a complete and accurate assessment of the environmental impact of its activities. It is a process that unfolds in three main steps:

- definition of parameters: as already mentioned, Iren Group's activities from which polluting emissions may result are subject to specific environmental authorisation procedures provided for by law (Legislative Decree No. 152/2006) - such as the Environmental Impact Assessment (EIA), the Integrated Environmental Authorisation (IEA) or the Single Environmental Permit (SEP) - which define the parameters to be monitored;
- data collection and analysis: the Environmental Monitoring Plan, which is an integral part of the permit requirements, defines the methods, frequency and sampling points for the various environmental matrices (air, water, soil) in order to obtain representative data on the pollution produced. Sampling and monitoring are performed in accordance with standardised protocols to ensure the accuracy and reliability of the data collected. Analyses are conducted by accredited laboratories to determine the concentrations of pollutant parameters;
- data collection, validation and communication: analytical data obtained from sampling are collected and stored in special databases by laboratory technicians and technical contact persons at individual plants, who are responsible for the proper management of environmental information. The validated data are communicated to the competent authorities (the Regional Agency for Environmental Protection, Ministry of the Environment), according to the deadlines and procedures provided for by environmental regulations and authorisations.

In the data collection phase, two main methods are used to measure **air emissions**:

- continuous monitoring through constant Emission Detection Systems (EMS) installed at atmospheric emission points. These systems measure the concentration of the most common pollutants (e.g. particulate matter, NO_x, SO_2, CO) in real time and transmit the data to the relevant authorities (the Regional Agency for Environmental Protection) and internal

monitoring functions, allowing constant control of emissions and early detection of any irregularities. Continuous monitoring systems are periodically subjected to measurement quality checks and the findings are reported to the control bodies;
- discontinuous sampling by taking air samples and analysing the concentration of pollutants (e.g. dioxins, furans, heavy metals). In this case, the data are calculated on the basis of the volume of air emitted by the plant and the average concentration of pollutants detected and reported in the analytical certificates, which are drawn up by specialised laboratories, which are also subject to periodic quality checks.

On the other hand, as far as emissions into water are concerned, the quality of discharges is monitored by means of periodic chemical analyses, at all times in accordance with the timeframes and parameters set out in the plant's environmental permit. The mass flow measurement of pollutants is calculated by multiplying for each pollutant the average of the concentrations measured by samples with the volume of the discharge expressed in cubic metres/year. The minimum number of such samples is indicated in the relevant discharge permits, but the Group's orientation is to take more samples in order to have better monitoring.

In the quantification of emissions, direct measurement was therefore used as the benchmark methodology. However, in the specific case of some landfills, waste storage and transfer plants, and power generation plants, it was necessary to use estimates to quantify the value of the fumes emitted or the volumes of water discharged, a value needed to convert the direct measurement of concentrations, required by permits, into a figure expressed in mass units.

These estimates were based on the following data, in order of priority:

- point flow rates, measured at the same time as the sampling, were used to calculate ammonia emissions into the air at the biodigestion plants in Reggio Emilia and Santhià, to calculate emissions into the air at the landfills in the province of Siena (Le Macchiaie, Poggio alla Billa and Torre a Castello) and to quantify Volatile Organic Compounds (VOC) values at the cogeneration plant in Moncalieri and the thermoelectric plant in Turbigo;
- inductive calculation, used in two specific cases:
  - to estimate the volume of stormwater discharged into surface water bodies at particular sites, using the average rainfall at the site and the impermeable surface of the plant (as in the case of the waste storage and transfer plant at Brescello) or the operating hours of the pumps and their average flow rate (as in the case of the waste storage and transfer plant at Boscalino, the cogeneration plant at Moncalieri and the thermoelectric plant at Turbigo);
  - to determine the amount of flue gas emitted by thermal plants or boilers where there is no continuous emission monitoring system, by multiplying the natural gas consumption by an emission coefficient[1];
- authorised flow rates, indicated in the plant's environmental permit, were used for the calculation of industrial water discharges from cave drains and drips at the hydroelectric power plant in Venaus and for ammonia emissions into the air at the waste storage and transfer plants in Germagnano and Gorini and the biodigestion plant in Cairo Montenotte.

Estimates are based on the specific environmental permits of each plant, applying the principle of utmost caution. The reliability of these estimates varies depending on the type of data used: precise flow rate data offer the least uncertainty, while inductive calculations and authorised flow rates have the greatest uncertainty. However, even in cases where the latter two methods are used, the highest values of the possible ranges are always used. This ensures conservative and tendentially overestimated estimates, in line with a cautious approach to environmental impact assessment.

[1] 9.5 Nmc fumes/smc gas, from "Table 1" annexed to Presidential Decree No. 416/2001 "Regulation containing standards for the application of the tax on sulphur dioxide and nitrogen oxide emissions pursuant to Article 17(29) of Law No. 449/1997".

Targets to prevent pollution

[E2.MDR-T_01-13, E2-3_01, E2-3_02, E2-3_03, E2-3_04, E2-3_09]

In line with its own policies and in compliance with environmental regulations, the Group aims to prevent and reduce pollution.

In the Strategic Plan, voluntary targets were defined in the areas of decarbonization, circular economy, water resources and resilient cities, which, by their very nature, also have a positive impact on pollution prevention.

Area	Target	Impact on pollution prevention	Reference
Decarbonization	Carbon intensity of energy generation (Scope 1)	Reducing carbon intensity reduces emissions of greenhouse gases and other air pollutants, improving air quality and combating climate change Target matrix: air pollution, substances of concern	paragraph "Climate targets" in the chapter Meeting the challenge of climate change
Circular Economy	Waste for material recovery in Group plants	Material recovery reduces the amount of waste sent to the landfill and which can release contaminants into the soil and groundwater. It also promotes recycling, reducing the need to extract new raw materials Target matrix: soil pollution	paragraph "Targets for the circular economy" in the chapter Supporting the circular economy
Water resources	Treatment capacity	wastewater treatment plants treat wastewater before it is released into the environment. Increasing their capacity means removing more pollutants, protecting aquatic ecosystems Target matrix: water pollution	paragraph "Targets for water and marine resources" in the chapter Sustainable use of water and marine resources
Resilient cities	Environmentally friendly company vehicles	Replacing the corporate fleet with green vehicles reduces exhaust emissions, improving air quality in cities Target matrix: air pollution, substances of concern	paragraph "Climate targets" in the chapter Meeting the challenge of climate change
	Green electricity sold to retail customers	Offering energy from renewable sources to Iren customers reduces dependence on fossil fuels. This decreases emissions of greenhouse gases and other pollutants associated with traditional power generation Target matrix: air pollution, substances of concern	paragraph "Targets for consumers and end-users" in the chapter Customer orientation"

In addition to these, plant-specific targets were also defined, with a focus on the most important production sites and activities.

Reduction of nitrogen oxide (NOx) emissions				
Main scope	Energy recovery from waste to generate energy/Turin waste-to-energy plant/own operations			
Target matrix	air pollution (mandatory target)			
Stakeholders involved	environment, communities, institutions, environmental control authorities			
Target/Results (% - intensity) [1]	Reduction of NOx emissions compared to the BAT limit of 50 mg/Nmc (more restrictive limit for existing plants)			
	Base year 2020	2024 Results	2027 (medium-term)	2030 (medium-term)
	-7%	-15%	-17%	-20%
Methodologies, assumptions and scientific data used	The target, in line with the provisions of the plant's environmental authorisation, is defined according to the expected performance resulting from the improvements to the plant section dedicated to the abatement of nitrogen oxides (SCR - Selective Catalytic Reduction technology). Measurement is carried out by the emission monitoring system, which is responsible for verifying compliance with emission limits			
2024 Results	The 2024 results are in line with expectations and record the effects of implementing management methods consistent with the progressive reduction of the limits required by BAT. It also benefits from the first improvements provided by the new NOx abatement system			
SDGs				

[1] Ratio of NOx emission reduction of the 3 waste-to-energy plant lines (average of annual averages) to the 50 mg/Nmc limit

Reducing the use of hydrochloric acid (HCl) and sodium hydroxide (NaOH) in the demineralised water production cycle				
Main scope	Energy production/Energy Hub of Reggio Emilia/own operations			
Target matrix	substances of concern (voluntary target)			
Stakeholders involved	environment, communities, institutions, environmental control authorities			
Target/Results (t - absolute)		HCl and NaOH in 30% aqueous solution		
		Base year 2020	2024 Results	2026
	HCl (hydrochloric acid)	121	71	50
	NaOH (sodium hydroxide)	109	59	45
Methodologies, assumptions and scientific data used	The target was defined on the basis of studies and experiences related to the implementation of reverse osmosis plants for water demineralisation and the results derived there from regarding the reduction in the use of HCl and NaOH. Demineralised water is essential to ensure the correct operation of the thermoelectric plant at the Reggio Emilia Energy Hub, where it is planned to replace the current ion exchange resin demineralisation system with a reverse osmosis system to reduce the use of HCl and NaOH			
2024 Results	Preliminary analyses were carried out in 2024 for the drafting of the final design, in line with the timetable of the work plan			
SDGs				

BOD, COD and TSS abatement in emissions into water from wastewater treatment plants [(1)]				
Main scope	Integrated water service/own operations (prevention)			
Target matrix	water pollution (voluntary target)			
Stakeholders involved	environment, communities, institutions			
Target/Results (% of abatement - intensity)		Base year 2020	2024 Results	2030 (long-term)
	BOD	93.4%	91.9%	> 94%
	COD	90.2%	90.4%	> 90%
	TSS	93.3%	90.6%	> 93%
Methodologies, assumptions and scientific data used	The target, calculated as the ratio between the quantities of substances entering and substances leaving the wastewater treatment plants managed by the Group, is defined taking into account the environmental regulations that establish, on a scientific basis, the specific limits in absolute value for the parameters BOD, COD and TSS in wastewater, confirming their importance in assessing the quality of the water released into the environment			
2024 Results	The results for 2024 are in line with expectations			
SDGs				

[(1)] BOD = Biological Oxygen Demand; COD = Chemical Oxygen Demand; TSS = Total Suspended Solids

Sustainable use of water and marine resources

[E3.IRO-1_01, E3.IRO-1_02]

The rational use and protection of water resources are explicit objectives, in line with the Sustainability Policy adopted, in the Group's Business Plan, which defined specific targets relating to the withdrawal of water for distribution for drinking purposes and the quality of the waste returned to the environment, which represent fundamental factors for sustainable management. Within the 2030 Business Plan, in fact, the focus on water resources is one of the areas of the green transition plan.

The commitment to reducing environmental impacts is reflected in the conscious and sustainable use of water resources in all the Group's processes and services, in terms of both withdrawals and consumption and releases and discharges.

IMPACTS
✗ • Potential contribution to water stress related to withdrawals/consumption in the management of production processes, including water distribution to end-users
✓ • Contribution to the reduction of water stress, through the reuse of water resources in business processes, the reduction of water withdrawals from the environment for drinking water distribution, raising awareness among citizens on the reduction of water consumption and the possibility of reusing treated water offered by the Group

RISKS	OPPORTUNITIES
• Risk of water, soil or air pollution and impact on the surrounding community (e.g. noise and odour pollution) from activities managed by the Group	• Changes in consumer behaviour resulting from increased sensitivity towards sustainable services/products (e.g. waste separation, use of green/certified energy, responsible use of water resources), also thanks to environmental education and awareness-raising campaigns and programmes carried out by the company, which can positively affect the Group's economic performance (e.g. lower costs for treating and sorting waste for recovery, acquisition of new market shares in the sale of green energy to support the green transition) and increase operating efficiency • Greater efficiency in the use of resources, thanks to the adoption of innovative and technological tools with positive consequences on the Company's economic and financial performance (lower costs, higher revenues) and positive impacts on communities and reputation

Material impacts, risks and opportunities were identified through the process described in the paragraph "Double materiality assessment" in the chapter Strategy for sustainable development y for the general analysis part, and the paragraph "Environmental impacts, risks and opportunities" in the chapter Policies for the environment, for the specific process concerning environmental aspects.

Policies for water and marine resources

[E3.MDR-P_01-06, E3-1_01, E3-1_02, E3-1_03, E3-1_04, E3-1_05, E3-1_06, E3-1_07, E3-1_09]

According to its policies (see Policies for the environment chapter in this section), Iren Group **actively contributes to the protection of water and marine resources** through the administration of the integrated water service in particular, as well as through the management of its Group's own operations: indeed, the Group is dedicated to significantly improving the ecological and chemical quality of surface water bodies through its drinking water and wastewater treatment plants, ensuring a priority service that impacts not only the environment but also the mitigation of adverse effects on communities in terms of health and safety, access to high-quality services and local development.

Most Group Companies have implemented a certified environmental management system (ISO 14001) and the main production sites have EMAS registrations: therefore, they have procedures for the management of water resources and operating methods that are an effective tool for managing water withdrawals and discharges.

The procedures apply to:

- the various types of production processes and/or supplies of services, which require the use of the "water" resource, even for a secondary purpose;
- water withdrawal of any kind and purpose;
- treatments and qualitative modifications of the resource water made for any reason;
- water discharges of any kind, purpose and origin to soil, subsoil, surface water bodies and sewers.

Actions and resources for water and marine resources

[E3.MDR-A_01-12]

The Group's commitment to reducing environmental impacts is reflected in **actions and initiatives aimed at the conscious and sustainable use of water resources**:

- in all the **Group's processes and services**, in terms of both withdrawals and consumption and releases and discharges;
- in the **integrated water service** by, on the one hand, making the water distribution service more efficient by reducing consumption, and, on the other, by improving and increasing treatment capacity in order to return water of ever higher quality to the environment.

In support of the water action plan, the Group has planned to realise 1.4 billion Euro investments in the period 2024-2030 (see paragraph "Resources for the sustainability strategy" in chapter Strategy for sustainable development). In 2024, investments made amounted to 208 million Euro.

In order to realise the commitments declared in its policies, Iren adopts tools to prevent, monitor and measure the impact of its activities in the short-, medium- and long-term, as well as processes and technologies for sustainable water management (reduction of water withdrawals, efficient management and reduction of water discharges, reuse of reclaimed water resources), especially in areas subject to water stress.

Community services based on the sustainable use of water resources

Actions	
Reduction of water withdrawals from the environment	• planning of **water supply** according to effectiveness and efficiency criteria • measures to **reduce waste and improve** the water distribution network • promotion of initiatives to **increase the culture** of rational use of water resources
Reuse of water resources	• **reuse of** treated water **for irrigation and industrial purposes**
Improvement of wastewater quality	• investments in managed wastewater treatment plants in order to **increase their capacity and improve their technology**

Sustainable management of the water distribution service

[E3-2_02, E3-2_03]

Iren Group manages the water distribution and drinking water service in 266 municipalities for over 3 million inhabitants: in 2024, the total water injected into the network was 275.4 million cubic metres, through 22,146 km of total network.

Water supply planning is carried out according to criteria of effectiveness and efficiency as well as in compliance with regulations and derivation concessions.

The criteria for the use of resources take into account: authorised quantities, the size of the reserves in the main reservoirs, the quality of the surface water available, the hydrological features of the basins, the data relating to the previous year and data relating to the current year.

The supply plan can be modified, reviewed or updated on a monthly basis following an analysis of the data collected during the measurement and monitoring activities in the phases of the process.

[IREN_E3_3_X003]

Water injected into the network by local area (m³/000)	2024
Piacenza	29,589
Parma	35,686
Reggio Emilia	44,430
Genoa	90,923
Savona	16,072
Imperia	2,633
La Spezia	35,575
Vercelli	8,454
Asti	1,375
Enna	10,707
Total	275,444

The Group's approach to water management, particularly in areas at water risk or of water stress, focuses on sustainability and efficiency in water use, taking concrete measures to reduce waste and improve water distribution:

- proactive management of networks and plants through constant routine and extraordinary **maintenance**;
- the adoption of advanced **technologies** for monitoring faults and their timely repair;
- the **division into districts** of networks, a technique whereby networks are divided into small homogeneous areas called districts, which enable daily monitoring, with targeted instrumental leakage detection campaigns aimed solely at those districts where monitoring detects hidden leaks.

These initiatives allow the Group to **optimise water distribution and reduce network losses, minimising the waste of resources without compromising the quality of service provided to the citizens**.

Modelling networked systems and no-dig technologies

The availability of **network system modelling** is an essential tool for system control and the definition of short- and long-term intervention programmes. Through modelling, it is possible to verify the qualitative-quantitative trend of hydraulic parameters, highlight functional deficiencies in the system, define intervention plans by assigning implementation priorities, costs to be incurred and expected benefits, and to optimise the functioning of the entire system through the use of innovative technologies such as no-dig.

With **no-dig technologies**, more than 100 metres of pipeline can be renewed in a single day. The execution time can thus be reduced by half compared to traditional methods. The adoption of No-Dig technologies saves on the costs of road works, not to mention the drastic reductions in social costs arising from the inconvenience caused by roadwork sites.

No-dig techniques allow less open excavation and therefore less spoil to be taken for disposal. This generates less environmental impact, in terms of emissions and pollutants caused by the long queues of vehicles caused by roadwork sites.

In addition to service efficiency, the Group focuses on the **quality of the water distributed** and does so through constant analysis of physical-chemical-biological parameters.

In 2024, it tested more than 22,000 samples and analysed more than 815,000 parameters:

[IREN_E3_3_X002]

Controls on drinking water by local area (no.)	2024	
	Samples	Parameters
Emilia-Romagna	10,019	336,844
Piedmont	1,155	30,141
Liguria	11,066	441,728
Sicily	197	6,704
Total	22,437	815,417

Engagement of communities

Iren Group promotes **awareness-raising, training and information initiatives to disseminate culture, awareness and behaviour aimed at water conservation**.

Numerous educational activities are targeted at the public and schools to raise awareness about the importance of using water responsibly and adopting daily practices that help reduce waste. These include the wide range of training offers developed by Eduiren, the department set up by the Group to disseminate and raise awareness of sustainable development issues. Eduiren accompanies the process of the green transition, guiding young people and the citizens towards new awareness in the protection of water resources and our planet: a commitment to a sustainable tomorrow that starts from dailylife (see paragraph "Eduiren" in chapter Sustainable development of local communities).

Crucial, also in a water-saving context, is the development of **partnerships and collaborations** with governmental and local institutions, regulatory authorities, environmental and technology companies and start-ups, as well as community associations to promote new initiatives and increase the effectiveness of water management actions.

This is the context of the network water refill stations developed by the Group, in cooperation with local administrations, in the local areas of reference.

Water refill stations

The network of refill stations for the free supply to citizens of water (chilled and sparkling) coming from the managed aqueducts allow to strongly reduce the use of plastic bottles (almost 20 million 1.5 litre bottles in 2024) and, consequently, the production of waste (690 tonnes of PET avoided), with an estimated water savings of almost 12,000 m^3 and energy savings of approximately 1,310 tonnes of oil equivalent for the production of the bottles.

Sewers and treatment quality

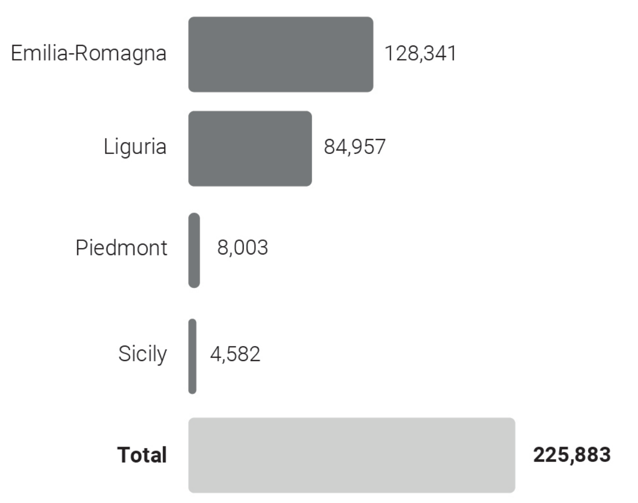
Urban wastewater from public sewers is treated at **1,380 wastewater treatment plants** of varying capacity and type. In the central plants, pre-treatments are carried out to remove coarse matter, sand and oils, primary treatments to remove settleable solids and traditional secondary and tertiary treatments for nitrogen removal and with chemical and biological dephosphating systems. The Group also manages several phyto-purification plants that make use plants' treatment activity and are used both for the treatment of sewage (sub-surface flow system) and for the refinement of water treated in traditional wastewater treatment plants (surface flow systems).

Treated water quality is measured by the percentage of abatement of the main pollutants leaving the plants compared to the quantities entering: BOD (Biochemical Oxygen Demand), COD (Chemical Oxygen Demand), TSS (Total Suspended Solids).

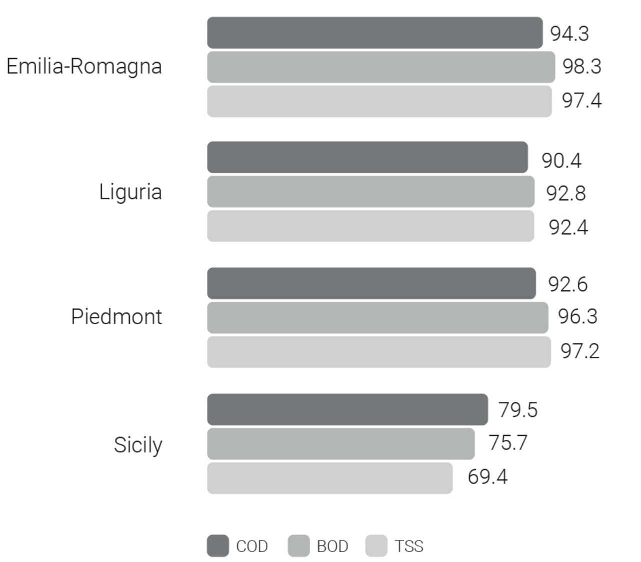
Overall, the following average results were obtained in 2024: 90.4% for COD, 91.9% for BOD, and 90.6% for TSS. The chart below details the abatement by geographic area.

[IREN_E3_3_X005]

Wastewater treated (m^3/000)[(1)] - 2024



Pollutant abatement by geographical area (%)[(1)] - 2024



[(1)] Data refer to all Group plants.

[IREN_E3_3_X002]

Controls on wastewater (no.)	2024	
	Samples	Parameters
Emilia-Romagna	24,345	163,347
Piedmont	3,469	25,808
Liguria	5,062	54,563
Sicily	188	3,957
Total	33,064	247,675

Water reuse

Water reuse can reduce pressure on natural water resources and combat water scarcity, promoting the transition to production models centred on the concept of circular economy.

In addition to ensuring better quality of the water returned to the environment, wastewater treatment processes enable resources to be put back into circulation that can be used for industrial or agricultural purposes, reducing withdrawals from the environment to ensure a more sustainable water supply.

The Group, which in 2024, re-used around 6.2 million cubic metres of water thanks to the Mancasale wastewater treatment plant, has set itself the goal of reaching 20 million cubic metres of recovered resources by 2030.

Optimised management of activities and processes to limit impacts on water resources

Actions	
Sustainable use of water in processes	• **careful management of water resources** in all company processes according to the certified environmental management system (ISO 14001 - EMAS) • awareness-raising and **staff training** on best water management practices
Water recovery	• **adoption of recovery systems** for water used in plants
Quality of water returned to the environment	• **constant monitoring** of industrial water discharges to check for the presence of possible pollutants and the maintenance of water temperature within certain thresholds in order to ensure the ecological and chemical quality of receiving water bodies

Responsible use of water in processes

[E3-2_03, E3-4_01, E3-4_02, E3-4_06, E3-4_07, E3-4_08, E3-4_09, E3-4_11]

The water supply at the Group's sites is mainly drawn from surface water bodies (reservoirs, rivers) and a residual amount from the sea, from groundwater (pumped from wells) and from aqueducts.

Almost all of the Group's water withdrawals are attributable to **electricity and heat generation** activities: in particular, the cogeneration and thermoelectric plants, which use about 99% of the Group's total withdrawals, use water mainly for cooling thermal cycles. In **power generation**, each activity regarding the use of water sources is regulated by legal provisions of the law or authorisations with the responsibility laying in the hands of the legal representative of the Company or managers, provided with specific powers of attorney and proxies, who have the task of managing and supervising the correct performance of the activities and the correct application of the procedures. Moreover, the **environmental analysis document**, prepared for each site/plant, allows for the identification of the environmental aspects related to water resources and the obligations under environmental legislation. The analysis also identifies the applicability of the legislation to the Group's plants as well as the compliance with the regulations in force.

Water used in hydroelectric power generation is considered as run-of-river and is therefore not counted in the Group's total water withdrawals. In fact, in the hydroelectric plants, the water, captured by intake works in surface water bodies and artificial reservoirs, is returned to the environment without changing its chemical and physical characteristics. In all plants, the Minimum Vital Flow (MVF) is guaranteed, which is the water supply that can guarantee the natural ecological integrity of the surface water body, with particular reference to the protection of aquatic life. The MVF is defined by the concession specifications or by regional regulations in implementation of the approved water protection plans, in accordance with the ecological flow guidelines, and through agreements with the competent authorities.

[E3-4_07, E3-4_09, E3-4_11]

Water withdrawal by activity (m³/000)	2024
Cogeneration and boilers (1)	257,759
Thermoelectric (1)	325,807
Hydroelectric *(excluding run-of-river)* (1)	41
Industrial use water service (2)	4,579
Wastewater treatment plants (3)	2,012
Gas distribution service (3)	2
Waste-to-energy plants (3)	1,536
Liquid waste treatment plants (3)	148
Storage and transfer plants (3)	38
Mechanical-biological treatment plants (3)	46
Material recovery plants (3)	134
Treatment and exploitation of organic waste (3)	148
Collection centres and car washes, environmental services vehicles (3)	223
Civil uses (4)	315
Total	592,788

(1) Withdrawals from this type of plant are mainly taken from meter readings installed in the plant itself. Where there are no meters, the data are estimated on the basis of the plant's operating hours or taken from suppliers' invoices.
(2) The figure refers to the sum of the water used in the washing of drinking water plants, which is measured by means of fiscal meters installed at the plants, and the water used in the washing of distribution networks, which is calculated, according to the method required by ARERA (the regulatory authority for energy networks and environment), as a percentage of the water sold.
(3) The figure is derived from the fiscal meters installed at the plants.
(4) The figure is taken from suppliers' invoices.

The water withdrawn is almost totally returned to the environment: **about 0.3% of withdrawals, equal to 1.5 million cubic meters, is consumed in industrial processes,** of which 99.2% in areas of medium to high water risk and water stress[5]. This is mainly water evaporated in production processes (with particular reference to waste-to-energy plants) and used for district heating networks. Consumption is calculated as the difference between water withdrawals and discharges.

[E3-4_08]

Water intensity 2024: water consumption (m³)/net revenues (M€)	250.2

Recovery and reuse of water resources

[E3-4_03, E3-4_04]

With a view to circularity and mitigation of the impact of its activities on water resources, in a context where climate risks such as drought and water stress are continuously increasing, the Group promotes, where possible, water recovery and reuse initiatives:

- wastewater treated by wastewater treatment plants can be re-used for irrigation purposes (agriculture, green spaces and sports plants) and industrial purposes (plant cooling, street cleaning) (see paragraph "Water reuse" in this chapter);
- in waste treatment plants, there are water recovery and recycling systems. For example, in waste-to-energy plants, water is recovered and recycled, where possible, to extinguish combustion slag and to cool the plant; in other plants, there are rainwater recovery systems that, after being treated, are used to irrigate green areas or to wash indoor areas;
- the Torino Nord cogeneration plant is equipped with recovery systems for secondary rainfall rainwater and condensate from the air cooling system entering the turbine. The industrial water produced is stored in a tank and re-used for firefighting purposes, to supply the demineralised water production installation and for plant-related services.

[5] The identification of areas at water risk and of water stress was carried out following the classification of risk levels indicated by Aqueduct Water Risk Atlas for overall water risk and water stress, respectively.

[E3-4_03]

Volume of water re-used and recycled (m^3/000)	2024
Cogenerators and boilers	24
Wastewater treatment plants	6,244
Waste-to-energy plants	35
Liquid waste treatment plants	12
Mechanical biological treatment plants	6
Material recovery plants	4
Organic waste treatment and recovery plants	115
Total	6,440

The Group manages 15 reservoirs that store water for hydroelectric and/or drinking water production. The total volume stored in the reservoirs as at 31 December 2024 is more than 98 million cubic metres.

Quality of water returned to the environment

[E3-4_12]

The activities carried out by the Group generate **water discharges**, the management of which is regulated by Integrated Environmental Authorisations, Single Environmental Permits and existing legislation:

- industrial discharges (including water used for the cooling of plants);
- integrated water service (process water from wastewater treatment and drinking water systems that do not contain particular pollutants);
- waste management and treatment;
- washing vehicles and industrial areas;
- discharge of domestic water at non-industrial sites.

The Group takes **preventive measures to minimise polluting emissions into water** (see paragraph "Emissions to water" in chapter Preventing pollution), intervening both in the design phase of its plants and in day-to-day operations. Among the measures taken are advanced systems for monitoring and treating discharges, which mainly consist of cooling water from plants or from water treatment processes used at production sites. Monitoring the presence of possible pollutants in discharges and maintaining water temperatures within certain ranges are essential for the environmental and chemical quality of receiving water bodies, as well as for the protection of aquatic fauna and flora.

In addition, the Group promotes **staff awareness and training** on best water management practices, with the aim of minimising the impacts of its activities on the quality and availability of water resources.

[E3-4_12]

Water discharges by activity (m^3/000)	2024
Cogenerators and boilers	257,248
Thermal power	325,807
Hydroelectric *(excluding run-of-river)*	51
Industrial use water service	4,579
Wastewater treatment plants	2,012
Gas distribution service	0
Waste-to-energy plants	379
Liquid waste treatment plants	168
Storage and transfer plants	31
Mechanical-biological treatment plants	52
Material recovery plants	85
Organic waste treatment and recovery plants	267
Collection centres and car washes, environmental services vehicles	282
Civil uses	315
Total	591,276

Targets for water and marine resources

[E3.MDR-T_01-13, E3-3_01, E3-3_02, E3-3_03, E3-3_08]

The Group has defined a series of strategic targets to reduce water consumption and improve water quality in the medium (2027) and long term (2030), which are part of the green transition plan set out in the Business Plan.

These targets are also part of the short- and long-term remuneration system of the Group's management.

[IREN_E3_3_X001]

Increase treatment capacity				
Main scope	wastewater treatment/ own operations			
Stakeholders involved	environment, communities, business customers			
Target/Results (inhabitant equivalent) (absolute)	Base year 2020	2024 Results	2027 (medium-term)	2030 (long-term)
	3,527,000	3,785,076	3,970,000	4,265,000
Methodologies, assumptions and scientific data used	The medium- and long-term targets consider possible options for expanding the perimeter and building new plants or revamping existing ones, consistent with the forecasts of the Business Plan			
2024 Results	The results are in line with expectations			
SDGs				

[IREN_E3_3_X003]

Water withdrawals from the environment (all regions)				
Main scope	water distribution/ own operations			
Stakeholders involved	environment, communities			
Target/Results (litres/inhabitant/day) (absolute)	Base year 2020	2024 Results	2027 (medium-term)	2030 (long-term)
	281	260	261	257
Methodologies, assumptions and scientific data used	The medium- and long-term targets consider possible options to expand the scope, consistent with the Business Plan. In addition, forecasts of a reduction in water withdrawals from the environment take into account the effect both of actions to improve and make the distribution service more efficient (leakage reduction, division into districts), and of the actual reduction in water consumption by citizens, by virtue of awareness-raising actions			
2024 Results	The result is positive and in line with the forecasts of the transition plan, which takes into account the hypotheses of the expansion of the scope within the integrated water service, considering the average number of litres per inhabitant per day withdrawn from the environment in the Italian water service management scenario			
SDGs				

[IREN_E3_3_X003]

Aqueduct network losses					
Main scope	water distribution/own operations				
Stakeholders involved	environment, communities, investors				
Target/Results (%) (intensity)		Base year 2020	2024 Results	2027 (medium-term)	2030 (long-term)
	Legacy regions	33.3%	30.2%	25.7%	20%
	Other territories	33.3%	31.0%	26.7%	22%
Methodologies, assumptions and scientific data used	The target is calculated as the ratio of cubic metres of water resource lost from networks to the volumes of water delivered to end users. The medium- and long-term targets consider possible options to expand the scope, consistent with the Business Plan. In addition, network leakage reduction forecasts take into account the effect of both investments in network renewal and distribution service efficiency through better monitoring (also thanks to division into districts) and timely intervention, and the actual reduction in water consumption by the public, as a result of awareness-raising actions				
2024 Results	The results are in line with expectations				
SDGs	6, 14, 13				

[IREN_E3_3_X004]

Division into districts of aqueduct networks					
Main scope	water distribution/ own operations				
Stakeholders involved	environment, communities				
Target/Results (%) (intensity)		Base year 2020	2024 Results	2027 (medium-term)	2030 (long-term)
	Legacy regions	56.0%	70.9%	77.7%	85.6%
	Other territories	56.0%	68.1%	70.8%	79.5%
Methodologies, assumptions and scientific data used	The target is calculated as the ratio of kilometres of network divided into districts to the total length of the network managed. The medium- and long-term targets take into account the planned investments for the division into districts of the water distribution networks, as well as the possible options for expanding the scope, consistent with the provisions of the Business Plan				
2024 Results	The results are in line with expectations				
SDGs	6, 14, 13				

[E3-4_03]

Reuse of water from wastewater treatment plants				
Main scope	wastewater treatment/ own operations			
Stakeholders involved	environment, communities, business customers			
Target/Results (m^3) (absolute)	Base year 2020	2024 Results	2027 (medium-term)	2030 (long-term)
	6,000,000	6,199,277	10,000,000	20,000,000
Methodologies, assumptions and scientific data used	The medium- and long-term targets consider the investments laid down in the Business Plan for the development of new wastewater treatment plants that provide for the reuse of treated water for irrigation or industrial purposes			
2024 Results	The results are in line with expectations			
SDGs	6, 14, 13			

The targets, defined by Iren Group on a voluntary basis, are monitored on an interim and annual basis to check the alignment of progress in relation to the annual targets of the Business Plan and to define, if necessary, corrective actions or changes in the scenario that may require a revision of the target.

Protecting biodiversity

[E4-1_01, E4-1_02, E4-1_03, E4-1_04, E4-1_05, E4-1_06]

The conservation of biodiversity and ecosystems are considered by Iren Group as an essential component of sustainable development in the implementation of its industrial activities. The Strategic Plan - into which the green transition plan is integrated - the Sustainability Policy, the Environmental Policy and the Group's Biodiversity Policy outline the path, commitments and actions aimed at **reducing the environmental impact** of the Company's activities, thereby contributing to the preservation of biodiversity and ecosystems and maintaining the balance of nature. In particular:

- the **progressive decarbonization of activities**, the **development of energy production from renewable sources** and the **recovery of matter and energy from waste** contribute to the mitigation of climate change, the main threat to global ecosystems;
- **enhancing the treatment capacity of wastewater** is an essential lever for the removal of pollutants from water returned to the natural environment, with a positive impact on biodiversity and aquatic ecosystems;
- the adoption of **certified environmental management systems** (ISO 14001 and EMAS) represents a strategic tool for continuous monitoring and improvement, as defined by the Environmental Policy, which is also fundamental for carrying out activities and developing infrastructures while protecting biodiversity;
- the realisation of **urban reforestation interventions**, through projects that not only improve air quality and absorb CO_2, but also create new habitats for animal and plant species, promoting biological diversity in urban contexts;
- the involvement and evaluation of suppliers on **environmental performance** in their activities for Iren Group, encouraging the implementation of environmental management systems;
- the promotion of and participation **in awareness-raising initiatives** by the Group, also in collaboration with institutions, local communities and stakeholders to promote awareness of the value of biodiversity and encourage virtuous behaviour.

Prevent, plan and act for nature

[E4.SBM-3_01, E4.SBM-3_02, E4.SBM-3_03, E4.SBM-3_04, E4.SBM-3_05, E4.SBM-3_06]

Iren Group operates at numerous sites throughout Italy, each with specific environmental characteristics and types of activities. Of these sites, **126** are **located near Natura 2000** areas, which are of high nature value and crucial for the conservation of biodiversity.

Aware of the importance of these ecosystems, Iren acts responsibly, adopting protective measures and targeted strategies while scrupulously complying with environmental regulations. This ongoing commitment makes it possible to **contain the impact of the Group's activities on biodiversity**, minimising its negative effects.

The realisation and management of systems, activities and projects is carried out in accordance with Italian environmental regulations (Legislative Decree 152/2006) which require the integration of environmental aspects in the development of plans and programmes and the Environmental Impact Assessment (EIA), with the aim of identifying and evaluating in advance the effects on the environment – during the start-up phase or in the case of significant changes to existing projects – and to identify measures to prevent, eliminate or minimise negative impacts on the environment before they actually occur, analysing the impact in terms of atmospheric emissions, water withdrawals and discharges, waste, noise and odours. In addition, any major project involving the construction, modernisation or extension of existing plants and infrastructures, which may have an impact in Natura 2000 areas, is subject, as provided for in the regulations (Presidential Decree No. 357/1997), to an **Impact Assessment** that serves to identify possible environmental impacts and to ensure that the intervention is carried out with respect for the environmental integrity of these sites.

Preventive measures are also implemented in relation to endangered species by monitoring the state of the waterways affected by the installations.

Although the Group's activities do not have a significant negative impact on biodiversity, a list is provided of the Natura 2000 sensitive areas in or near (2 km radius) where the Group operates (see paragraph "Natura 2000 sensitive areas in/near which Iren Group operates" in this chapter), identified through the Natura 2000 Viewer tool, which provides key information on all Natura 2000 sites: species and habitats, population size and species conservation status.

Analysis of impacts, risks and opportunities

[E4.IRO-1_01, E4.IRO-1_02, E4.IRO-1_03, E4.IRO-1_04, E4.IRO-1_05, E4.IRO-1_06, E4.IRO-1_07, E4.IRO-1_08, E4.IRO-1_14, E4.IRO-1_15, E4.IRO-1_16]

Material impacts, risks, dependencies and opportunities were analysed through the process described in the paragraph "Double materiality assessment" in the chapter Strategy for sustainable development for the general analysis part, and in the paragraph "Environmental impacts, risks and opportunities" in the chapter Policies for the environment, for the specific process concerning environmental aspects.

IMPACTS
✓ Promotion/implementation of initiatives by Iren Group (green energy production, waste and wastewater treatment, urban reforestation, etc.) and/or participation in third-party initiatives to promote the protection and development of biodiversity

This analysis **did not reveal any possible negative impacts or dependencies for the Group related to biodiversity and ecosystems or to local communities**, relevant in terms of likelihood and severity.

It is important to emphasise how, conversely, the Group contributes positively to the protection and development of biodiversity both through the **implementation of its own initiatives** (renewable energy generation, waste and wastewater treatment, urban reforestation, etc.) and through participation in initiatives promoted by third parties.

The Group's activities at sites/plants located in or near protected areas - energy generation, waste treatment, electricity distribution and integrated water service management - are certified by the ISO 14001 environmental management system and by their very nature are subject to Environmental Impact Assessment, as required by current legislation (Legislative Decree No. 152/2006).

In order to mitigate the potential impacts of its activities on biodiversity, the Group adopts measures for the conservation of species, natural and semi-natural habitats, specific to each sector, strictly adhering to the regulatory framework.

In the field of **energy generation**, water withdrawals and releases in hydroelectric plants are managed according to the concessions issued by the competent authorities, and the Minimum Vital Flow (MVF) is guaranteed, which is the water supply that can guarantee the natural ecological integrity of the surface water body, with particular reference to the protection of aquatic life. The MVF is defined by the concession specifications or by regional regulations in implementation of the approved water protection plans, in accordance with the ecological flow guidelines, and through agreements with the competent authorities. Management Plans have been prepared for all the reservoirs (pursuant to Legislative Decree No. 152/2006) with the relevant impact studies for those affecting SCIs (Sites of Community Importance). Furthermore, as part of the ISO 14001 certified environmental management system, environmental analyses are prepared and periodically updated to identify environmental impacts and quantify their significance, with a view to their containment and monitoring of environmental performance.

The monitoring of discharges is essential for the protection of aquatic fauna and flora. At the Turbigo and Moncalieri power plants, for example, the **temperature of water** leaving the condensers and discharged into surface water bodies is monitored. For the Moncalieri cogeneration plant and the Baiso hydroelectric plant, the **health status of the watercourses** on which the plants are located is monitored by calculating the Extended Biotic Index (EBI), which is based on the analysis of a group of invertebrate animal organisms, macro-invertebrates, which colonise the different types of waterways. Based on the grouping unit and the species identified during sampling, which takes place upstream and downstream of the power plants, the quality of the watercourse can be established. Moreover, the measures to improve efficiency of hydroelectric plants, carried out by the Group, have positive repercussions on the entire system, as they reduce the need to produce energy from fossil sources and help to reduce atmospheric emissions. For all the redevelopment work carried out on plants, the plant IAFR certification (certifying that it is powered by renewable sources) was obtained, which identifies the environmental benefits expected in terms of reductions in SO_2, CO_2, NOx, particulate and natural gas emissions. In order to minimise the acoustic impact on the surrounding environment, all systems are properly soundproofed.

In the **integrated water service**, too, the procedures for building and operating plants are aimed at impact mitigation: screening and environmental impact assessments are carried out within the deadlines set by the regulations on both wastewater treatment plants and water withdrawals. For new installations, and those subject to substantial modifications, a **noise impact** study is prepared, subject to acceptance. Wastewater treatment plants are required to apply more restrictive limits for nitrogen and phosphorus, depending on their size. Works are carried out on the discharge from wastewater treatment plants into surface water to limit erosion or stagnation and continuous quality controls are carried out on the discharge, including, where required, acute toxicity tests. When necessary, discharge treatment is carried out with environmentally compatible compounds. The purpose of wastewater treatment is, by its very nature, to maintain optimal environmental conditions and its primary objective is to ensure that wastewater is treated appropriately and made compatible with the natural habitats of the receiving water bodies. Similarly, **the protection of areas where water sources** are located is of the utmost importance for the management of the integrated water service, together with the containment of the withdrawal of resources from the environment for drinking water purposes. To this end, the Group is constantly striving to reduce network losses, both by **monitoring the** water system through the division into districts of the waterworks, and through regular inspections of plants and preventive maintenance activities that limit the occurrence of breaks and malfunctions.

Biodiversity policies

[E4.MDR-P_01-06, E4-2_01, E4-2_02, E4-2_03, E4-2_04, E4-2_05, E4-2_06, E4-2_17, E4-2_19]

Aware of the relevance of the issue globally, the Group has defined commitments and guiding principles relating to biodiversity and ecosystems both in its Environmental Policy (see chapter Policies for the Environment in this section) and in a specific Biodiversity Policy.

The principles underpinning the Group's Biodiversity Policy comply with national and European regulations and standards - including the National and European Biodiversity Strategy, the Habitats Directive, the Birds Directive, ISO 14001, the EMAS scheme and the UN Sustainable Development Goals - and consist of:

- the conservation of the biodiversity of ecosystems, in particular for the activities carried out in vulnerable or protected natural areas;
- the monitoring, prevention and mitigation of the impacts of the activities on biodiversity;
- the promotion of environmental improvement through actions aimed at protecting areas of high ecological value and disseminating a culture of biodiversity;
- raising awareness and knowledge about biodiversity, its protection and conservation, encouraging best practice by passing it on internally and externally;
- collaboration with local associations and communities in actions and projects designed to increase stakeholders' awareness of the importance of protecting biodiversity.

The principles are realised through the promotion of voluntary actions, such as:

- the mapping and location of Group infrastructures in order to identify potential interferences generated on protected areas where they are located or in their vicinity;
- environmental analysis and assessment of the significance for the Group of impacts and risks related to the environment and biodiversity, in order to take the necessary measures according to a hierarchy that prioritises solutions to avoid and prevent the occurrence of negative impacts, minimise unavoidable impacts, restore environmental conditions and compensate for residual effects. In the management of water services, for example, in order to prevent a potential impact on biodiversity and ecosystems resulting from water withdrawals needed to feed the aqueduct systems, the Group is constantly striving to reduce network losses by monitoring the water system through the division into districts of the aqueduct network. Regular plant inspections and preventive maintenance measures that limit the occurrence of breakdowns and malfunctions are also carried out;
- the integration of environmental aspects also related to biodiversity into the Group's environmental management system, through management tools and procedures for monitoring activities;
- public disclosure of actions taken to ensure the conservation of biodiversity in the areas of operation;
- participation in research projects or studies in collaboration with third parties;
- promotion of training, education and awareness initiatives, working with associations, local communities, suppliers and other parties interested in biodiversity issues.

The monitoring of the effects of activities on ecosystems is carried out by means of tools such as the Preliminary environmental assessment referred to in Article 6(9) of Legislative Decree No. 152/2006, the Environmental Impact Assessment (EIA), specific authorisation acts such as the Integrated Environmental Authorisation (IEA) and the assessment of impacts on Natura 2000 sites.

Finally, the Group's Environmental Policy also promotes the sustainable procurement and consumption of resources and the traceability of raw materials used.

The Policy applies to the entire Group and to all geographical segments, with particular reference to those near or within sensitive or protected natural areas. The main focus is on the protection and conservation of habitats and species present in the operational sites.

In line with the Group's organisational and corporate governance model, which assigns responsibilities to the main corporate governance bodies for overseeing sustainability issues, the implementation of biodiversity policies is the responsibility of the Chief Executive Officer, supported by an organisation that provides for:

- a system of delegation of decision-making and spending powers;
- the presence, at Group level, of a QSA (Quality, Safety and Environment) management systems function responsible for verifying the application and updating of the environmental policy;
- the definition of roles and responsibilities on environmental issues in company organisational charts;
- a set of operating procedures on environmental issues consistent with the ISO 14001 and EMAS certified environmental management systems adopted by the Group.

Iren Group also works in synergy with local communities, associations and stakeholders to raise awareness of the importance of biodiversity, promoting initiatives that enhance the territory and protect its natural areas. Examples of this collaboration are the projects, carried out by the Iren Local Committees (see paragraph "Iren Local Committees: dialogue, exchange of ideas and community participation" in chapter Sustainable development of local communities), to locate and catalogue hilly wetlands in the province of Reggio Emilia, and to take a census of the areas of greatest naturalistic interest in the Po Valley.

Stakeholders' interests, considered in the definition of policies, are detected both through the structured dialogue and discussion carried out by Iren's Local Committees and through the impact materiality assessment. The Group also promotes education, training and awareness-raising activities (e.g. the placement of beehives in power plants, see paragraph "Actions and resources for biodiversity" in this chapter) targeted at both employees and local communities.

To ensure transparency and involvement, policies are made public through the Group's website and in annual sustainability reporting.

The Group's biodiversity policies consider the potential direct negative impacts on biodiversity loss related to **pollution**, as well as **physical risks** and **dependencies**, particularly related to **climate change**, **water** and the **preservation of marine resources**.

In addition, policies consider the possible positive impacts related to the dissemination of biodiversity culture, internally and along the value chain, including through collaboration with local institutions and communities, as well as in **engaging suppliers to adopt sustainability policies, actions and targets** to reduce their actual or potential negative impacts.

Actions and resources for biodiversity

[E4.MDR-A_01-12, E4-3_02, E4-5_01, E4-5_02, E4-5_04]

The biodiversity protection policies adopted by the Group, which define principles and guidelines, are translated into concrete actions that the Group implements daily in its activities.

Actions	
Reforestation and greenery	• **urban reforestation** in some areas where the Group operates, e.g. in Parma in the vicinity of the waste-to-energy plant, to improve environmental conditions, fostering the development of natural habitats for local flora and fauna • creation, enrichment and **improvement of green spaces in urban areas and at operational sites**. In 2024, at the cogeneration plant in Moncalieri in Turin, the planting of a linear tree-arbustive formation was started. Similarly, at the Tusciano hydroelectric power plant, the areas on which buildings that had been demolished due to non-use were turned into green areas. Furthermore, the area previously occupied by a landfill in the Siena area has been closed, with plans for natural restoration of the surface.
Species protection	• **placement of beehives** in some of the Group's plants, to monitor the quality of the areas and environmental matrices, as well as to encourage pollination: more than 120,000 bees have been placed in the hives, capable of pollinating about 60 million flowers daily and producing about 20 kg of honey per year. By observing the behaviour, health and production capacity of bees, the balance of the surrounding ecosystem is monitored and behavioural changes are recorded • **ascending fish ladders** to enable fish to overcome artificial barriers, such as dams or hydroelectric plants operated by the Group, and to continue their natural migration, reproduction and growth path. Their use is particularly important to ensure the sustainability of aquatic ecosystems, preserving fish biodiversity and ensuring the continuity of biological cycles of fish
Water	• responsible management of **wastewater treatment plants** subject to stricter nitrogen and phosphorous limits to ensure that treated wastewater is compatible with the natural habitats of receiving water bodies, which include both rivers (such as the Po and watercourses in Sicily) and coastal stretches (such as those of the Ligurian Sea) • screening and environmental impact assessments to preserve the biodiversity of ecosystems in **areas where water sources are located**
Soil	• monitoring and replacement of electrical transformers in distribution networks that contain oils with high PCB concentrations
Analysis of sites	• development of **mapping of Group sites** located in or near protected areas, supplementing it with progressive levels of detail to refine the analysis of potential interferences
Local collaborations	• agreement with the **Gran Paradiso National Park Authority** in relation to the operation of hydroelectric plants within the protected area, for: - implementation of initiatives and works aimed at environmental improvement - collaboration to monitor and improve the environment through the collection and analysis of meteorological data, water measurements and water and fish quality studies - educational, tourist and cultural promotion of the Piedmont side of the Park - creation of a glaciological museum (Climapark Piantonetto) • participation in the **KilometroVerdeParma Forestry Consortium**, which is developing perennial forests in the province of Parma - where there is land, public or private, free and available - certified PEFC (Programme for Endorsement of Forest Certification schemes), a forest certification based on compliance with the criteria and indicators defined in the Ministerial Conferences on the Protection of Forests in Europe (Helsinki 1993, Lisbon 1998). The PEFC standard ensures the sustainable management and use of forests so that they can fulfil ecological, economic and social functions now and in the future

Iren carries out its activities by operating in 126 sites located in 67 biodiversity-sensitive areas (see paragraph "Natura 2000 sensitive areas in/near which Iren Group operates" in this chapter), without, however, negatively impacting ecosystems and therefore without having to resort to compensation measures.

On the basis of established methodologies, the Group does not directly contribute to changes in land, freshwater or sea use. This is possible thanks to careful planning that includes the primary use of land already in the Group's possession for new plant developments, with optimisation of space and in line with current town planning regulations.

The tools for monitoring the Group's impacts on biodiversity-sensitive areas are based on primary data, such as satellite observations, and on robust models to analyse changes in ecosystem and habitat conditions. The methodologies and metrics adopted are aligned with EMAS recommendations, which promote transparency and reliability of environmental information. These metrics - applied to all Group activities and operating sites, with a focus on sensitive and protected areas - focus on various aspects, including changes in land cover, freshwater withdrawals and consumption, and water quality. Biodiversity assessment is carried out by considering the direct impacts of the Company's activities on ecosystems, indirect impacts related to natural resource management and sustainability analysis to ensure that the Company's activities do not exceed critical ecological limits.

The monitoring of these aspects is continuous and periodic, with a frequency that allows for early detection of any impacts and necessary changes in business operations. Baseline conditions are established for each metric and reference periods are defined according to the monitoring needs for each sector.

The data used in the metrics are both primary (collected directly in the field) and secondary (historical). In some cases, expert judgement is used to fill any gaps in the available information.

Targets for biodiversity

[E4.MDR-T_01-13, E4-4_01, E4-4_05, E4-4_06, E4-4_07, E4-4_08, E4-4_09]

In its Strategic Plan, Iren Group has defined targets in the areas of decarbonization, circular economy and water resources that, by their very nature, are also intrinsically linked to the conservation of biodiversity.

Area	Target	Effects on biodiversity	Reference
Decarbonization	Carbon intensity of energy generation (Scope 1)	Climate change is one of the main causes of biodiversity loss, as it alters habitats, modifies natural cycles and increases the frequency of extreme events. By reducing carbon intensity, the Group makes its contribution to protection of the climate and the ecosystem Level of the mitigation hierarchy: prevention	paragraph "Climate targets" in chapter Meeting the challenge of climate change
Circular Economy	Reuse of purified water	The reuse of specially treated wastewater reduces pressure on natural water resources. This is crucial for aquatic biodiversity, as withdrawals alter water ecosystems and compromise the survival of animal and plant species Level of the mitigation hierarchy: prevention	paragraph "Targets for water and marine resources" in chapter Sustainable use of water and marine resources
Water resources	Treatment capacity	Increased treatment capacity ensures that wastewater is treated effectively before being released into the environment. This prevents pollution affecting aquatic biodiversity, causing the disappearance of beneficial aquatic organisms, the proliferation of harmful algae and the loss of habitat Level of the mitigation hierarchy: prevention	paragraph "Targets for water and marine resources" in chapter Sustainable use of water and marine resources
	Water withdrawals from the environment	Reducing water withdrawals from the environment is essential for preserving aquatic ecosystems, counteracting the loss of wetlands and altering the habitats of aquatic and terrestrial species Level of the mitigation hierarchy: prevention	
	Water mains leaks (historical areas)	Reducing losses in the water network contributes to a more efficient use of water resources, resulting in less water being withdrawn from the environment and reducing the impact on aquatic ecosystems. Level of the mitigation hierarchy: prevention	

In addition to these, the Group sets specific targets for biodiversity in line with its policies and the following regulatory frameworks:

- **EU Biodiversity Strategy 2030**, promoting the creation of more natural environments;
- **global post-2020 biodiversity framework**, through interventions that foster biodiversity and ecological integration;
- **other national and local regulations**, respecting environmental and landscape management constraints for the site.

Expansion of green areas at Group plants			
Main scope	electric and thermal power generation - Moncalieri power plant/ own operations		
Stakeholders involved	environment, communities, institutions		
Target/Results (m^2 - absolute)	Base year 2020	2024 Results	2026 (medium-term)
	40,000	40,000	40,450
Methodologies, assumptions and scientific data used	The project is based on scientific foundations, including preliminary soil analyses, careful selection of native plant species in cooperation with environmental experts, and specific environmental studies conducted on the area. No specific ecological thresholds were identified to determine the targets: the design is mainly based on an analysis of local conditions, taking into account the soil and climate characteristics of the site, as well as the typical composition of the adjacent river vegetation. Interventions are designed to directly improve the ecological and visual quality of the area, without resorting to external compensation instruments		
2024 Results	In 2024, the design phase was completed and the first planting phase started. The results are constantly monitored through precise measurements of the redeveloped area, counting of introduced plants and visual assessments of the landscape impact. Periodic checks and audits by external professionals will also be carried out to ensure full compliance with the initial objectives and to make any necessary adjustments		
Relationship to impacts, dependencies, risks and opportunities	The objective is closely related to the positive impact of "promotion/implementation of initiatives by Iren Group and/or participation in third-party initiatives to promote the protection and development of biodiversity"		
Level of the mitigation hierarchy	The target ranks at the prevention level in the mitigation hierarchy		
SDGs	13, 15		

Natura 2000 sensitive areas in/near which Iren Group operates

Region	Name	Area Code	Geolocalisation
Piedmont	Collina di Superga	IT1110002	Long. 7.770600 Lat. 45.069700
	Stupinigi	IT1110004	Long. 7.592000 Lat. 44.981000
	Gran Bosco di Salbertrand	IT1110010	Long. 6.922200 Lat. 45.058100
	Lanca di Santa Marta (Po - Banna Confluence)	IT1110017	Long. 7.695600 Lat. 44.951400
	Po - Orco - Malone Confluence	IT1110018	Long. 7.866100 Lat. 45.183900
	Po morto di Carignano	IT1110025	Long. 7.696667 Lat. 44.896389
	Xerothermic oasis of Val di Susa-Orrido di Chianocco	IT1110030	Long. 7.120833 Lat. 45.151389
	Meisino (Po confluence)	IT1110070	Long. 7.733295 Lat. 45.092683
	La Mandria	IT1110079	Long. 7.573900 Lat. 45.163100
	Lame del Sesia and Isolone di Oldenico	IT1120010	Long. 8.397500 Lat. 45.419167
	Isolotto del Ritano (Dora Baltea)	IT1120013	Long. 8.001111 Lat. 45.231389
	Vercelli rice paddies	IT1120021	Long. 8.232800 Lat. 45.297500
	Lama del Badiotto and Garzaia della Brarola	IT1120025	Long. 8.496594 Lat. 45.299074
	Vallone di Orgials - Colle della Lombarda	IT1160023	Long. 7.140000 Lat. 44.218000
	Sources of the Maira, Saretto Woods, Rocca Provenzale	IT1160018	Long. 6.915833 Lat. 44.496389
	Tenibres Group	IT1160021	Long. 7.022778 Lat. 44.304167
	Magdalena Pass and Lake, Val Puriac	IT1160024	Long. 6.912222 Lat. 44.393611
	Stura and Maira Upper Valleys	IT1160062	Long. 7.077400 Lat. 44.282600
	Capanne di Marcarolo Regional Park	IT1180026	Long. 8.788926 Lat. 44.565287
	River Po - Vercelli Alessandria section	IT1180028	Long. 8.500400 Lat. 45.144700
	Gran Paradiso National Park	IT1201000	Long. 7.301667 Lat. 45.518889
	Vobbia Conglomerate	IT1330213	Long. 9.000000 Lat. 44.600000
	Pian della Badia	IT1330620	Long. 8.600000 Lat. 44.533333
Liguria	Antola Park	IT1330905	Long. 9.196944 Lat. 44.587500
	Mouth and middle course of the River Entella	IT1332717	Long. 9.357500 Lat. 44.350278
	Lake Marcotto - Roccabruna - Gifarco - Lake Nave	IT1331012	Long. 9.333333 Lat. 44.533333
	Lake Brugneto	IT1331019	Long. 9.200000 Lat. 44.533333
	Aveto Park	IT1331104	Long. 9.433333 Lat. 44.483333
	Beigua - Monte Dente - Gargassa - Pavaglione	IT1331402	Long. 8.583889 Lat. 44.454444
	Praglia - Pracaban - Monte Leco - Punta Martin	IT1331501	Long. 8.825000 Lat. 44.503056
	Mount Ramaceto	IT1331810	Long. 9.312500 Lat. 44.440833
	Monte Caucaso	IT1331811	Long. 9.230556 Lat. 44.458611
	Fondali Arenzano - Punta Ivrea	IT1332477	Long. 8.680556 Lat. 44.386667
	Fondali Boccadasse – Nervi	IT1332576	Long. 8.996111 Lat. 44.380000
	Portofino Park	IT1332603	Long. 9.181667 Lat. 44.322778
	Pineta - Lecceta di Chiavari	IT1332614	Long. 9.303333 Lat. 44.326389
	Rio Tuia - Montallegro	IT1332622	Long. 9.265278 Lat. 44.358333
	Fondali Golfo di Rapallo	IT1332673	Long. 9.248889 Lat. 44.338056
	Punta Manara	IT1333308	Long. 9.407500 Lat. 44.260833
	Magra Park - Vara	IT1343502	Long. 9.864444 Lat. 44.172222
	Val Noci-torrente Geirato-Alpesisa	IT1331721	Long. 9.024000 Lat. 44.482000
Emilia-Romagna	Monte Capra, Monte Tre Abati, Monte Armelio, Sant'Agostino, Lago di Averaldi	IT4010004	Long. 9.477778 Lat. 44.766389
	River Trebbia from Perino to Bobbio	IT4010011	Long. 9.417778 Lat. 44.794722
	Conoide del Nure and Bosco Fornace Vecchia	IT4010017	Long. 9.699167 Lat. 44.920278
	River Po from Rio Boriacco to Bosco Ospizio	IT4010018	Long. 9.762778 Lat. 45.095833
	Abetina Reale, Alta Val Dolo	IT4030005	Long. 10.458333 Lat. 44.263611
	Fontanili di Corte Valle Re	IT4030007	Long. 10.532800 Lat. 44.767200
	Gessi Triassici	IT4030009	Long. 10.388611 Lat. 44.383333
	San Valentino, Rio della Rocca	IT4030016	Long. 10.717500 Lat. 44.541667
	Media Val Tresinaro, Val Dorgola	IT4030018	Long. 10.565833 Lat. 44.498889
Lombardy	Boschi del Ticino	IT2080301	Long. 8.923000 Lat. 45.441000
Tuscany	Alta Val di Merse	IT5190006	Long. 11.219444 Lat. 43.171944
	Volcanic cone of Monte Amiata	IT51A0017	Long. 11.601111 Lat. 42.887500
	Giglio Island	IT51A0023	Long. 10.898056 Lat. 42.353056
	Monte Argentario, Isolotto di Porto Ercole and Argentarola	IT51A0025	Long. 11.147222 Lat. 42.403889
Campania	Monti Picentini regional park	IT8040021	Long. 14.998002 Lat. 40.707138
	Lower course of the Bussento River	IT8050007	Long. 15.496944 Lat. 40.103333
	Tanagro and Sele rivers	IT8050049	Long. 15.232778 Lat. 40.658056
Apulia	Torre Guaceto and Macchia S. Giovanni	IT9140005	Long. 17.758056 Lat. 40.743611
Basilicata	Valle Basento - Ferrandina Scalo	IT9220255	Long. 16.491667 Lat. 40.522500
Sicily	Lake Pergusa	ITA060002	Long. 14.304671 Lat. 37.512783
	Lake Pozzillo	ITA060003	Long. 14.590000 Lat. 37.650556
	Vallone di Piano della Corte	ITA060007	Long. 14.504203 Lat. 37.645039
	Vallone Rossomanno	ITA060010	Long. 14.395556 Lat. 37.445556
	Contrada Caprara	ITA060011	Long. 14.095529 Lat. 37.405238
	Piazza Armerina woods	ITA060012	Long. 14.338889 Lat. 37.411389
	Contrada Valanghe	ITA060015	Long. 14.778056 Lat. 37.591111

Supporting the circular economy

[E5.IRO-1_01, E5.IRO-1_02]

The circular economy is a key factor for Iren Group in the realisation of its sustainable, innovative and competitive development strategy to meet environmental and social challenges in a responsible and efficient manner.

In the Strategic Plan to 2030, the circular economy is one of the areas of the green transition.

The Group's substantial contribution to the circular economy has repercussions in terms of optimising natural resources, environmental impact and climate change mitigation, through:

- a reduction in the use of virgin raw materials and more efficient management of natural and material resources;
- the improvement of waste management;
- innovation to foster new technologies and solutions related to waste recycling and energy recovery;
- making a contribution to national and global targets for emission reduction and sustainable resource management.

Furthermore, adopting a circular model also means the Group needs to respond to the growing expectations of communities, customers, shareholders and financiers, who are increasingly concerned about sustainability.

Iren Group manages its own waste and the waste managed on behalf of local communities with the aim of reducing its production and increasing recovery and production of energy from waste, according to the principles of prevention, sustainability and safety.

The constant dialogue and discussion on the topic with governmental, regional and local institutions, the public and businesses, as well as the training activities carried out in cooperation with school and university institutions, is vital.

	IMPACTS
✗	• Potential contribution of Iren Group to resource stress arising from the use of goods and products with low content of renewable materials
✓	• Contribution to the reduction of raw materials usage through the extraction of new resources from waste (recycling, material recovery and preparation for reuse) carried out by Iren Group • Reduction of waste production and consequent improvement of environmental quality, also related to the Group's development of incentivizing and efficient waste collection systems
+	OPPORTUNITIES
	• Business opportunities related to the green transition, the circular economy, territory and technological and digital evolution (e.g. services for energy efficiency and self-production, material recovery from waste, sustainable mobility, etc.) with a consequent positive impact on communities and the environment • Changes in consumer behaviour resulting from increased sensitivity towards sustainable services/products (e.g. waste separation, use of green/certified energy, responsible use of water resources), also thanks to environmental education and awareness-raising campaigns and programmes carried out by the company, which can positively affect the Group's economic performance (e.g. lower costs for treating and sorting waste for recovery, acquisition of new market shares in the sale of green energy to support the green transition) and increase operating efficiency • Greater efficiency in the use of resources, thanks to the adoption of innovative and technological tools with positive consequences on the Company's economic and financial performance (lower costs, higher revenues) and positive impacts on communities and reputation

Relevant impacts, risks, dependencies and opportunities were analysed through the process described in the paragraph "Double materiality assessment" of the chapter Strategy for sustainable development, for the general analysis, and in the paragraph "Environmental impacts, risks and opportunities" of the chapter Policies for the environment, for the specific process concerning environmental issues.

Policies for the circular economy

[E5.MDR-P_01-06, E5-1_01, E5-1_02, E5-1_03, E5-1_04]

The **Sustainability Policy** and the **Environmental Policy** (see, respectively, paragraph "Sustainability policy" in chapter Iren Group Governance and paragraph "Iren Group Environmental Policy" in chapter Policies for the environment) define the commitment to managing the impacts, risks and opportunities related to the use of resources and the circular economy.

The commitments declared in the policies are embodied in the Group's strategy, which has set targets for reducing impacts and adopts tools for preventing, monitoring and measuring the impact of its activities in the short-, medium- and long-term, as well as processes and technologies for the sustainable use of resources, starting with the leveraging of waste as a material.

Iren Group's Environmental Policy defines the Company's support for the development of the circular economy through a careful examination of the life cycle of products (from raw material procurement, to use, to disposal) in order to decrease the use of virgin resources and favour the reuse of recycled secondary resources. The circularity of resources, in particular renewable resources, is one of the Group's strategic areas of intervention. The Group in fact operates with the aim of enabling the use of recycled resources from waste and the sustainable use of renewable resources, such as water from treatment processes, for the development of an increasingly circular economy at a national level.

Actions for the circular economy

[E5.MDR-A_01-12, E5-2_01, E5-2_02, E5-2_03, E5-2_04, E5-2_05, E5-2_06, E5-2_07, E5-2_08, E5-2_09, E5-2_10]

Iren Group has taken significant actions to promote the circular economy in favour of the communities it serves and to support the transition to a sustainable development model, encouraging the responsible use of resources and the reduction of environmental impacts. The actions concern:

- **environmental services** managed for local communities, from collection and transport to the treatment of waste for its maximum exploitation as a material and for energy generation;
- the **Group's production processes**, in terms of managing the waste produced in the course of activities.

To support the circular economy action plan, the Group has planned to realise more than 1.1 billion euro in investments in the period 2024-2030 (see paragraph "Resources for the sustainability strategy" in chapter Strategy for sustainable development). In 2024, investments realised amount to €141 million.

Services to communities based on the circularity of resources

Actions	
Advanced waste collection systems	• **dissemination** in the served areas **of collection systems** aimed at increasing the sorting of waste upstream for its more effective recyclability in the treatment phase
Waste recovery plants	• **upgrading and expansion of treatment and recycling plants** to increase material and energy recovery capacity from waste • creation of **new products** by exploiting **waste material**
Water reuse	• **reuse of water resources** from wastewater treated in the Group's wastewater treatment plants, to offer agricultural and industrial enterprises the opportunity to use this resource (see paragraph "Water reuse" in chapter Sustainable use of water and marine resources)
Involvement of institutions and communities	• **education and awareness-raising of young people and the public** to adopt behaviour to support the circular economy • **partnerships and collaborations** to promote new initiatives within the circular economy • the **RigeneRare Hub observatory** for the development of the precious metals and critical raw materials recovery chain

Advanced waste collection systems

Preventing waste generation, increasing sorted waste collection levels, and waste recycling are critical objectives of management policies for communities, as they reduce disposal needs and thus the overall environmental impact.

To this end, the Group adopts advanced, integrated waste collection systems to enable citizens to start the virtuous process of circular use of the waste resource upstream: door-to-door collection for individual waste fractions, waste collection centres with user recognition, punctual pricing systems for waste delivered, bulky waste collection, collection centres. The implementation and continuous expansion of these tools contribute both to the reduction of waste produced and to the creation of conditions for its better leveraging in terms of material and energy.

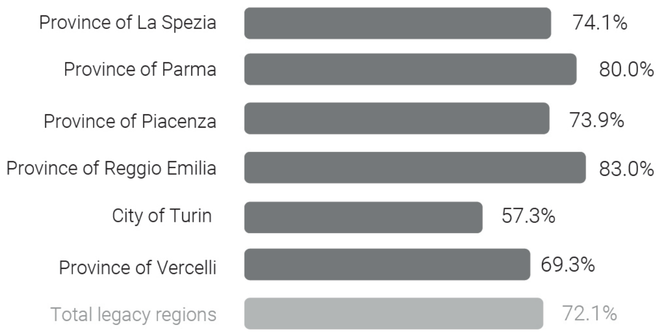
In 2024, the Group provided municipal waste collection services in 552 municipalities - with more than 4 million inhabitants - where approximately 2.8 million tonnes of municipal waste were handled, of which approximately 1.8 million tonnes were directly collected by the Group.

Thanks to the collection systems adopted and the presence throughout the territory of 431 collection centres, which support citizens, in 2024 the percentage of sorted waste collection stood at 72.1% in the legacy regions, with performance well above the national average of 66.6%, where some areas reach peaks of excellence exceeding 80% of sorted waste collected. In the other local areas of reference, the sorted waste collection figure stands at 65.5%.

These results are the fruit of cooperation with the municipal administrations for which the Group works, but also of the commitment of citizens who demonstrate their awareness of the importance of this service in terms of environmental protection.

[IREN_E5_5_112]

Sorted waste collection in legacy regions (%) - 2024



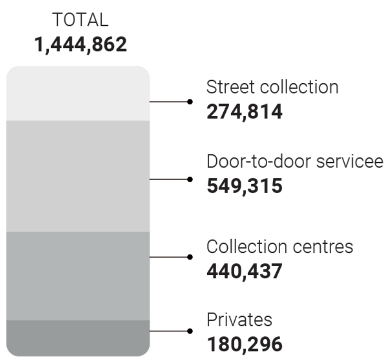
[IREN_E5_5_112]

Sorted waste collection in other territories (%)

The sorted waste collected is sent for recovery in the Group's plants, through specialised platforms and sector supply chains, thanks to the agreements in place with the consortia belonging to CONAI (National Packaging Consortium), or through private operators.

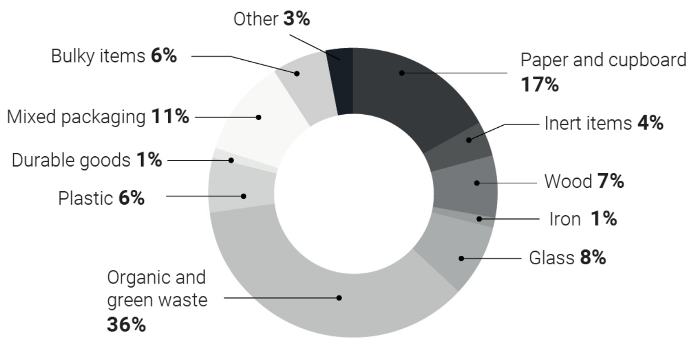
[IREN_E5_5_113]

Waste sorted by collection method (t) - 2024



[IREN_E5_5_114]

Sorted waste recovered by type (%) - 2024



For the development and increasingly efficient management of the service, the importance of process computerisation is emphasised, which allows for significant environmental benefits, thanks to the optimisation of collection, waste delivery logistics, monitoring of services provided in the local area, and the extension of the punctual pricing method.

Waste recovery plants

Iren Group has set as the basis of its circular economy strategy the upgrading and expansion of its treatment and recycling plants in order to increase the capacity to recover materials and energy from waste and reduce the quantities of unsorted waste for disposal. In particular, the focus is on plants for the recovery and recycling of paper, plastic, metals, glass and wood, as well as organic and electronic waste.

Iren Group operates a pool of 68 plants.
[IREN_E5_115, IREN_E5_116]

Group plants	2024
Material recovery	20
Treatment and exploitation of organic waste	7
Mechanical-biological treatment	6
Waste-to-energy plants	4
Storage and transfer	22
Liquid waste treatment	5
Operating landfills	4

In 2024, as part of its expansion plan, the Group started up the plant for the recovery of **precious metals and low-impact critical raw materials** in the province of Arezzo (Terranuova Bracciolini).

New plant to recover precious metals and critical raw materials from WEEE

The new plant is the first dedicated to the treatment of electronic boards from waste electrical and electronic equipment, launching an innovative short supply chain circular economy model.

The size of the plant is about 2,400 m^2 and is unique in Italy where only 30% of electronic waste is properly recovered.

The key steps in the process are the extraction, selection and recovery of metals such as **gold, silver, palladium and copper**, which are found inside the electronic boards of small appliances and devices.

Characterising the plant technology are the **innovative mechanical disassembly and hydrometallurgical treatment processes**, specially designed to extract non-precious metals and isolate and recover precious metals and critical raw materials.

The treatment applied **reduces energy consumption and produces three times less CO_2 than in traditional mining processes**.

There are no discharges of industrial water: **used water is treated and almost totally re-used** in the plant, while emissions into the atmosphere are controlled through filtration and purification systems.

The plant is particularly strategic because it allows the recovery of critical raw materials that **are essential natural resources for the technology and energy industry**, characterised by high economic importance and limited supply risk.

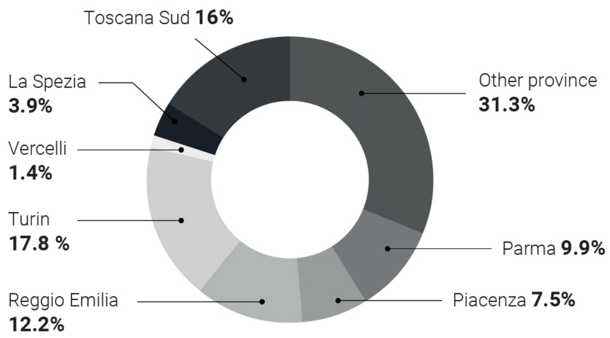
In addition, the **manufacture of new products from waste material** through dedicated plants continued.

Plants		Products generated	Quantity (t) 2024
I.Blu	Transformation of mixed plastics from sorted waste collection into a recycled plastic granule (Blupolymer®) with multiple uses (construction of buildings and infrastructure, containers and bags), and into a techno-polymer for the steel industry (Bluair®) that acts as a reducing agent, replacing fossil fuel and significantly improving efficiency and environmental impact	Blupolymer®	17,761
		Bluair®	29,841
Circular Wood	Production of logistical supports from wood obtained through sorted waste collection: pallets and pallet blocks for companies in the logistics sector	Wooden logistical supports	36,095
ReMat	Semi-finished products for mattresses, sound-absorbing and heat-insulating panels, and upholstery from recycled polyurethane waste from industrial processing, the automotive sector and the furniture industry	Semi-finished polyurethane products	1,363
Organic Fraction Municipal Solid Waste (OFMSW)	Enhancement of organic waste with production of quality compost, biomethane - resulting from the refining and purification of biogas produced in the anaerobic digestion of organic waste and the green fraction - and capture of carbon dioxide released for use in the food industry	Compost	24,260
		Biomethane	6,407
		Food-grade CO_2	1,482

In 2024, the Group managed a total of just over 4 million tonnes of waste, of which about 401,000 tonnes were collected by the company San Germano, not included in the following breakdowns.

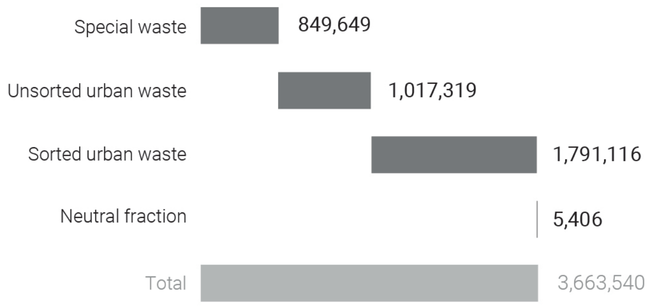
[IREN_E5_5_112]

Waste managed by location (%) - 2024



[IREN_E5_5_112]

Waste managed by type (t) - 2024



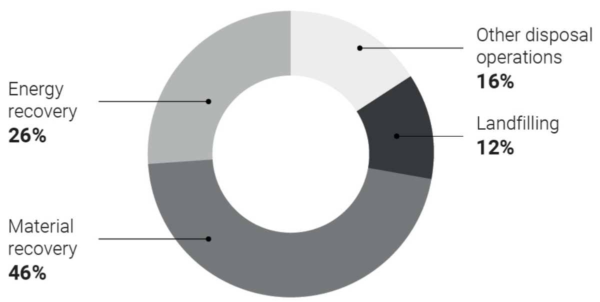
The sorted component of the waste managed is growing, thanks to the construction of new treatment and recovery plants. As already highlighted, in the 2030 Business Plan, the Group places the closure of the circular economy cycle at the centre of its strategy, foreseeing significant investments in new plants with the goal of exceeding 1.5 million tonnes of material recovery capacity from waste in proprietary plants by the end of the plan.

The unsorted component of the waste is destined for various disposal methods searching for the best use of the waste resource that sees energy recovery, through waste-to-energy, as the most effective solution from an environmental point of view.

Disposal operations include mechanical-biological treatment (MBT), which, through the mechanical selection of unsorted waste, separates the organic fraction and stabilises it biologically for recovery. 325,226 tonnes of waste were treated in the Group's MBTs in 2024.

[IREN_E5_5_106]

Destination of managed waste (%) - 2024



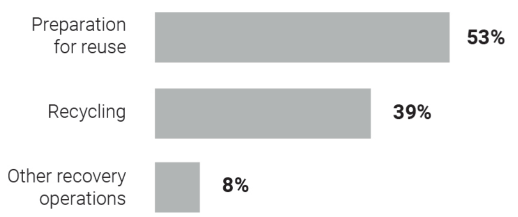
In 2024, 46% of waste managed – equal to approximately 1,671,000 tonnes – was sent for material recovery (recycling, preparing for reuse and other recovery operations) at Group and third-party plants (as detailed below).

Of the portion of waste that could not be recovered as a material (54% of the total, equal to about 1,974,000 tonnes), 43% was sent to energy recovery and the remainder to other disposal operations (36%) or to landfills. All of the waste sent to landfill is special waste.

No waste has been sent for incineration without energy recovery. Compared to the total waste managed by the Group in 2024, less than 3% is of the hazardous type (a little over 12,000 tonnes sent to material recovery and over 93,000 tonnes to disposal).

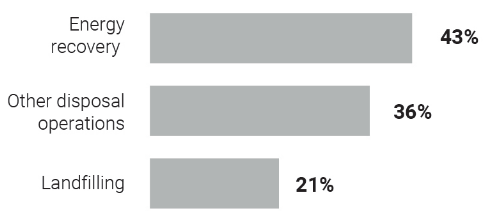
[IREN_E5_5_104]

Waste sent for material recovery (%) - 2024



[IREN_E5_5_105]

Waste sent for energy recovery and disposal (%) - 2024



Engagement of communities

Iren Group promotes awareness-raising, training and information initiatives to disseminate culture, awareness and behaviour aimed at reducing waste production.

Numerous education and awareness-raising activities are aimed at citizens and schools to raise awareness of the importance of sorted waste collection, recycling and recovery, and the encouragement of the use of good practices such as family self-composting. These include the wide range of training courses developed by EduIren, the function established by the Group to disseminate information and raise awareness on sustainable development issues, supporting the green transition process in the current context, addressing young people and citizens to guide them towards new awareness forf the protection of our planet's resources: a commitment to a sustainable future that begins in everyday life (see paragraph "EduIren" in chapter Sustainable development of local communities).

Fundamental, also in the context of the circular economy, is the development of partnerships and collaborations with governmental and local institutions, regulatory authorities, companies and start-ups in the environment and technology sector, and local associations to promote new initiatives and increase the effectiveness of waste collection and recovery actions. This includes the spread of reuse Centres throughout the area, to reduce the amount of waste produced by local communities, or those for the recovery of food surpluses with the dual objective of reducing food waste and supporting the economically weak segments of the population.

Particularly significant in the context of collaborations is RigeneRare Hub, the observatory promoted by Iren Group for the development of an economy based on the recycling of critical raw materials.

RigeneRare Hub

Accelerating the development of the critical raw materials and precious metals recycling chain in Italy, systematising the experiences of the actors involved and guiding industrial development policies: these are the main objectives of RigeneRare Hub to increase the collection and recycling of precious and critical materials from discarded electronic devices, the improvement of treatment and refining technologies, and the development of specialised skills in the sector.

The hub also aims to influence public policies by favouring regulations that support the circular economy, creating a more favourable environment for the recycling industry in Italy, to make the country less dependent on imports and more resilient in its production infrastructures. The key lever for supply diversification is recycling: the circular economy can be pursued immediately, requiring less investment than other solutions, and bringing environmental and economic benefits, through a reduction of imports, with a simultaneous strengthening of the national manufacturing chain.

The promoters of RigeneRare are diverse and work in synergy: Iren Group, Assoambiente, Utilitalia, Confindustria Cisambiente and Confindustria Toscana Sud.

A Steering Committee composed of representatives of the promoters oversees the activities developed by the Hub, supported by an Advisory Board composed of academic and institutional figures with expertise on the subject.

Circular economy in production processes

Actions	
Management of resources	• application of technologies to reduce the use of raw materials • procedures for the more efficient management of natural and material resources • rational use of resources, products and equipment in business processes to reduce consumption
Management of waste produced	• adoption of the EU hierarchy principle in the management of waste produced • definition of procedures within environmental management systems for the treatment of waste produced • maximisation of end-of-life recovery of used products and equipment

Management of resources in production processes

With a view to circularity, the Group promotes, where possible, water recovery and reuse initiatives, adopting systems to recover rainwater and second rainwater, condensation and water used in industrial processes (see paragraph "R and reuse of water resources" in chapter Sustainable use of water and marine resources).

The reduction in the use of materials and products is also pursued through the implementation of specific technologies, not least a reverse osmosis demineralised water production system at the Torino Nord cogeneration plant, which significantly reduces the use of chemicals for the regeneration of ion exchange resins.

The Group's focus is on the careful management and general monitoring of resources used for production purposes with the aim of generating operational and economic efficiency and minimising environmental impacts.

Resource inflows for the management of operational processes

[E5-4_01, E5-4_02, E5-4_03, E5-4_04, E5-4_05, E5-4_06]

In the daily performance of its activities, the Group uses various types of material and natural resources, such as proprietary assets, machinery and working tools, components, products, chemicals, water, energy, gas, and so forth.

Together with the properties owned (land and buildings for civil use) and the plants and infrastructure (energy production plants, waste treatment plants, wastewater treatment plants, water, sewage, gas and electricity networks), the Group uses equipment, machinery and plants (filters, pumps, cables, piping, chemical and microbiological control systems, vehicles, waste collection containers, IT and technical equipment) for operations and maintenance.

In addition to these flows, there are other resource inflows that enable the production processes, and which are thus necessary to carry out the Group's characteristic activities, and support and complementary resources to carry out the production and management processes.

Specifically, the resources that enable the production processes are:

- the waste managed by the Group for communities and individuals, which includes waste collected, treated, recovered and disposed of in its own plants;
- water injected into networks for the distribution of drinking water to communities and distributed to end users, which is then collected through sewer networks and processed at wastewater treatment plants;
- gas injected into distribution networks and delivered to users through the infrastructures managed by the Group.

Resources used in production and management processes include:

- chemical products and reagents;
- fuels, oils and lubricants;
- plastic and plastic-based materials;
- wood materials used in various applications, including packaging and infrastructure construction;
- consumables for office and administrative tasks;
- technical consumables used in maintenance and operational management activities;
- gas used for heating and in production processes (in this regard, see chapter Meeting the challenge of climate change of section Green transition);
- water used in production processes (see chapter Sustainable use of water and marine resources of section Green transition).

These resource flows are managed in an integrated and optimised manner to ensure efficiency, sustainability and reduced environmental impacts.

To determine the weight of resources enabling production processes, direct measurements from monitoring and accounting systems in the plants and networks operated by the Group and from transport forms for waste managed are used[6].

[6] For the conversion of volumes of water and gas by weight, the following factors were used: equivalence of one cubic metre of water to 1,000 kg of weight, specific weight of gas 0.7 kg per cubic metre.

With regard to the resources used in the processes, on the other hand, Iren Group has adopted a mixed methodology based on precise measurement of the weights of materials and/or products used, derived from the management systems used, or on estimates, referring, in this case, to different sources and criteria:

- product data sheets, when available, to obtain direct information on the weight of the products and/or materials used;
- density of materials, applied to known measurements not expressed in weight (e.g. volumes in litres or cubic metres) to estimate weight;
- technical characteristics and types of materials, considering typical weights for similar materials and industry standards.

Where it was not possible to derive the weight directly from technical documentation, an approach based on the average cost per unit weight of the material/product in relation to the total expenditure incurred for the purchase was adopted.

However, the level of uncertainty in the estimates is limited, as these products/materials are widely available on the market for which reliable weight information is widely available.

[E5-4_02]

Weight of resource inflows (t)	2024
Enabling resources for production processes - Total	280,233,112
Waste managed	4,020,016
Water fed into the aqueduct distribution networks	275,443,766
Gas injected into distribution networks	769,330
Process Resources - Total	42,392
Chemical products	8,305
Fuels, oils and lubricants	14,858
Plastics and plastic-based materials	648
Wooden materials	406
Office consumables	1,367
Technical consumables	16,808
Total	280,275,504

Biological resource inflowsare mainly represented by the organic component of the waste managed and the water fed into the aqueduct distribution networks.

[E5-4_03]

Biological resource inflows	2024
Total weight of biological resource inflows(t)	276,011,099
Biological resource inflows as a percentage of total resource inflows	98%

Secondary intermediate materials refer to waste managed by the Group and used for material recovery, treatment, energy production and the generation of new products.

[E5-4_04, E5-4_05]

Secondary intermediate materials used	2024
Weight of secondary intermediate materials used on total resource inflows (t)	4,020,016
Secondary intermediate materials used as a percentage of total resource inflows	1.4%

Resource outflows

[E5-5_01, E5-5_02, E5-5_03, E5-5_04, E5-5_05, E5-5_06]

The resource outflows from Iren Group's activities are represented by products, materials sent for use by third parties and waste produced by the Group's own operations. In particular, among the products generated:

- the compost is recirculated through use in horticultural and floricultural activities;
- biomethane is used for motor vehicles or fed into distribution networks for the benefit of end users;
- carbon dioxide captured from the processing of organic waste is released for use in the agro-food industry;
- the Bluair® polymer, made from non-recyclable mixed plastics, is released for use as a reducing agent in the steelmaking process and an optimiser in the steelmaking process;
- Blupolymer®, a recycled polyolefin-based granule conforming to UNI 10667-16, is sold for use in injection moulding and extrusion processes (e.g. production of logistic supports), compounding for the production of design objects and urban or residential furnishings, and for the production of asphalt mixes for road paving. Tests carried out with the support of the Milan Polytechnic's road laboratory have made it possible to identify formulations that, thanks to the use of this polymer, lead to the creation of more sustainable and durable asphalts particularly suitable for roads, motorways,

industrial areas, airports, logistics and commercial centres. Asphalt additivated with these technopolymers give pavements a significant increase in service life and resistance to temperature fluctuations and UVA rays at the same thickness;
- pallets and pallet blocks are made by pressing 100% recycled wood from post-consumer recovery, guarantee the same durability as traditional logistical supports (as demonstrated by the product's compliance with the UNI EN 13698-1 standard) and their 100% recyclability.

The outgoing materials are sold to third parties for further processing and reuse as a secondary raw material. Water leaving the wastewater treatment plants is returned to the environment and then recirculated through the biological cycle, while the distributed gas is used by end users (households and businesses).

Through its business processes, the Group promotes circular economy models based on reuse, recycling and re-circulation of products and resources, reducing environmental impact and maximising the value of materials.

Products and materials sent for use by third parties are monitored and quantified through direct measurements, in particular weighing and flow rate measurement systems are used, followed by registration in administrative documents as required by current regulations.

[IREN_E5_X001]

Weight of resource outflows (t)	2024
Products	115,846.88
Bluair®	29,841.43
Blupolymer®	17,761.00
Pallets and pallet blocks	36,095.00
Biomethane for transport and distribution	6,407.00
Compost	24,260.45
Food-grade carbon dioxide	1,482.00
Resources set aside for third-party use	228,528,273.59
Paper and cardboard (sent to the recovery chain)	247,833.82
Inerts (sent to the recovery chain)	59,261.75
Wood (sent to the recovery chain)	187,398.54
Iron/metals (sent to the recovery chain)	14,024.69
Glass (sent to the recovery chain)	124,696.80
Organic and vegetable (sent to the recovery chain)	838,500.28
Batteries (sent to the recovery chain)	666.91
Plastic (sent to the recovery chain)	83,247.29
Durable goods (sent to the recovery chain)	17,625.00
Tyres (sent to the recovery chain)	1,902.49
Textile material (sent to the recovery chain)	7,884.80
Bulky waste (sent to the recovery chain)	83,400.84
Mixed packaging and other materials (sent to the recovery chain)	210,135.80
Water leaving wastewater treatment plants (returned to surface water bodies)	225,882,365.00
Distributed gas (for use by end users)	769,329.58
Total	228,644,120.47

Management of waste produced in operational processes

[E5-5_07, E5-5_08, E5-5_09, E5-5_10, E5-5_11, E5-5_12, E5-5_13, E5-5_14, E5-5_15, E5-5_16, E5-5_17]

The Group's main waste-generating activities are:
- processes for the treatment and processing of waste, urban and special, for communities and private bodies (e.g. leachate generated at landfills, ash and debris from waste-to-energy plants, etc.);
- the treatment and purification of water in the management of the integrated water service for the municipalities served (e.g. sludge, sand);
- operation and maintenance of heat and energy production plants and electricity and gas distribution networks.

The Group's attention to the environment is also reflected in the correct management of the waste produced in carrying out the activities, in accordance with the **principle of the waste hierarchy**, which aims to prevent the production and use the waste produced first of all as a material, through reuse and recycling, then as energy and, only in the residual phase, through disposal (art. 179 of Legislative Decree no. 152/2006).

The management of special hazardous and non-hazardous waste produced at the main production sites is carried out in compliance with the **procedures laid down in ISO 14001 standard or EMAS registrations**, for sites with such certifications, and in accordance with environmental regulations.

The transport and recovery/disposal of waste produced by company processes is carried out, where possible, internally by the Waste Management Business Unit and, where it is necessary to use third parties, it is always entrusted to bodies registered with the Register of Environmental Managers.

Weighing and subsequent recording in transport documents and environmental registers are used to measure the waste produced, also in order to identify the various types of waste produced. The quantities of waste produced are monitored periodically and communicated annually to the Chambers of Commerce through the MUD declaration.

In addition to complying with the legislative framework, the waste cycle is closed with a particular focus on the enhancement of the waste resource (recycling, material recovery and preparation for reuse) with priority to the energy recovery of waste that cannot be usefully recovered, and only as a last resort to disposal.

Systems of sorted waste collection, aiming to increase material recycling, have been installed in all Group sites. Policies limiting the use of paper have also been drawn up and implemented through dematerialisation and computerisation of processes.

In 2024, the Group produced a little less than 737,000 tonnes of waste, of which about 704,000 tonnes was non-hazardous.

[E5-5_07, E5-5_15, E5-5_16]

Waste generated by business and by type (t) (1) - 2024	Non-hazardous	Hazardous	Radioactive	Total
Waste produced by the Group	704,266	32,445	0	736,711
Environmental services	546,468	31,827	0	578,295
Integrated water service	156,629	346	0	156,975
Net energy output	996	128	0	1,124
Other activities	173	144	0	317

(1) The difference between waste generated and its destination (tables below) is mainly due to the amount of liquid waste used as fluidisers in the solid waste inerting process.

The majority of the waste produced by the Group is inert slag, leachate, sludge, sands, metals, screened material and mill scale, resulting from waste treatment and integrated water service management processes. Other non-hazardous and hazardous wastes of various types are waste from energy production and waste treatment processes.

Destination of waste produced

In 2024, more than 56% of waste produced by the Group was diverted from disposal, through material recovery by preparation for reuse (61%), recycling (32%), or other recovery operations (7%), in Group-owned or third-party plants.

[E5-5_08]

Waste diverted from disposal (t) (2024)	Non-hazardous	Hazardous	Total
All destinations	383,403	29,395	412,798
Preparing for reuse	239,222	11,145	250,367
Recycling	116,426	15,054	131,480
Other recovery operations	27,755	3,196	30,951

The remaining share of the waste produced, was destined for incineration with energy recovery (12%), landfill (9%) and other disposal operations (79%), in plants owned by the Group and third parties, in the quantities indicated in the following table.

[E5-5_09]

Waste diverted for disposal (t) (2024)	Non-hazardous	Hazardous	Total
All destinations	306,906	14,330	321,236
Incineration with energy recovery	37,011	7	37,018
Disposal in landfill	26,699	1,935	28,634
Other disposal operations	243,196	12,388	255,584

[E5-5_10, E5-5_11]

Non-recycled waste - 2024	2024
Total (t)	321,236
Non-recycled waste as a percentage of total waste produced	44%

Targets for the circular economy

[E5.MDR-T_01-13, E5-3_01, E5-3_02, E5-3_03, E5-3_04, E5-3_05, E5-3_06, E5-3_07, E5-3_08, E5-3_09, E5-3_13]

In its green transition strategy integrated in the 2030 Business Plan, the Group has voluntarily defined, in line with its adopted policies, targets within the circular economy for which 1.6 billion euro of investments are planned from 2024 to 2030.

[IREN_E5_112]

Percentage of sorted waste collection in legacy regions					
Main scope	waste collection service/ own operations/downstream value chain				
Stakeholders involved	customers, communities, institutions, suppliers, environment				
Reference	resource inflows				
Waste hierarchy	prevention/recycling				
Target/Results (% - intensity)		Base year 2020	2024 Results	2027 (medium-term)	2030 (long-term)
	Legacy regions	69.3%	72.1%	74.6%	76.5%
	All territories	63.1%	65.5%	71.0%	74.7%
Methodologies, assumptions and scientific data used	The target is calculated as the ratio of sorted waste collected to the total municipal waste collected. The target is defined on the basis of ISTAT's forecasts of the country's demographic future, the guidelines of the National Waste Management Programme and regional waste management plans				
2024 Results	The results are in line with expectations				
SDGs	12, 13				

[IREN_E5_117]

Waste for material recovery in Group plants				
Main scope	waste treatment and recovery/ own operations			
Stakeholders involved	communities, business customers, institutions, investors, environment			
Reference	resource inflows			
Waste hierarchy	recycling/preparation for reuse			
Target/Results (kton - absolute)	Base year 2020	2024 Results	2027 (medium-term)	2030 (long-term)
	492	1,062	1,501	1,539
Methodologies, assumptions and scientific data used	The target is defined on the basis of ISTAT's forecasts on the country's demographic future and the Bank of Italy's growth projections for the Italian economy, the guidelines and the plant survey of the National Waste Management Programme.			
2024 Results	The results are in line with expectations			
SDGs	12, 13			

[IREN_E5_107]

Biomethane produced from biodegradable waste				
Main scope	waste treatment and exploitation/ own operations			
Stakeholders involved	communities, institutions, environment			
Reference	resource outflows			
Waste hierarchy	energy recovery			
Target/Results (Mm^3 - absolute)	Base year 2020	2024 Results	2027 (medium-term)	2030 (long-term)
	0	9.9	28.9	28.9
Methodologies, assumptions and scientific data used	The target is defined on the basis of ISTAT's forecasts on the country's demographic future and the Bank of Italy's growth projections for the Italian economy, the guidelines and the plant survey of the National Waste Management Programme.			
2024 Results	The results are in line with expectations			
SDGs	12, 13			

[IREN_E1_105]

Emissions avoided from waste recovery				
Main scope	waste treatment and recovery/ own operations			
Stakeholders involved	communities, institutions, environment			
Reference	resource inflows			
Target/Results (tCO_{2eq}/000 - absolute)	Base year 2020	2024 Results	2027 (medium-term)	2030 (long-term)
	1,021	1,530	1,863	2,053
Methodologies, assumptions and scientific data used	The calculation methodology takes several factors into account: i) energy generation from biogenic sources: biogas from landfills and biodigesters, as well as electricity and heat generated by waste-to-energy plants, assuming for the latter 51% of the total generation as biogenic source (source GSE) and converting the thermal energy generated into electricity, according to specific plant factors (Parma=1/6.88 - Turin=1/4.5 - Piacenza=1/6), applying the national benchmark of emissions from the thermoelectric system (Terna and PNA data); ii) correlation between tonnes of recycled waste (paper and cardboard, plastic, organic and green, wood, iron, glass) and tonnes of CO_2equivalent saved (source: *Waste management options and climate change* EC-AEA); iii) emissions avoided from waste recovered in Group plants and diverted from incineration (plastics, durable goods, other materials) or emissions avoided from the production of secondary raw material from waste (compost, bluair). The medium- and long-term targets take into account the defined objectives of increasing sorted waste collection and plant capacity for the recovery of materials from waste.			
2024 Results	The results are in line with expectations			
SDGs				

All the targets defined by the Group in the context of the circular economy are monitored on an interim and annual basis to check the alignment of progress in relation to the annual targets of the Business Plan and to define, if necessary, corrective actions or changes in the scenario that may require a revision of the target.

Focused on people

2.2.3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Proactively managing impacts, risks and opportunities

[S1-4_05, S2-4_05, S3-4_05, S4-4_05]

Iren Group designs and implements strategic action plans that not only aim to reduce negative impacts on the environment and people, but also to maximise and realise positive effects, in order to promote sustainable and responsible development. Therefore, in order to determine actions to address relevant negative impacts on social issues, manage associated risks and seize opportunities, it adopts a structured preventive approach:

- analysis of impacts, risks and opportunities (double materiality assessment) based on the identification of scenarios that could cause impacts on Iren's own workforce, value chain workers, affected communities and consumers/end users, and determination of the likelihood and severity of the impact. Starting from the impacts, risks and opportunities are assessed, along with historical and prospective analyses, and the measures already in place - in terms of policies, actions and procedures - to verify their preventive effectiveness;
- definition of response actions, deciding which intervention is most appropriate according to the nature of the impact and its significance, based on the data collected during the analysis and monitoring phase of the activities, in order to choose the most effective response;
- implementation of actions through concrete operations, which may include changes to business processes, operational actions (e.g. staff training, improvement of internal communication, involvement of suppliers, adoption of new technologies, improvement of infrastructure, collaboration with authorities), or strategic actions (e.g. adoption of new policies, implementation of new services and products);
- monitoring and evaluation of results through performance indicators relating, for example, to accident rates, training hours, employee performance levels, compliance with contractual clauses and customer ratings. Periodic performance monitoring is one of the tools for verifying the effectiveness of policies and actions undertaken;
- disclosure of results to demonstrate the effectiveness of the actions implemented and the benefits derived from them. Sustainability reporting is, in this respect, a tool to provide a detailed overview of the measures taken and the results achieved;
- continuous improvement based on the evolving analysis of impacts, risks and opportunities, technological developments and the needs of the different stakeholder categories. Policies and practices are regularly updated based on the analysis of trends, emerging regulations, climate impacts or other emergency situations.

Iren people

S1.SBM-3_01, S1.SBM-3_02, S1.SBM-3_03, S1.SBM-3_04, S1.SBM-3_05, S1.SBM-3_06, S1.SBM-3_07, S1.SBM-3_08, S1.SBM-3_09, S1.SBM-3_10, S1.SBM-3_11, S1.SBM-3_12, S1-4_19]

The Group considers human resources as a fundamental capital for its growth. Employment levels, skill coverage and development, workers health and safety, and the quality of employment are central in the Sustainability Policy and for pursuing Group's strategies, which, also with regard to labor, support the Global Compact principles. Investment in developing internal skills and enhancing the value of human resources is a fundamental element of the pact between the company and the individual, along with efforts to reconcile life and work needs, improve working conditions and foster a stimulating and constructive work environment.

The aim is to work as a team, add value to the outcome of individual work and increase the sense of belonging, creating a common ground that is social, cultural, professional and intellectual.

IMPACTS

✗
- Potential work-related injuries and ill health for Group employees

✓
- Creation of stable and high-quality employment, also thanks to the constant focus on enhancing the skills of the Group's employees, contributing to social development and reducing youth unemployment
- Reduction of work-related injuries/ ill health through the continuous improvement of the culture of safety and health prevention within the Group
- Equal professional and remuneration opportunities for less represented categories and combating all forms of discrimination also through active participation in collaborative initiatives with third parties
- Protecting the privacy of employees through the company's privacy management system and the promotion of a culture of personal data protection within the Group

RISKS

- Acute physical risk related to water (drought, heavy rainfall, flooding) with significant damage/failures/malfunctions of infrastructure, interruption or limitation of activities and reduction of hydropower generation, increased charges for interventions, disruption of supply of goods and services by strategic suppliers, soil pollution, impact on water quality/water stress, and personnel health and safety criticalities
- Acute physical risk related to solid mass (landslides, subsidence) with significant damage/failures/malfunctions of infrastructure, interruption or limitation of activities, increased costs for interventions, disruption of supply of goods and services by strategic suppliers, and personnel health and safety criticalities

OPPORTUNITIES

- Favourable political and regulatory framework, increasingly oriented towards sustainable development and the improvement of corporate welfare
- Technological and process innovations, and initiatives to disseminate the culture of prevention that improve the health and safety of employees during the performance of their work activities
- Enhancement of human resources through performance appraisal and skills development programmes
- Equal professional and remuneration opportunities for less represented categories
- Promoting the inalienability of people's rights throughout the value chain
- Welfare and work-life balance programmes that generate employee loyalty and improve the internal work climate

The identification of potential impact, risk, opportunity and dependency factors related to the workforce took into consideration all Group workers, employees and agency (or temporary) workers, focusing the basic analysis on the Group's own operations, considering all activities managed, in order to identify any categories of workers more exposed to negative effects.

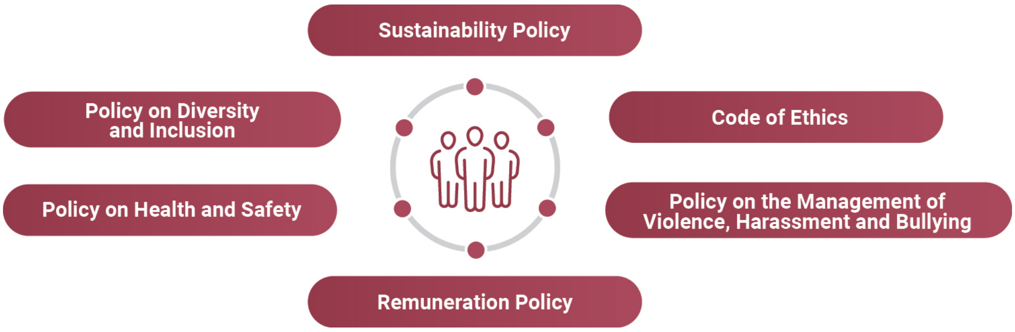
The green transition plan defined by the Group, in relation to climate change, the circular economy, the sustainable use of water resources and the development of resilient cities, represents an opportunity to generate positive impacts for the Group's own workforce, particularly with regard to the creation of stable, quality employment and the enhancement of in-house skills. In fact, the Group's Business Plan encompasses development in these areas linked to a growth in its own workforce and a strengthening of skills, through training and performance evaluation. Employment growth is also planned with a focus on the employment of young people under 30. Due to the nature of the activities managed by the Group, the identified risk of potential work-related injuries and ill health affects workers performing purely operational activities the most. Among the positive impacts and opportunities relevant to the Group, those related to gender equality and diversity are aimed at and have an impact especially on female workers, young workers and workers with disabilities.

Our people, our resource

The Group's focus is on fostering active participation and a sense of responsibility, ensuring involvement, listening and a performance appraisal process geared to enhancing the value of people, including through competence improvement programmes. The dissemination of an inclusive culture at all levels of the organisation is a fundamental value for the growth of the Group.

Policies

[S1.MDR-P_01-06, S1-1_01, S1-1_03, S1-1_04, S1-1_05, S1-1_06, S1-1_07, S1-1_08, S1-1_09, S1-1_10, S1-1_11, S1-1_12, S1-1_13, S1-1_14, S1-1_16, S1-1_17, S1-1_19, S1-1_20, S1-1_21, S1-1_22]



The **Sustainability Policy and the Code of Ethics**[7] define the Group's principles and commitments in the management of its human resources (see chapters 2.5, 2.9 of the Sustainability Policy and chapters 4 and 6 of the Code of Ethics) concerning:

- the rejection of all forms of forced labour and zero tolerance for **human rights** violations and the use of illegal labour. The Group therefore excludes the use of child or forced labour;
- respect for **diversity**, **non-discrimination** and **equal opportunities**, promoting an inclusive organisational culture capable of countering violence, harassment and bullying and attentive to valuing the diversity of its human resources;
- the guarantee of **freedom of association** and the effective recognition of the right to collective bargaining, sharing with the trade unions a system of industrial relations based on constant and constructive confrontation;
- the right to **adequate working conditions** in terms of hours and days worked, rest and fair remuneration;
- the adoption, for all employees, **of national collective bargaining agreements** that guarantee the application of contractual salaries and the adoption of a remuneration policy based on the evaluation of performance and skills;
- a constant commitment to the **personal and professional development** of employees and collaborators, through the implementation of initiatives aimed at enhancing and strengthening their skills, creativity and active participation, with the aim of increasing their motivation and fostering their growth and professional fulfilment;
- the guarantee of optimal **health and safety** conditions in the workplace, with an incremental approach with respect to what is required by law in terms of prevention and culture, guaranteeing a healthy and safe work environment and promoting measures and initiatives aimed at increasing awareness and better risk management, thus favouring prevention at all levels of the organisation and the commitment to continuous improvement;
- respect for the **right to confidentiality and privacy**, through the correct use of personal data and information provided, respecting the fundamental rights and freedoms and dignity of the persons concerned, with particular reference to confidentiality and the protection of personal data, for which the Group has adopted an organisational and management model aimed at protecting the person concerned and ensuring the correct application of the relevant legislation.

Furthermore, Iren Group has adopted a **Policy on Diversity and Inclusion** and a **Policy on the Management of Violence, Harassment and Bullying in the Workplace**, which, by linking up with the principles of the Code of Ethics, formalise commitments for the development of an inclusive work environment, respectful of all forms of diversity, inspired by the principles of fairness and dignity in professional relations. The policies address the corporate culture and individual behaviour against all kinds of discrimination[8] and at all stages of working life - from selection and recruitment to training, development and career opportunities - by promoting female leadership and specific training programmes aimed at raising the level of awareness on diversity issues. With the Policy on the Management of Violence, Harassment and Bullying, the Group reinforces its condemnation of any physical or verbal conduct that aims to denigrate or show hostility and aversion towards a person because of any element of diversity, defining principles, commitments and ways to identify, monitor and prevent such phenomena from occurring.

[7] For general information on Sustainability Policy and Code of Ethics, see the paragraph "Governance policies and tools" in the chapter Iren Group Governance.

[8] Discrimination based on gender and gender identity, age, sexual orientation, ethnic origin, nationality, language, social background, religious beliefs, personal convictions, marital status, experience, education, cognitive and motor skills, health conditions and any other category protected by law.

Within the framework of diversity and inclusion policies and initiatives, the Group's commitment is also confirmed by its membership of:

- Global Compact, supporting the seven Women's Empowerment Principles (WEP) for female emancipation;
- Utilitalia's "Diversity makes the difference" pact, a programme of principles and commitments to increase active diversity management in organisations in order to concretely foster inclusion and diversity in company policies;
- "Manifesto for female employment", proposed by Valore D, that consists of nine points through which companies commit themselves, gradually and compatibly with their specific sector and size, to setting themselves clear and measurable objectives, shared internally, with periodically monitored performance indicators.
- "Memorandum of Understanding between companies and local authorities for the promotion of equal opportunities and gender equality at work", signed at the instigation of the Municipality of Genoa.

The Group monitors the commitments undertaken in the policies in an articulated manner at the various levels of the organisation, provides for specific actions in the event of non-compliance situations being detected and promotes specific channels for reporting any violations (or alleged violations), protecting the person making the report (see the paragraph "Open channels for Iren people: tools for prevention and improvement").

The policies described above are published and disseminated both on the Group's website and on the corporate intranet, which comply with the technical requirements and guidelines for accessibility (Law no. 4/2004), known as WCAG 2.0 (Web Content Accessibility Guidelines). With the exception of the Code of Ethics, the implementation of which is ensured by specific identified bodies and individual Group Companies, responsibility for the application of the Sustainability Policy lies with Top Management, while the Chief Executive Officer is responsible for the application of the other policies to which all Group employees are expected to contribute actively.

In line with the values expressed in its Code of Ethics, the Group adopts meritocratic remuneration policies, based on fairness and performance and aimed at rewarding people who achieve high levels of results, in line with corporate values, the Group's Job System and in compliance with adequate levels of quality and productivity. For these policies, see the paragraph "Remuneration policies" in the chapter Iren Group Governance and the paragraph "Remuneration system" in this chapter.

Engagement of people

[S1-2_01, S1-2_02, S1-2_03, S1-2_04, S1-2_05, S1-2_06, S1-2_07, S1-2_09, S1-2_10, S1-2_11, S1-2_12]

The engagement and participation of employees is essential to develop a corporate culture consistent with the Group's growth prospects and oriented towards continuous improvement to build a sustainable and resilient environment.

For this reason, the Group has consolidated - including in line with the due diligence approach adopted - a process of engagement of its workers in which the role of trade union and industrial relations is central, contributing to creating the best conditions for the development of a business model oriented towards the participation and enhancement of human resources, in order to increase efficiency, service quality and the ability to meet market challenges with innovative solutions. With this in mind, the Group has always paid the utmost attention to correct industrial relations based on regulations, national and company-based collective bargaining agreements, in compliance with national collective bargaining agreements and the principles of the Code of Ethics, with particular reference to ILO Conventions.

Iren and the Trade Unions have signed a Group Industrial Relations Protocol that regulates relations between the Parties and implements a model based on sharing company decisions, focused on the development and involvement of the worker who, for healthy development, must grow together with the entire organisation. The Protocol sets out the methods for approaching industrial relations based on three pillars: bargaining, participation and rules.

Industrial relations are divided into three levels:

- Group level, for topics of general interest and/or transversal to businesses and areas and the trend and development of business sectors, or industrial policies, guidelines on organisational structures, the economic results of the Group and the business segments, the harmonisation processes for company agreements and the coordination of reference national collective bargaining agreements and company integration;
- company level, on topics regarding individual companies or a cluster of companies, for which a Unitary Union Representative Body (RSU) is established;
- regional level, on topics regarding the single production unit, downstream of the company level, or on topics that concern several companies located in the same area.

Furthermore, procedures are defined for developing relations based on information sent to the Trade Unions, discussion and consultation (exchange of information and evaluations, acquisition of opinions, requests or indications from Trade Unions, verification of phenomena on matters specifically identified to seek possible points of convergence), and negotiation (discussion between the Parties aimed at reaching agreements that are binding on them).

The Group's Industrial Relations Protocol also establishes two participatory bodies: the RSU National Coordination and the RSU Executive Committees, while bilateral committees (environment and safety, training and development, equal opportunities and welfare) are envisaged for analysing specific issues.

Engagement also takes place directly with employees through internal communication, which plays a crucial role in supporting company processes, promoting a common culture and orienting towards shared goals, through direct meetings with people, the company intranet and internal newsletters. Considering the possible obstacles to employee involvement, Iren Group is committed to ensuring that the new digital tools are easily accessible to all and, in order to foster dialogue and collect suggestions or reports, a dedicated mailbox is in place to help maintain a constant flow of communication with all employees. In addition, training webinars and employee welfare initiatives are promoted via the intranet and also implemented with third parties.

To actively engage its people, the Group regularly promotes **projects and surveys** to gather ideas, feedback and suggestions to improve the working environment and contribute to the development of corporate strategies. In 2024, a listening project was launched on the topic of diversity and inclusion, with a particular focus on disability (see paragraph "Equal opportunities, diversity and inclusion" in this chapter), collecting feedback through surveys, self-report questionnaires and focus groups. The results that emerged were analysed and translated into concrete proposals for action in the disability strategy.

In the area of **health and safety**, there is systematic discussion with the workers' health and safety officers (see paragraph "Health and safety" in this chapter).

Lastly, engagement also takes place through the activities managed by the Group through the Local Committees (for more details, see paragraph "Iren Local Committees: dialogue, exchange of ideas and community participation" in chapter Sustainable development of local communities), in which, among others, the Trade Unions participate, delegating their own representatives capable of expressing the point of view of Iren employees and non-employees, both during Local Committee meetings and through the impact materiality assessment and other channels made available by the Group.

Open channels for Iren people: tools for prevention and improvement

[S1-3_01, S1-3_02, S1-3_03, S1-3_04, S1-3_05, S1-3_06, S1-3_07, S1-3_08, S1-3_09]

The materiality assessment revealed only one **potential** negative impact in the area of health and safety. In order to prevent or mitigate potential negative impacts, actions are envisaged, including the prevention and protection measures set out in the risk assessment documents prepared pursuant to Legislative Decree no. 81/2008. The actions can essentially be classified as information and training activities, health surveillance, use of Personal Protective Equipment (PPE) and application of safe work instructions.

All Iren Group Companies adopt an **Integrated Management System** (see paragraph "Certified Integrated Management System" in chapter Iren Group Governance) for the prevention and management of work-related injuries, which includes risk assessment, to identify safety measures to prevent work-related injuries and ill health, and incident management according to specific procedures. The main companies of Iren Group adopt systems certified according to the international standard UNI ISO 45001, which represent a fundamental tool both to prevent and mitigate health and safety risks and to involve, enable and stimulate all employees to make reports on the basis of which improvement actions can be implemented (see paragraph "Health and safety" in this chapter).

In addition, the Group has adopted a specific procedure governing the **handling of reports of** violations (reporting channel, methods for receiving and analysing reports, methods for protecting the reporter in order to prevent any retaliation, reporting), for which reference should be made to paragraph "Reporting channels" in chapter Business conduct.

The Group also considers it crucial for the protection of people and the working environment that all employees and collaborators report any violence, harassment or acts of bullying, as provided for in the specific Policy on the matter, undertaking to support any victims or witnesses and to protect them from any retaliatory acts or negative repercussions in terms of job assignment or other work activities, as well as to take the necessary organisational and disciplinary measures against those who commit violence or acts of harassment and bullying. Alerts can be made employing one of the following methods:

- using the channels provided for in the reporting procedure contained in the Group's Code of Ethics (Art. 9);
- contacting the Personnel Management department of their own Group company;
- contact their direct superior or, where the latter is involved, their manager or a trusted person, who in turn will involve the Personnel Management department.

As soon as the report is received, the Group, through the competent structures, undertakes to investigate and deal with it promptly and impartially, taking all necessary measures to ensure confidentiality and discretion and to combat the phenomenon, as well as to report cases of offence to the competent authorities.

Another fundamental way in which workers can communicate concerns or needs concerns the involvement of Trade Unions, which represent an important point of reference, actively engaged in promoting a safe and respectful working environment. The Trade Unions, through constant monitoring, offer a direct and transparent channel to address issues and to ensure that workers' voices are always heard (see paragraph "Engagement of people" in this chapter).

Who are Iren's people

The people who make up Iren Group's workforce are represented by all employees and by workers made available by employment agencies (temporary workers or agency workers) to meet seasonal or replacement work requirements.

The data and information provided concern **all employees and workers made available by employment agencies** (temporary workers) who make up Iren Group's workforce. All data regarding Iren's own workforce are on an actual basis.

Employees

[S1-6_01, S1-6_02, S1-6_03, S1-6_04, S1-6_05, S1-6_06, S1-6_07, S1-6_08, S1-6_09, S1-6_10, S1-6_11, S1-6_12, S1-6_13, S1-6_14, S1-6_15, S1-6_16, S1-6_17, S1-6_18, S1-6_19, S1-6_20, S1-8_01, S1-8_06]

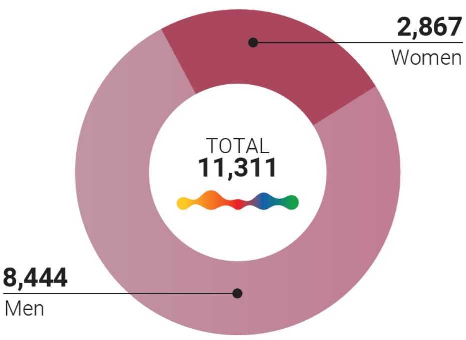
As of December 31, 2024, Iren Group employs 11,311 people, an increase compared to the 11,004 employees as of December 312, 2023. The main personnel changes are due to:

- variations in the scope, mainly due to the consolidation, in January 2024, of the company Sienambiente for a total of 100 resources and the transfer of the individual contracts of 26 resources, in February 2024, from the company ImalPal S.p.A., builder of the Pallet Vercelli plant, to Iren Ambiente;
- the characteristics of the annual workforce trend of the company San Germano due to the launch/conclusion of contracted services, including those of a seasonal nature;
- continuation of the generational turnover plan;
- substantial number of recruitments related to the Group's development and expansion needs, also aimed at acquiring new skills.

More than 98% of the staff (98.37% of the average workforce 2024) are on permanent contracts or, in the case of young people, apprenticeships. As of December 31, 2024, there are 178 temporary workers in service within the Group, an increase compared to the 119 recorded as of December 31, 2023.

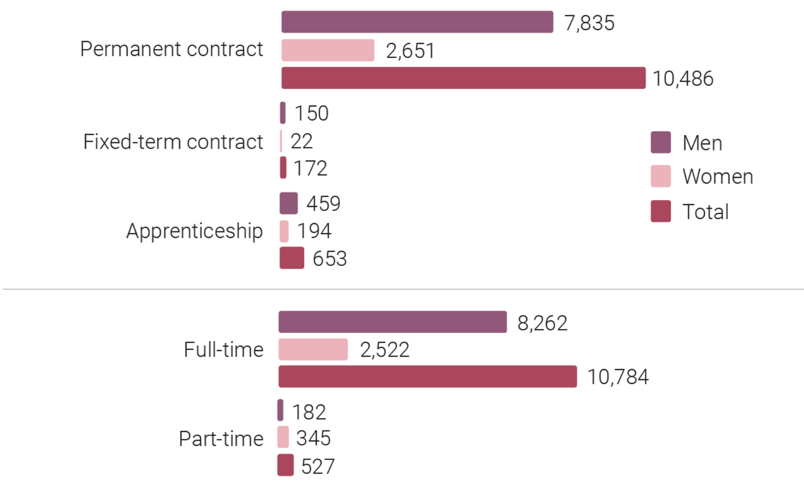
[S1-6_02]

Staff by gender (head count) - 2024



[S1-6_07]

Staff by type of contract and full-time/part-time contract, by gender (head count) - 2024



[S1-6_08]

Staff by geographical area (head count) - 2024

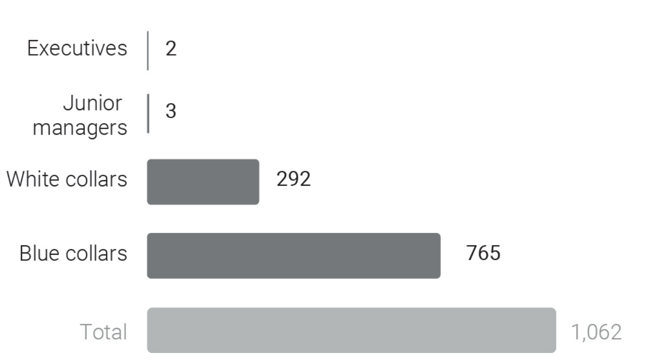
Region	Total	Type of contract Permanent contract	Fixed-term contract	Apprenticeship contract	Type of working time Full-time	Part-time
Piedmont	4,264	3,771	82	411	4,149	115
Emilia-Romagna	2,752	2,593	13	146	2,598	154
Liguria	2,145	2,050	19	76	1,976	169
Tuscany	1,311	1,270	25	16	1,269	42
Lombardy	117	116	0	1	114	3
Sicily	113	101	12	0	111	2
Friuli-Venezia Giulia	163	160	3	0	152	11
Sardinia	255	237	15	3	231	24
Other regions	191	188	3	0	184	7

The total number of employees is given in "'Note 39_Personnel expense" in chapter "XI. Notes to the Income Statement", found in the Notes to the Consolidated Financial Statements.

In line with the targets of the Business Plan to 2030, the Group hired 1,062 new employees in 2024. With the exception of the company San Germano, which uses fixed-term contracts to meet the start-up of contracted services, including those of a seasonal nature, in the other Group Companies 89% of hirings are on open-ended or apprenticeship contracts, and the remaining fixed-term hirings are due to seasonal or replacement needs. In line with Group policies, of the contracts subject to expiry during the year, more than 99% of apprenticeship contracts were confirmed (net of terminations and extensions), while fixed-term contracts were renewed within the limits of replacement and seasonal operating needs.

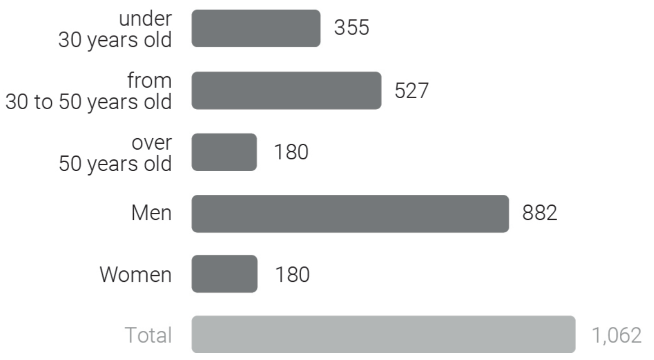
[IREN_S1_6_X001]

Hires by position (head count) - 2024



[IREN_S1_6_X011]

Hires by age and gender (head count) - 2024



During the year, 831 employees left the Group with a turnover of 7.4%, down from 7.9% in 2023.

[S1-6_11, S1-6_12, S1-6_13]

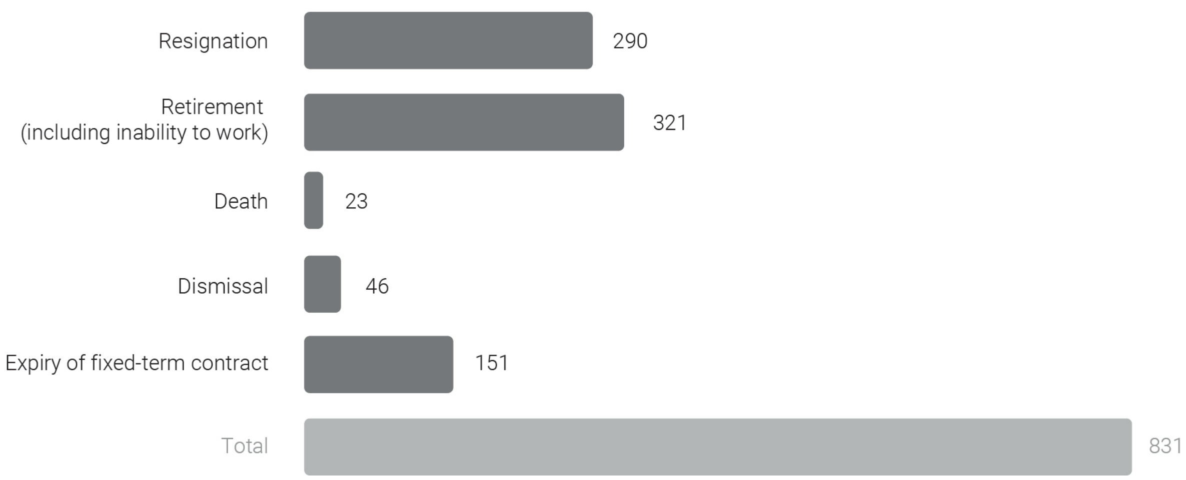
Employees who left the company during the year and turnover rate	2024
Total employees leaving during the year (head count)	831
Turnover rate (%) [1]	7.4%

[1] Turnover was calculated as ratio of outbound employees to the number of total employees at 31/12.

The main causes of termination are consensual terminations/retirements followed by resignations. If the former are the driving force behind the demographic rebalancing plan, the latter are to be correlated with the "Great Resignation" phenomenon, albeit on a smaller scale than the national trend. Almost all terminations due to the expiry of fixed-term contracts are related to the seasonal nature of the work.

[IREN_S1_6_X007]

Outbound in the year by reason (head count) - 2024



The Group adopts national collective labour agreements for all its employees (the main national collective labour agreements applied include: "electricity sector employees", "gas and water sector employees", "environmental services employees"), which ensure contractual salaries are paid to all employees. Since the Group operates exclusively in Italy, relations with Trade Unions are only developed at national, regional and local level.

[S1-8_01, S1-8_06]

Collective bargaining coverage and social dialogue	2024
Employees covered by collective agreements	100%
Employees with workers' representatives	100%

Non-employees workers

[S1-7_01, S1-7_03, S1-7_05, S1-7_06, S1-7_07, S1-7_08, S1-7_09]

The Group's non-employee workers are workers made available by agencies whose main activity is the search for and the selection and supply of personnel (temporary or agency workers). The reported data, provided on time by the employment agencies, refer to the number of persons (as of 31/12 and average number).

Significant fluctuations in the number of temporary workers are mainly due to changes in work organisation and seasonal or replacement needs. As of 31 December 2024, there were 178 temporary workers employed by Iren Group, an increase compared to the 119 recorded as of 31 December 2023.

[S1-7_01, S1-7_03]

Non-employees (temporary workers) (head count)	31/12/2024	average 2024
Total	178	142
Men	92	66
Women	86	76

Actions and resources for people

[S1.MDR-A_01-12, S1-4_01, S1-4_02, S1-4_03, S1-4_04, S1-4_05, S1-4_06, S1-4_07, S1-4_08, S1-4_09, S1-4_10, S1-4_11, S1-4_12, S1-4_13, S1-4_14, S1-4_15, S1-4_18, S1-4_20]

The adoption of an approach based on concrete data, preventive and corrective actions, constant monitoring and clear and transparent communication (see chapter "Proactively managing impacts, risks and opportunities" in this section), also enables Iren Group to effectively address impacts, risks and opportunities related to its own workforce.

Actions	
Employment	• creation of **new employment** enabled by the medium- to long-term Business Plan
Skills	• promotion of employee **training** plans and initiatives for skills development • individual **performance appraisal and review** systems
Diversity and inclusion	• promotion of equal opportunities and enhancement of diversity, with a special focus on the **management level** • focus on creating employment opportunities for young people under 30
Health and safety	• continuous improvement of the **prevention system** of potential occupational injuries and illnesses
Welfare and personal care	• dissemination of plans to improve **people's well-being** • development of **work-life balance** initiatives

The responsibility for the management of activities and the implementation of planned actions is entrusted to dedicated bodies of the Personnel and Organisation Department operating for all Group Companies. As far as occupational health and safety is concerned, in addition to central monitoring, responsibilities lie in the hierarchical line of employers, executives, supervisors (individuals who oversee the health and safety of workers in the workplace), on the basis of the specific company organisation as well as the delegations conferred.

Quality employment

In the current economic climate, employment is of the utmost social importance and is a determining factor for Iren Group, which considers its human resources to be fundamental capital for its development.

With this in mind, and in order to support and realise its growth strategy, the Group has defined a major recruitment plan to 2030 with a commitment to increase the presence of young people, consistent with the needs and requirements for experience in managed services. This plan contributes to strengthening the Group's positive impact in terms of job creation and contribution to social development and the reduction of youth unemployment, in the territories where it operates.

Through actions aimed at maintaining long-term relationships with its people, enhancing their professional skills, guaranteeing fair and meritocratic remuneration systems and social protection, the Group makes concrete its social responsibility to ensure stable and quality employment.

Remuneration system

[S1-10_01, S1-10_03, S1-10_04, S1-16_01, S1-16_02, S1-16_03, S1-16_04, S1-16_05]

The Group adopts, for all employees, national collective bargaining agreements that guarantee adequate remuneration and equal pay levels between men and women, for the different job categories. Therefore, no employee receives wages below the appropriate salary parameter stipulated in national contracts, and employees on staff leasing contracts generally receive the same economic treatment as that provided for in the contracts applied to Group employees. Furthermore, no differences in benefits for full-time employees, employees with fixed-term contracts or part-time employees exist.

The remuneration policy, within the context of defined budget guidelines, is always based on performance evaluation, taking into account, however, the remuneration package of the people holding the evaluated positions. In any case, any form of discrimination based on gender, age and/or health shall be avoided, and retraining initiatives are performed in the event that personnel are unfit for previous responsibilities.

Variable remuneration linked to performance (such as on-call duty) and the achievement of company and individual targets is added to fixed remuneration:

- performance bonus - in order to involve staff more and direct them towards the achievement of the Group's targets a collective performance-based bonus is contemplated, according to logic consistent with the strategic and management targets, which enhances the correlation between remuneration and results obtained. Several factors are taken into account to determine the compensation, which are connected to rewarding productivity, service levels and the achievement of specific profitability objectives. Once again for 2024, specific agreements were signed on the subject with Trade Unions based on which bonuses may be paid in the form of one-off compensation or via welfare instruments to non-management personnel.
- one-off compensation - across all Group Companies a one-off incentive can be paid to employees that have achieved particularly positive results through remarkable work commitment, mainly through projects or innovative activities. Individuals to be rewarded are identified following a thorough analysis of individual performance results, carried out by the various managers.
- Management by objectives (MbO) - in most Group Companies, all executives, junior managers and employees holding important positions are included in the incentive system (pay for results) under which individual targets are assigned that, when achieved, trigger the payment of the amounts that were defined at the time of assignment. The objectives-based system hinges on the measurable indicators (economic-financial, operative, sustainability or relevant to strategic projects), in line with the Business Plan and the company mission.

In 2024, the ratio of the highest annual salary to the median salary of all other employees is 9.65 (19.4 in 2023). The gender pay gap is 0.9% (0.5% in 2023).

[S1-16_01]

Gender pay gap (%)	2024
Total	0.93%

[S1-16_02]

Ratio of the highest annual total remuneration to the median annual remuneration of all employees (rate)	2024
Total rate	9.65

[S1-16_04, S1-16_05]

Total and per category gender pay gap (%) - 2024	ordinary basic salary	complementary/variable components
Total	9.3%	12.0%
Executives	17.6%	22.6%
Junior managers	1.8%	22.3%
White collars	8.0%	14.2%
Blue collars	6.6%	-5.0%

Social protection

[S1-11_01, S1-11_02, S1-11_03, S1-11_04, S1-11_05]

For all employees, without exclusion, the Group applies the provisions of the law and industry collective bargaining agreements on social protection against loss of income due to illness, accident or disability, parental leave, retirement or unemployment.

Since the legislation reforming the supplementary pension system came into force, employees have been able to decide how to use their post-employment benefits. They can either leave it with the company or put it in one of the pension funds provided for by law, which that another pension supplements the compulsory government-managed pension and thus ensures a higher coverage. Due to the number of participants, the ones that stand out are the pension funds established by collective bargaining, which can be joined by workers applicable for certain collective agreements. As part of the process of unification and harmonisation of economic-regulatory treatments, in order to develop the value of complementary pensions also among young people and to encourage registration in the related funds, paid annually to personnel hired on permanent contracts or in apprenticeship, is an additional payment to the supplementary pension to which they are registered. As of 31 December 2024, 8,662 employees have joined the contractual supplementary pension funds to which the Group has paid a total of over 6 million euro, as its own contribution. Employees can also make use of a pension support and advice service.

Almost all employees in junior management, white collar and blue collar positions are insured by a policy stipulated by the Group for death or total or partial permanent invalidity due to work-related injuries and injuries outside of work. Furthermore, special insurance policies are taken out in the event of death and/or total permanent invalidity resulting from work-related ill health for electricity, gas-water and environment sector employees, in accordance with the provisions of the respective National Collective Labour Agreements. Insurance coverage in the case of injuries (even ones which occurred outside of work and in the case of work-related ill health) and life insurance are provided for all executives, as per the provisions of the Confservizi National Collective Labour Agreements for executives. A policy is also taken out to cover damages involuntarily caused to third parties by the executive or his/her family members in the performance of activities relating to private life (insurance cover for "head of household" liability).

Reports

[S1-17_01, S1-17_02, S1-17_03, S1-17_04, S1-17_05, S1-17_06, S1-17_07, S1-17_08, S1-17_09, S1-17_10, S1-17_11, S1-17_12]

Two incidents of discrimination were recorded in 2024, one reported through the Iren Integrity Line channel and managed in accordance with the Procedure for the management of whistleblowing reports adopted by the main Group Companies and one reported directly to the company.

In addition, with regard to working conditions, in 2024, one report was received in the area of health and safety and eleven new cases were filed, mostly concerning claims for damages for various reasons, including work-related injuries, claims for higher classification or payment of wage differences and appeals against dismissal. The total amount of the provision for disputes commenced in 2024 and the amounts paid during the year, also related to previous years, in execution of unfavourable judgments or settlement agreements, amounted to 433,710 euro. The amount indicated is included in the income statement item "Other provisions and impairment losses", which is dealt with in "Note 41_Provisions and impairment losses" in chapter "XI. Notes to the Income Statement", in the grouping "Provisions for risks and other".

No serious human rights incidents were recorded during the year.

Skills development

[S1-13_01, S1-13_02, S1-13_03, S1-13_04, S1-13_05, S1-13_06]

Iren Group is committed to enhancing individual skills and knowledge, within a model that aims to maintain a high level of professionalism in its human resources, through policies aimed at developing their professionalism and ensuring their necessary involvement. In order to regulate personnel development in a unified and systemic manner, Iren has activated its own model, which is constantly being updated, for performance and skills management, the Group's Job System, which analyses the professional skills present in the Group across professional areas, professional families and organisational roles, supporting key processes such as training and skills development.

The managerial competencies that must be acted upon to achieve results in accordance with the Group's characteristic methods and values - and which constitute one of the elements supporting the assessment of individual performance - are defined consistently with the Job System. For each standard role - characterised by homogeneous complexity and responsibilities, managerial skills and management policies - the set of expected professional knowledge and skills is also defined, which are fundamental not only for the performance management system, but also for other human resources management processes, primarily training.

The year 2024 was also a year of evolution and transformation for Iren Group, consistent with the challenges outlined in the Business Plan to 2030.

The finalisation of important acquisitions, combined with the numerous recruitments, required the introduction of new skills and, at the same time, fostered the dissemination and blending of existing ones. In this context, the projects and actions continued to improve the effectiveness and efficiency of operational processes, making investments in technology and digitalisation, in order to lead and anticipate the rapid changes underway and meet the new challenges imposed by the market. Therefore, it was necessary to maintain and expand upskilling and reskilling programmes to support people in the various stages of their professional career, supporting the transfer of know-how between generations and enabling everyone to count on the set of skills needed to best cover their role to effectively contribute to the achievement of company results, fostering the expansion of digital, technological and soft skills that are fundamental to support the processes of adaptation to the new organisational and production models. The many initiatives organised for this purpose were often realised by making use of internal resources that collaborated both in terms of planning and teaching.

Training

[S1-13_03, S1-13_04]

The consolidation and strengthening of technical-specialist competencies, managerial skills, aptitude for innovation, and the sharing of corporate values are at the heart of the training strategy, which takes the form of creating learning opportunities that enable everyone to keep pace with current and future business scenarios, and is based on:

- overseeing the articulated professional technical know-how present and contributing to its dissemination and evolution, also ensuring its exchange between the different generations that meet at work;
- implementing reskilling programmes to enhance and improve everyone's skills in the face of new needs, new markets and new scenarios;
- stimulating curiosity about new emerging skills and related new possible ways of learning;
- share and spread knowledge and tools to fully experience life within theGroup.

The training offer is developed and periodically updated to align it with the reference context (e.g. global macro-trends, the Business Plan, technological and/or regulatory developments). The main areas of intervention concern different types of competencies:

- managerial and behavioural;
- technical-specialist;
- linked to contractual, regulatory and safety requirements;
- transversal and/or related to strategic Group projects.

Continuous learning is one of the main levers for professional growth and for maintaining professional profiles aligned to needs. A path that begins immediately, with the Onboarding programme dedicated to new hires. The welcome starts from the moment the contract is signed, through the ReadyToIren app, which provides new hires with information about the Group. The course continues with a welcome webinar, in which useful information is shared to facilitate the induction, and a subsequent moment, at one of the managed plants, to learn more about the organisation and activities of the Group and to encourage networking and relations among the newly inducted. This is followed by individual e-learning, through access to content available in the training Portal on the intranet or on external platforms. Training sessions extended to all are followed by customised courses based on the level of responsibility and seniority: induction courses are dedicated to new managers and professionals and are useful for introducing new recruits to key people individually.

Learning continues at the individual level primarily via the company intranet and the free-access area of the Training Portal.

The training process starts from an understanding of the context of reference and takes shape, after hearing from to company management, in training needs that differ at the level of role, organisational function and professional family. The needs are fed into the training plan, which is updated periodically.

The operational management of training takes place through a dedicated application (Training Portal), dynamically updated with employee master data and linked with an e-learning course platform accessible to all employees through their own devices (PCs, tablets and smartphones). Participation is thus tracked and contributes to enriching the training curriculum of employees, which can be consulted by them, their supervisors, the personnel function and the Prevention and Protection Service.

The training provided is subject to effectiveness evaluation, through the analysis of participant satisfaction and learning, and the monitoring of indicators that provide useful elements for improving training provision.

The total number of training hours provided by the Group in 2024 - over 240,000 hours - is substantially in line with 2023. The average number of training hours per capita is influenced by the gradual application of Group policies to the companies acquired over the years, which have produced a significant increase in the average number of employees for fewer training hours than the Group average.

[S1-13_03, S1-13_04]

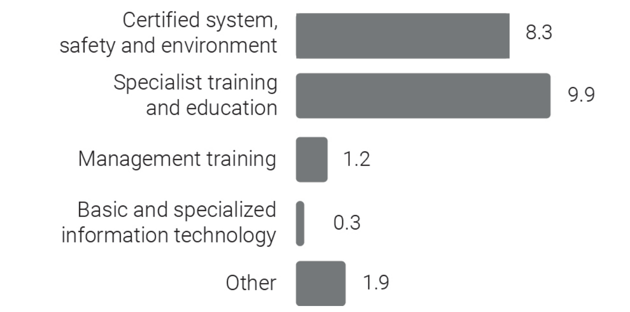
Average training hours by gender and position (no.)	2024
Training hours per capita - average	21.6
Men	22.4
Women	19.9
Executives	19.2
Junior managers	22.0
White collars	22.8
Blue collars	20.7

[IREN_S1_13_X001]

Employees involved in at least one training course by gender (no.) and qualification (%)	2024
Total	9,297
Men	7,008
Women	2,289
Executives	97.8%
Junior managers	96.6%
White collars	92.2%
Blue collars	73.2%

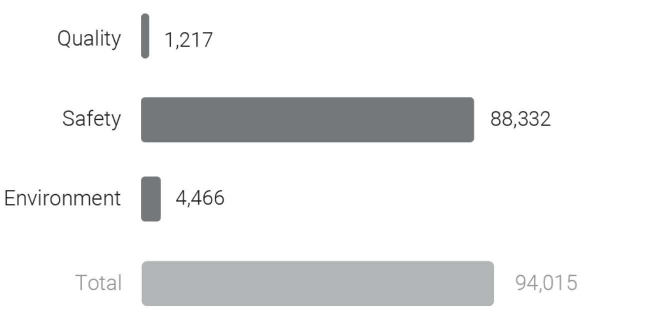
[IREN_S1_13_X002]

Average hours of training by topic per capita (no.) - 2024



[IREN_S1_13_X003]

Average hours of quality, safety and environment training (no.) - 2024



6,399 employees were trained in safety issues.

In the area of **managerial and behavioural** skills, numerous training activities were introduced to continue to foster their growth:

- on ESG issues, in addition to the course dedicated to the introduction of the new reporting standards for all contact persons and managers involved in the process, the **"Agenda 2030" course** was designed to strengthen knowledge of the targets and awareness of the impacts of the Group's activities, also shared with all Group employees;
- in order to support the development and training of key skills, as well as to explore topics of an organisational, managerial and innovative nature, the use of an external training platform was promoted, involving employees in live events with lecturers and testimonials from the largest Italian companies;
- experimentation of a new training modality by means of "digital role plays" in which artificial intelligence, augmented reality and interactive videos are used to train relational and negotiation skills;
- in order to provide people with tools for awareness and development of their personal effectiveness, 9 editions of the Development Centre were activated. This is a behavioural skills development method where learning and training of behavioural skills passes through different training tools (self-assessment questionnaires, psycho-aptitude tests, cross feedback, individual and/or group exercises, in-depth training).

Specialised training (including specialised IT), accounting for 47% of the total number of hours, remained significant in 2024 with numerous interventions, both in the classroom and through participation in industry events, in the various areas of operation:

- update on the waste management system, the National Electronic Waste Traceability Register (RENTRI), which came into force in early 2025;
- periodic professional refresher courses dedicated to all personnel in the Human Resources area ("HR InForma"), with the twofold objective of maintaining specific skills related to the activities supervised and to learn more about the activities of other colleagues in order to better share internal procedures and also identify potential improvements;
- training actions to continue to invest in the skills of operational staff, which are also important to ensure continuity of service and safety in their operations (e.g. maintenance and use of machine tools, advanced and sustainable techniques for improving the performance of pressure pipeline systems, simulations of accidental spillage during the discharge of chemicals for emergency interventions);
- periodic training of staff within the "School of trades" on specialised topics (cartography, stock picking, specific applications, licences for running steam generators, vocational paths in the field of electrical distribution).

These training experiences arise from the ongoing need to oversee professional activities that are critical due to the evolution undergone by the professional field, the entry of young recruits who will have to work with highly experienced colleagues, and also due to the difficulty of finding candidates on the labour market that meet expectations. For these reasons, highly internalised courses have been activated, with the aim of enhancing existing professionalism, facilitating the exchange of experiences between the almost four generations cooperating in many structures and homogenising skills upwards.

Training initiatives dedicated to female staff were numerous and included webinars, training and mentoring courses organised by Valore D, Stem by Woman and Fondazione Libellula. These were complemented by training initiatives related to respect for human rights.

[IREN_S1_17_X001]

Training hours on human rights policies and procedures	2024
Total number of hours	1,536

The **Lean Programme** continued, promoting a culture of continuous improvement, simplification and efficiency in company processes, through performance measurement and analysis tools. Since 2022, the Lean Academy has been working with the aim of involving all levels of the Group in specific coaching, training and certification programmes according to recognised international standards (Lean Six Sigma). In 2024, this activity led to the launch of new programmes, pursuing the implementation of significant continuous improvement projects aimed at achieving the Group's industrial targets.

In 2024 **informal training and coaching** was also systematically promoted, encouraging and supporting all spontaneous and/or planned initiatives in the field to guarantee the transmission of knowledge, rich in experiential content that service managers or internal experts often organise for the benefit of colleagues. In a high-skill group such as Iren, for example, the internal restitution of knowledge acquired by some colleagues in external courses can be enriching for a broader range of employees, just as the sharing of experience by those with greater seniority can serve to oversee homogeneity in operating and behavioural methods, especially in departments where there has been a lot of recruitment.

The other significant subject area is **safety**, which accounts for 36% of the total number of hours. The 2024 figures confirm Iren Group's commitment to promoting and developing a solid safety culture, with the aim of constantly involving and raising the awareness of employees through the implementation of training actions with a proactive approach, aimed at improving behaviour and increasing individual and collective awareness and responsibility, among which can be highlighted:

- basic and refresher training for managers, supervisors and workers, emergency and first aid officers, on specific risks and the use of third category personal protective equipment;
- qualification and updating for security assignments;
- qualification and retraining in the operation of equipment;
- training in the use of equipment;
- specific internal procedures;
- "safe driving" course for business sales personnel.

Initiatives continued for personnel to acquire or maintain specific qualifications and certifications, aimed in particular at gas and water network personnel, for the supervision of gas distribution systems and for the welding of plastics or steel with an electric arc.

The digital culture initiative continued in 2024 with a pilot project on the use of Copilot in all its declinations (as a support for internal and external information searches, drafting of material, data analysis, etc.). This project includes **skills related to transversal projects** and will be used for training in 2025, along with the dissemination of related usage guidelines.

In line with the Group's cybersecurity policies, the Security Awareness project continued with the provision of a series of e-learning training modules and in-depth modules to increase awareness and knowledge of IT security issues.

The training is also measured through the feedback provided by the participants at the end of the courses: the satisfaction rate is 87.8%, while the learning index, measured through tests and/or qualifying exams/tests, was 83.8%, in line with 2023. In addition to the design of training initiatives based on the needs of internal clients, constant mentoring during delivery, especially during distance learning sessions, also contributes to these results. The Group's investment in training in 2024 amounts to approximately 1,169,000 euro and reflects the significant interventions carried out in the field of specialised and safety training.

Performance enhancement and evaluation

[S1-13_01, S1-13_02, S1-13_05, S1-13_06]

Competence monitoring and development activities are also developed through the performance management process adopted by the Group. The latter, aimed at executives, managers and office workers, is one of the central tools of the personnel development system and is integrated with the individual incentive system (MbO).

The performance evaluation system focuses on technical and result aspects as well as on values and behavioural aspects, orienting individual performance towards shared values and results. For the employees involved (executives, junior managers and white-collar employees in service for more than 6 months during the year, with a permanent or apprenticeship contract), a performance review per year per head is contemplated: in 2024, 86% of employees received a performance appraisal, while the remaining 14% were employees of companies that have recently joined the Group and will be progressively included in the performance management process.

[S1-13_01, S1-13_02, S1-13_05, S1-13_06]

Performance evaluation by gender and category - 2024	Evaluation performed out of no. of evaluation agreed by management (%) [1]	Number of evaluations per capita
Total	86.3%	0.82
Men	87.2%	0.83
Women	84.9%	0.80
Executives	93.5%	0.90
Junior managers	90.2%	0.91
White collars	85.8%	0.81
Blue collars	n.a.	n.a.

[1] The data refers to the eligible workforce: executives, managers and employees in service for more than 6 months during the year, with a permanent contract or apprenticeship.

During the year, the Group held 10 training meetings aimed at increasing knowledge of the performance management process. Furthermore, in order to provide people with awareness and support tools when expanding their activities and responsibilities and to refine the process of defining succession and development plans, to complement the indications provided by the performance management system, 65 assessment paths were activated in 2024, conducted by external bodies, both on figures with the role of analyst and specialist.

Health and Safety

[S1-14_01, S1-14_02, S1-14_03, S1-14_04, S1-14_05, S1-14_06, S1-14_08, S1-14_10]

To prevent or mitigate potential negative impacts on health and safety, the Group has defined **preventive** monitoring and control **actions**, including:

- inspections by the supervisors of employees and of the works management of the activities of third-party companies;
- the establishment of specific health and safety management committees at company level;
- audits conducted as part of the Certified Management Systems and Internal Audit activities;
- supervisory inspections of the Prevention and Protection Service (PPS) planned annually;
- visits by occupational health physicians to workplaces;
- discussions with workers' health and safety representatives;
- management of reports received (e.g. of near misses);
- simulation of emergency situations.

In the event of **actual negative impact**s, such as in the case of accidents and emergency situations, a systematic analysis is carried out, with the aim of defining the causes and management methods. Accidents are analysed by the company department involved and/or the Prevention and Protection Services; in the case of major events, the investigation is also carried out by means of on-site inspections and involving, in addition to the injured person, the Supervisors and any witnesses. Following the analysis, the causes are identified and possible corrective or improvement actions, which may be:

- techniques, e.g. modifications to machines or work equipment, provision of different signage;
- procedures, with new ways of carrying out work activities;
- training, with specific focus and awareness-raising initiatives;
- organisational, e.g. changes in shifts or reduction of personnel authorised for certain tasks.

The progress of improvement activities is monitored periodically.

The effectiveness of preventive and corrective actions is monitored through the use of specific indicators:

- frequency rates, severity, injury incidence;
- number of accidents occurring to third-party companies;
- number of near-misses;
- number of PPS inspections planned/performed;
- number of occupational health physician inspections planned/performed;
- number of medical examinations planned/performed.

The **risk identification and assessment process** is regulated by procedures and by a software[9] that guarantees a standardised approach. For each working activity, the risks and the appropriate prevention and protection measures, personal protective equipment (PPE) necessary to conduct said activities, proper conduct and any organisational measures or other requirements are identified and evaluated. Furthermore, workplaces are analysed to identify and evaluate the risks present, taking instrumental measurements where necessary. The assignment to each employee, directly or through groups (safety certifications) of the results of the assessments conducted on working activities and workplaces completes the risk profile of each worker, identifying the consequent general protection measures that include, for example, the provision of necessary PPE, the need or otherwise for health checks, and their results, where applicable. This structured evaluation process is conducted and coordinated by the Prevention and Protection Service (PPS) of each company, with the indispensable

[9] The software is used by the companies of the Security Services perimeter of Iren SpA, which covers about 75% of the employees.

involvement of the operating units. The PPS also carries out periodic controls to check the correct implementation of the provisions.

All Group employees are covered by a worker health and safety management system. Moreover, to ensure systematic control of these issues, the main Group Companies (corresponding to 98% of the Group's total workforce, i.e. 11,039 employees) adopt a Certified Management System according to the UNI ISO 45001 international standard. The Group uses the certified GAMMA application to manage the requirements of the UNI ISO 45001 standard.

[S1-14_01]

People in the Iren's own workforce covered by a health and safety management system according to recognised regulatory requirements or guidelines (%)	2024
Total	100%
Employees	100%
Non-employees	100%

Each Group Company organises at least one annual meeting on corporate security (Art. 35 of Legislative Decree no. 81/2008), and, as a rule, one or two other meetings per year for discussion and updating attended by the workers' health and safety officers. Surveys and specific meetings are also carried out at the request of the workers' health and safety officers and/or workers themselves. The workers' health and safety officers are also invited to take part in the visits to the workplace with the occupational health physician (Art. 25 of Legislative Decree no. 81/2008) and are involved in audits of certified systems. The **reporting and management of accidents and near misses** takes place through hierarchical channels and subject to supervision by the Prevention and Protection Service according to specific procedures regulating the process, which may be computerised and are accessible to all workers. A detailed analysis of the event is carried out, aimed at identifying the causes of unwanted events, and the necessary actions and skills to prevent them. A specific Safety App on the Company smartphones provided to all employees enables near misses to be reported, promoting employee participation and facilitating the introduction of any corrective actions.

The entire workforce is involved in this process: responsibilities for occupational health and safety are the responsibility of employers, managers and supervisors, on the basis of the specific Company organisation as well as the delegated powers. Furthermore, all workers, according to their tasks and their respective competencies and responsibilities, are involved and called upon to play an active role in prevention. As such, particular attention is given to providing **training and information** to employees and conducting continuous monitoring, including the analysis of individual accidents, near-misses, and planned supervisory surveys.

Within the certified system, periodic audits are also planned on the correct management of health and safety at work, carried out by qualified and independent auditors. The results of these audits are brought to the addition of the Management to enable the relative action to be taken.

For the mitigation of major risks, contingency plans have been prepared that consider multiple scenarios, both local and extended.

Health surveillance of Iren Group employees is carried out according to the risk profiles associated with the tasks assigned to each worker. Medical examinations are carried out in accordance with current legislation, by external doctors appointed by the employers of the individual companies. As far as work-related ill health is concerned, the risk assessment document (DVR) of each company highlights the possible presence of a potential risk of work-related ill health. The risk is controlled, on the one hand, by decreasing the probability of occurrence through the constant improvement of working conditions, where critical issues have been highlighted, and, on the other hand, by using health surveillance protocols drawn up by the occupational health physicians on the basis of the residual risk, aimed at protecting the psychophysical integrity of workers, including the most sensitive ones. The occupational health physician is, however, required by law to report any suspected work-relatedill health to the competent bodies.

In 2024, numerous initiatives were developed to disseminate the culture of safety and preventive healthcare within the Group, for example:

- compulsory training and specific courses aimed at workers performing particular tasks or on new procedures (see paragraph "Training" in this chapter);
- definition of new specific training paths for newly recruited workers engaged in operational activities, in order to develop, right from the start of the work path, a greater awareness of workplace health and safety;
- continuation of projects for the use of exoskeletons for workers performing manual handling of loads;
- comparative analyses with other companies in the sector of serious/fatal accidents in order to reason from a preventive point of view and identify possible deficiencies in systems and/or procedures;
- telemedicine service, for all employees, offering a round-the-clock teleconsultation on general medicine and paediatrics for the whole family;
- access to special rates at a vast network of affiliated healthcare facilities throughout Italy, without the need to take out an insurance policy;
- The "*Al cuore della salute*" (At the heart of health) project that offers employees the opportunity to undergo a biennial optional preventive health check-up, through laboratory tests, diversified according to age and gender, which are evaluated by the occupational health physician.

By joining supplementary health insurance funds, employees are entitled to health coverage in accordance with the relevant national collective bargaining agreement (gas-water, electricity, environment, metalworking, commerce and rubber and plastics). The national collective bargaining agreement for the electricity sector provides for the payment of contributions to associations of recreational clubs for workers (CRAL) for healthcare activities. Specially constituted funds manage the payment of healthcare benefits that ordinary members (employees) and their dependants can benefit from.

All executives, for whom primary healthcare coverage is provided by their membership to Fasi, are provided with supplementary health insurance (ASSIDAI) which refunds additional healthcare costs that are not reimbursed by Fasi.

For the two-year period 2023-2024, Iren Group has obtained the Health Friendly Company certification of Fondazione Onda (national observatory on women's and gender health) which, in addition to recognising and enhancing its commitment to protecting the health and well-being of its people, allows it to become part of a network of companies committed to health in order to share experiences and approaches, and also offers the opportunity for all personnel to access a dedicated two-year training course.

Annually, as required by the ISO standard, the health and safety management system is audited by an accredited certification body, according to the principles, criteria and methodologies defined in the standard.

[S1-14_02, S1-14_03]

Fatalities in Iren's own workforce due to work-related injuries and diseases (no.)	2024
Total	1
Employees - Work-related injuries	0
Employees - work-related ill health	1
Non-employees - Work-related injuries	0
Non-employees - work-related ill health	0
Other workers working at Group sites (1) - Work-related injuries	0

(1) With regard to work-related ill health of other workers working at Group sites, the figure is not available (phase-in).

[S1-14_04, S1-14_05, S1-14_08]

Recorded work-related injuries for Iren's own workforce, including fatalities (no.)	2024
Total	587
Employees	581
Non-employees	6

Recorded work-related injuries for Iren's own workforce, including fatalities (rate)	2024
Total rate	30.3
Employees	30.3
Non-employees	29

[S1-14_06]

Recorded cases of occupational diseases of employees, including fatalities (no.)	2024
Total	17

[S1-14_10]

Iren's own workforce covered by an internally audited and/or externally audited or certified health and safety management system	2024
Total	97.6%

[IREN_S1_14_X006, IREN_S1_14_X007, IREN_S1_14_X008, IREN_S1_14_X009]

Work-related injury rates	2024
Incidence rate (total no. accidents/average workforce x 1,000)	51.4
Frequency rate (no. total accidents/hours worked x 1,000,000)	6.1
Severity rate (days away from work due to accidents/hours worked x 1,000)	1.0

The sickness rate is 4.6% and the absenteeism rate is 4.9%.

Equal opportunities, diversity and inclusion

[S1-17_01, S1-17_02, S1-17_03, S1-17_07, S1-17_08, S1-17_09]

Iren Group is committed to promoting a culture of full and widespread inclusion by implementing actions aimed at pursuing this commitment. Training is one of the most effective levers: partnerships with organisations and associations that promote training programmes on the subject of diversity are renewed annually. In particular, during 2024, the training courses on the Agenda 2030, differentiated by target population, was an opportunity to raise awareness at different organisational levels also on social sustainability targets, including gender equality, on which everyone can have a direct impact.

In order to reinforce the positive impact and the opportunity related to equal professional and remuneration opportunities and the fight against all form discrimination, the Group has planned and implemented numerous actions and initiatives, addressed to both internal and external parties:

- projects, in collaboration with third-party organisations, for the enhancement of the female role and STEM careers (InspirinGirls with Valore D, DEA "Digital Equity Actions" realised by enhancement Fondazione Piemonte Innova for Fondirigenti, "Women & the City" Festival promoted by the association "Torino città per le donne");
- financial education initiatives, with the aim of promoting and disseminating the development of financial, insurance and pension knowledge and skills. Financial education plays a key role in women's independence and empowerment, thus representing an important step towards gender equality;
- desk to provide support, online and in person, to all persons, with difficulties in the use of financial instruments, interested in creating the digital identity (SPID), useful for accessing online services of the public administration and participating private entities (e.g. Fondo Pegaso and Fondo Previambiente);
- projects on disability in the workplace, in cooperation with third parties, both to raise awareness among employees and to include people belonging to protected categories under Italian law;
- initiatives to raise awareness and promote a culture of inclusion, for example, joining the "Orange the World" communications campaign, promoted by UN Women Italy, the national committee that supports the mission of UN Women, the UN body dedicated to gender equality and the empowerment of women, on the occasion of the International Day against Violence against Women.

The handling of diversity and inclusion issues is monitored annually through the compilation of questionnaires and indices. In particular, in 2024 the Group participated in Valore D's Inclusion Impact Index, Parks LGBT+ Diversity Index and Utilitalia's D&I Index.

The policies implemented in the selection phase and in the enhancement of skills, the drive towards female management and the development of work-life balance tools have increased the Group's attractiveness for female personnel, even within professional families characterised by a strong technical component historically "reserved" for a purely male population. The recent inclusion of young female graduates, even in strictly technical sectors such as engineering in the field of environmental services or distribution networks, is proof of this.

The 2,850 women on average present in the Group in 2024 represent 25.2% of the average number of employees, in line with the 2023 figure (25.1%).

[IREN_S1_6_X002, IREN_S1_6_X003]

Employees by position and gender (average no. of people) - 2024	Total	Executives	Junior managers	White collars	Blue collars
Total	11,312	112	393	4,724	6,083
Men	8,462	91	283	2,807	5,281
Women	2,850	21	110	1,917	802

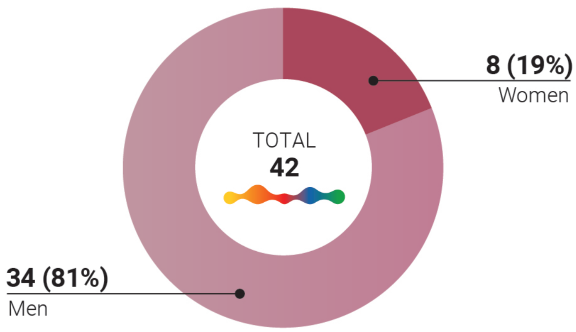
The majority of female personnel (71.9%) are executives, junior managers and white-collar workers (overall constituting 46.2% of total employees, compared to the 53.8% of blue-collar workers). The analysis, also in consideration of the mainly technical characteristics of the managed activities, revealed a non-discriminatory situation for women, who represent around 39.2% of executives, junior managers and white-collar workers. Equal remuneration between men and women is ensured by the application of the national collective bargaining agreements in which minimum salaries for each employment category are defined.

The presence of women at executive and middle management level, on which the Group has set medium- and long-term growth targets (see paragraph "Our targets for Iren people" in this chapter), averages 25.9%, up from 25.1% in 2023.

At top management level (delegated bodies, senior executive managers, executive managers and senior managers reporting directly to the delegated bodies), the female component accounts for 19%.

[S1-9_01, S1-9_02, S1-9_06]

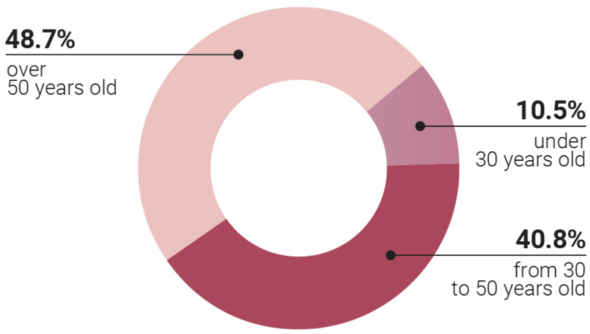
Employees at top management level by gender - 2024



The coexistence within the Group of a multiplicity of generations represents an important opportunity for growth and cultural and gender exchange. Mutual adaptation, respect and understanding are key elements to manage the challenges and exploit the opportunities this coexistence offers, especially by valuing the cultural and professional experiences of each generation for mutual enrichment.

[S1-9_03, S1-9_04, S1-9_05]

Distribution of employees by age group (%) - 2024



In line with its policies, Iren Group turns its attention not only to those with temporary or permanent disabilities, but also to those in a **situation of fragility**, whether visible or invisible.

Knowing how to make the most of people's different skills and potential is the key to creating innovation. To do this, the first step is to listen to their different points of view and needs. With a view to continuously improving people's working situation, the Group is committed to **raising awareness of the context**, thus reducing any **lack of attention**, even involuntary, towards disability and reducing any **architectural and technological barriers**. Through listening and dialogue, the Group wants to promote working environments in which all people can feel respected and valued.

To this end, in 2024 the Group promoted the "listen so as to include" project, which took the form of a survey on diversity and inclusion issues, with a focus on disability, targeted at all Group employees, a self-report questionnaire for those who have a disability or are caregivers, and focus groups dedicated to people in situations of fragility and managers who manage people with disabilities within their teams. The results of the listening exercise have given rise to a series of actions to be implemented as part of the disability strategy. At the same time, cooperation with external experts has been initiated for the identification and placement of persons belonging to protected categories, as well as the implementation of awareness-raising activities, to be carried out in 2025.

The Group employs 431 people belonging to protected categories, as defined by national legislation (Law no. 68/1999). Out of respect for privacy, it is not possible to identify the type of protected category to which an employee belongs, so it is not possible to trace information on disabilities.

[S1-12_01, S1-12_02, S1-12_03]

Personnel belonging to protected categories	2024
Employees belonging to protected categories (no.)	431
Percentage of total employees (%)	3.8%
Men (%)	70.3%
Women (%)	29.7%

Work-life balance

[S1-15_01, S1-15_02, S1-15_03, S1-15_04]

In order to retain its human resources and improve the internal climate, the Group has defined numerous actions to enrich welfare and work-life balance:

- supplementary pension coverage, insurance coverage and supplementary health funds;
- flexible working arrangements: remote working, flexible working hours, teleworking, part-time, ultra-daily flexibility, additional leave, short leave and short paid leave, supplementing compulsory maternity leave;
- initiatives to promote employee well-being, such as setting particularly high standards in company canteens to promote proper nutrition, offering courses to promote physical and emotional well-being, thanks to agreements with a wellness provider offering access to thousands of sports centres and online video training courses, as well as nutritional advice;
- possibility of allocating all or part of the performance bonus to corporate welfare initiatives, benefiting from a bonus. Through the Iren Welfare portal, employees can obtain, within the limits of the allocated amounts, reimbursements and/or goods and/or services, for expenses incurred for the family, health insurance, mortgages, supplementary pensions, sports, culture, leisure and travel;
- support, through contributions, to the various company recreational clubs for workers (CRAL), which organise not only recreational, leisure, sports and cultural activities, but also activities aimed at parenting and work-life balance.

All employees of Iren Group are entitled to leave for family reasons, in compliance with the provisions of the relevant national legislation and the national collective bargaining agreements applied.

[S1-15_02, S1-15_03]

Percentage of eligible employees who took family leave by gender (%)	2024
Total	9.23%
Men	5.64%
Women	3.59%

Our targets for Iren people

[S1.MDR-T_01-13, S1-5_01, S1-5_02, S1-5_03]

The growth and enhancement of employees, also with regard to diversity and inclusion, along with health and safety, are fundamental values for Iren Group: pillars that are transposed into the mission and vision of the Strategic Plan and in the actions of personnel.

The Group has defined a set of strategic objectives for its employees, focusing on professional growth, inclusion and well-being in the medium- (2027) and long-term (2030).

New hires hires (cumulative since 2020)				
Main scope	all Iren's own operations			
Stakeholders engaged	own workforce			
Target/Results (no.) (absolute)	Base year 2020	2024 Results	2027 (medium-term)	2030 (long-term)
	-	+4,384	+4,856	+5,559
Methodologies, assumptions and scientific data used	The medium- and long-term targets consider possible options to expand the perimeter, in line with the Business Plan forecasts, and logic of progressive implementation of Group policies in the event of the acquisition of new companies			
2024 Results	The results ares in line with expectations			
SDGs				

Training hours per capita				
Main scope	all Iren's own operations			
Stakeholders engaged	own workforce			
Target/Results (no. average hours per capita) (absolute)	Base year 2020	2024 Results	2027 (medium-term)	2030 (long-term)
	25	21.6	24	25
Methodologies, assumptions and scientific data used	The medium- and long-term targets consider possible options to expand the perimeter, in line with the Business Plan forecasts, and logic of progressive implementation of Group policies in the event of the acquisition of new companies			
2024 Results	The result, down from the base year, was influenced by the enlargement of the Company's scope during the year and the gradual application of Group policies to the newly acquired companies, which resulted in a significant increase in the average number of employees against fewer training hours than the Group average			
SDGs				

Employees evaluated on performance (%)				
Main scope	all Iren's own operations			
Stakeholders engaged	own workforce			
Target/Results (%) (intensity)	Base year 2020	2024 Results	2027 (medium-term)	2030 (long-term)
	54%	86%	93%	94%
Methodologies, assumptions and scientific data used	The target is calculated as the ratio of the number of persons receiving a performance appraisal in the year to the total eligible workforce (executives, junior managers and white-collar employees, excluding employees on fixed-term contracts, employees hired for less than 6 months, personnel from company takeovers for less than one year, personnel with absences of more than 6 months, and take-overs of contracts of less than 3 years). The medium- and long-term targets consider possible options to expand the perimeter, in line with the Business Plan forecasts, and logic of progressive implementation of Group policies in the event of the acquisition of new companies			
2024 Results	The results are in line with expectations			
SDGs				

Women in managerial roles (%)				
Main scope	all Iren's own operations			
Stakeholders engaged	own workforce			
Target/Results (%) (intensity)	Base year 2020	2024 Results	2027 (medium-term)	2030 (long-term)
	22.8%	25.9%	26.5%	30%
Methodologies, assumptions and scientific data used	The target is calculated as the ratio of the average number of female junior managers and executives to the total number of female junior managers and executives. The medium- and long-term targets consider possible options to expand the perimeter, in line with the Business Plan forecasts, and logic of progressive implementation of Group policies in the event of the acquisition of new companies			
2024 Results	The results are in line with expectations			
SDGs	5, 8			

[IREN_S1_6_X014]

Hires under 30 out of total hires				
Main scope	all Iren's own operations			
Stakeholders engaged	own workforce			
Target/Results (%) (intensity)	Base year 2020	2024 Results	2027 (medium-term)	2030 (long-term)
	50%	54.1%	>= 55.0%	>= 55.0%
Methodologies, assumptions and scientific data used	The target is calculated as the ratio of hires under the age of 30 (excluding hires from subcontracting and internalisation) to total hires. The medium- and long-term targets consider possible options to expand the perimeter, in line with the Business Plan forecasts, and logic of progressive implementation of Group policies in the event of the acquisition of new companies			
2024 Results	The trend in results is in line with expectations and reflects both scope and labour market changes and the need to introduce new specialised skills			
SDGs	5, 8			

[IREN_S1_11_X001]

Employees with supplementary healthcare (%)				
Main scope	all Iren's own operations			
Stakeholders engaged	own workforce			
Target/Results (%) (intensity)	Base year 2020	2024 Results	2027 (medium-term)	2030 (long-term)
	71%	70%	94%	100%
Methodologies, assumptions and scientific data used	The target is calculated as the ratio of the number of employees covered by supplementary healthcare to the total number of employees. The medium- and long-term targets consider possible options to expand the perimeter, in line with the Business Plan forecasts, and logic of progressive implementation of Group policies in the event of the acquisition of new companies			
2024 Results	The results are in line with expectations that take into account the changes in the Company scope that occurred during the year			
SDGs	5, 8			

Injury incidence rate (no.)				
Main scope	all Iren's own operations			
Stakeholders engaged	own workforce			
Target/Results (rate) (intensity)	Base year 2020	2024 Results	2027 (medium-term)	2030 (long-term)
	50.2	51.4	44	44
Methodologies, assumptions and scientific data used	The target is calculated as the ratio of the number of recordable injuries to the average number of total employees multiplied by one thousand. The medium- and long-term targets consider possible options to expand the perimeter, in line with the Business Plan forecasts, and logic of progressive implementation of Group policies in the event of the acquisition of new companies			
2024 Results	The result differs from the forecasts mainly due to the change in the Company's scope, which resulted in an increase in the number of employees working in companies in the waste collection sector, which is more exposed to risks of accidents and/or injuries. Targeted projects have already been set up to raise the awareness of workers and managers carrying out this type of activity.			
SDGs	5, 8			

All targets are monitored on an interim and annual basis to verify the alignment of progress in relation to the annual targets of the Business Plan and to define, if necessary, corrective actions or changes in the scenario that may require a revision of the target.

Furthermore, as part of the review of the Integrated Management System, performance results and monitoring data are analysed in order to define possible improvement actions, which are communicated to all personnel.

In addition, in relation to the subject of health and safety, targets are set annually, including through discussions with workers and workers' representatives, concerning:

- technical or procedural improvements in work processes;
- improvement of the safety culture, by increasing training hours, organising events on specific topics, and actively involving workers in improving safety conditions;
- strengthening of supervisory activities to ensure compliance with rules and procedures;
- improving the welfare of workers, including through welfare initiatives;
- computerisation of security compliance management.

Suppliers and partners

[S2.SBM-3_01, S2.SBM-3_02, S2.SBM-3_03, S2.SBM-3_04, S2.SBM-3_05, S2.SBM-3_06, S2.SBM-3_07, S2.SBM-3_08, S2.SBM-3_09]

The integration of sustainability in the strategy is also expressed through the management of the supply chain where the Group promotes the adoption of sustainability commitments in line with those defined internally, including through the adoption of environmental and social criteria and standards in the supplier selection and evaluation system.

By managing and improving its environmental, social and economic impacts and ensuring good supply chain governance, the Group acts not only to achieve its strategic targets and to generate a positive reflection on its resilience and competitiveness, but also in the interest of stakeholders and society at large, with the aim of creating value over time. The engagement of the supply chain enables Iren Group's strategic lines to be realised:

- achieve increasingly ambitious **sustainability targets**, reinforcing the commitment to advanced ESG practices;
- take a **lead role** in the growth of the region, with a specific focus on supporting small and medium-sized enterprises in the integration of ESG issues;
- **generate value** for the Group, improving economic and operational efficiency through ESG initiatives and contributing to improved sustainability ratings;
- follow **regulatory developments** that impose an increasing focus on ESG issues along the entire value chain;
- ensure **better monitoring of** negative and positive **impacts** along the value chain, with particular reference to the social aspects of health and safety, adequate wages and diversity.

The material impacts, risks, dependencies and opportunities were analysed using the process described in the paragraph "Double Materiality assessment" in the chapter Strategy for sustainable development, for the general analysis, and in the chapter Iren people, for the specific process relating to social aspects.

IMPACTS	
✗	• Potential negative social impacts generated within the supply chain, also resulting from insufficient monitoring by the Group
✓	• Promotion of a sustainable growth culture within the value chain companies, with positive repercussions on the socio-economic growth of the companies themselves and their workers
OPPORTUNITIES	
	• Technological and process innovations, and initiatives to disseminate the culture of prevention that improve the health and safety of employees during the performance of their work activities
	• Promoting the inalienability of people's rights throughout the value chain

The identification of potential employee-related impact, risk and opportunity factors in the value chain was carried out by taking into consideration the different types of suppliers - of goods, works and services - with which the Group has relations. The baseline analysis focused on the upstream and downstream operations in the chain, taking into account all the inputs needed to manage their activities, with the aim of identifying the workers most exposed to adverse effects and particular vulnerabilities, also considering the countries of origin of the suppliers and the activities they perform.

Among the types of supply chain workers considered, and who could be significantly impacted, are **workers of third-party companies** that carry out their activities at the Group's premises (workers of contractors on construction sites, workers operating at customer counters, cleaners and company canteens) and **workers of downstream supply companies** (sales agencies and call centre operators).

The negative impact that emerged from the **materiality analysis** is potential as it may be related to sporadic events, not systematic or generalised, also considering the supply chain management policies adopted and the context, structurally subject to stringent regulations on working conditions, in which the Group operates. In order to minimise the possibility of this potential impact becoming actual, the Group has adopted **actions and policies** also aimed at promoting a culture of sustainable development in the companies of the value chain, with positive repercussions on the socio-economic growth of the companies themselves and their workers.

The **positive impact** noted, extended to all workers employed by suppliers (Tier 1), is closely related to the Group's strong focus on placing sustainability issues and performance at the basis of the process for the selection, qualification and monitoring of its suppliers and of the path undertaken to support them in implementing ESG policies, actions and targets (see chapter Iren people).

Starting in 2023, the Group has launched the **ESG Supply Chain project** (see the paragraph "ESG supply chain project" in this chapter), dedicated to the sustainable development of supplier companies, which is developed through a series of actions aimed at promoting a sustainable economy, consistent with national, European and international directives.

The initiative aims to strengthen ESG policies, actions and targets within the supply chain, incentivising more responsible processes and fostering continuous improvement in the sustainability performance of the companies involved.

As part of the project, the Group has joined, as Value Chain Leader Partner, Open-es, an initiative that creates a collaborative ecosystem, concretely supporting the development and growth of production chains on the dimensions of sustainability. It is an alliance that brings together more than 30,000 companies in 108 countries worldwide and 66 industrial sectors, united by the ambition of a sustainable future and a fair and equitable green transition. Open-es is a platform in which the sustainability data sharing component is complemented by a special focus on growth and collaboration between companies, on measuring sustainability performance and comparing it with industry benchmarks, and on development paths and solutions that help companies orientate themselves to the principles of sustainability, close their gaps and enhance their strengths.

Through the Open-es platform, the Group collects, among other things, information from its suppliers concerning geographical areas or goods at risk of child, forced or compulsory labour, such as:

- whether the Company has adopted a policy or guidelines for the management of human rights aspects and related risks (e.g. discrimination, child labour and forced labour);
- the number of risks, in the area of human rights issues, arising from the Company's activities;
- the number of human rights risks identified in relation to the countries in which the company operates;
- the activities and types of suppliers considered at risk of human rights incidents for the Company.

The information gathered shows that there are no significant risks of child, forced or compulsory labour among workers in the Group's value chain, considering that the supplier companies operate in EU or non-EU countries for which such risks are not significant.

Policies for sustainable supply chain management

[S2.MDR-P_01-06, S2-1_01, S2-1_02, S2-1_03, S2-1_04, S2-1_05, S2-1_06, S2-1_08, S2-1_09, S2-4_11]

The Group has defined commitments and guiding principles relating to workers in the value chain in its Code of Ethics, Sustainability Policy and Model 231 (see paragraph "Policies" in the chapter Iren people).

The Code of Ethics, which defines the behavioural principles and values of business ethics that are recognised, accepted and applied by all Group Companies, also applies to consultants, external collaborators, suppliers and any other entity that may act in the name of and on behalf of Iren Group. It can be considered in the same way as a "Suppliers' Code of Conduct", since it establishes the ethical guidelines and principles with which all parties involved with the Company, including suppliers, are required to comply. The Group's principles and commitments to sustainable supply chain management are set out in the Code of Ethics, chapter 7.2, and in the Sustainability Policy, chapters 2.8 and 2.9; these principles cover:

- a commitment not to cooperate with partners who violate the fundamental principles underlying respect for human dignity;
- all suppliers must respect human rights, the legislation regarding workplace health and safety and obligatory tax and only use personnel who comply with all legal requirements, avoiding any form of discrimination;
- the evaluation of economic operators who qualify in the Suppliers' Register, through a questionnaire concerning environmental, social and governance sustainability profiles;
- requiring suppliers to expressly accept the organisational principles of Model 231 and the rules of the Group's Code of Ethics , which is a condition for admission to tenders and a condition for the effectiveness of contracts;
- the request that suppliers sign specific contractual clauses regarding compliance with social standards on human rights and working conditions throughout the supply chain;
- the identification in tender procedures with award criteria based on the best quality-price ratio, of criteria for the attribution of technical scores on environmental aspects such as, for example, measures to contain environmental impact, decarbonisation, waste management, air and water protection, energy efficiency, when compatible;
- requiring suppliers to sign contractual clauses at the award stage committing them to carry out activities in an environmentally friendly and efficient manner.

The commitments of the Sustainability Policy and the Code of Ethics are based on the principles of the Constitution of the Italian Republic, the UN Universal Declaration of Human Rights, the International Labour Conventions and Recommendations issued by the ILO (International Labour Organisation), the Global Compact, the OECD Guidelines for Multinational Enterprises, and the UN Sustainable Development Goals (SDGs).

Policy monitoring is structured in an articulated manner, at the different levels of the organisation, and provides for specific actions in case non-compliance situations are detected.

Violation of the provisions of Model 231 and the Code of Ethics entails the exclusion of the supplier from the tender or, if the violation is discovered at a later stage, the revocation of the award or termination of the contract and may also entail, depending on the seriousness, a one-year ban on participating in tenders to be called by Iren Group. Violation of contractual clauses concerning compliance with social standards on human rights and working conditions may lead to the application of the contractually agreed penalty, without prejudice to the Group's right to terminate the contract. In the event of non-compliance with environmental obligations, Iren Group may order the immediate suspension of activities until the safeguard measures have been adjusted, without prejudice to the possibility of terminating the contract.

The evaluation of suppliers by the Group's Departments and Business Units that manage contracts and directly verify the supplier's behaviour during implementation, generates a score that supplements the qualification score. Repeated negative results or serious failures in the performance of the service shall lead to suspension and subsequent exclusion from the supplier register for a predetermined period.

In addition, the Certified Integrated Management System policy (quality, environment, safety and energy efficiency) includes a commitment to implement adequate control over all operational processes, including the quality of supplies and procurement.

All of the Group's stakeholders are considered in the Sustainability Policy and Code of Ethics, including through a commitment to constant and active dialogue with stakeholders. The Group reports annually on its social, environmental and governance performance, highlighting the progress it has made in meeting its commitments and targets.

Responsibility for approving the Sustainability Policy and Code of Ethics lies with the Board of Directors and their implementation is delegated to top management.

Human rights of supply chain workers

Iren Group considers respect for human rights in business practice as a fundamental element for sustainable development on which the ability to create long-term value for the Company and its stakeholders depends.

The principles of the Code of Ethics and the Sustainability Policy are based on the rejection of practices such as forced or child labour, illegal labour, discrimination of any kind, and the promotion of human dignity, diversity, inclusion, equal treatment, health and safety, and environmental protection as necessary conditions for the full enjoyment of human rights.

The Sustainability Policy commits Iren Group to respect all universally recognised human rights, among which forced labour and child labour are explicitly considered.

The Group's contracts expressly provide for the contractor's commitment to ensure that the contracted goods and works are produced, supplied, installed and executed in compliance with the minimum social standards on human rights and working conditions along the supply chain, as defined by the International Labour Organisation Conventions, the Universal Declaration of Human Rights, Article 32 of the UN Convention on the Rights of the Child and national legislation in force in the countries where the supply chain stages take place. These minimum standards cover occupational health and safety, labour standards, including wages, working hours and social security, and entail the supplier's commitment to:

- inform suppliers and subcontractors involved in the supply chain of the requirement to comply with the above-mentioned standards;
- provide information and documentation on compliance with standards and references of suppliers and subcontractors involved in the supply chain;
- accept and ensure that suppliers and sub-suppliers likewise accept any audits relating to compliance with standards conducted directly or on behalf of the Group;
- undertake, or have suppliers and subcontractors undertake, any appropriate corrective action in the event of a contractual breach of minimum social standards;
- demonstrate, through appropriate documentation, that the clauses are being respected and document the outcome of any corrective actions taken.

Annually, Internal Audit performs audits on the effectiveness of business processes, risk management practices and internal controls. According to the findings of Internal Audit, no human rights problems or incidents along the value chain were found in 2024. Considering the importance of human rights and the continuous evolution of this issue, the Group considers constant monitoring to ensure that ethical and legal standards are met to be essential.

The ESG Supply Chain project (see the paragraph "ESG supply chain project' in this chapter), launched by the Group, involves its suppliers in strengthening the culture of sustainable development, including the adoption of policies, actions and targets for the protection of workers' human rights. Within the project, workshops dedicated to suppliers are also planned for 2025 with the aim of developing a comparison of best experiences and implementable practices.

Engagement of the supply chain

[S2-2_01, S2-2_02, S2-2_03, S2-2_04, S2-2_06, S2-2_07]

The stakeholder engagement activities managed by the Group through the Local Committees (see paragraph "Creation of social value" in the chapter Sustainable development of local communities) involve, among others, economic categories representing the Group's suppliers and trade unions that also represent workers in the value chain who, through their delegates, can express their views during Committee meetings, through the assessment of the materiality of impacts and through other channels made available to them by the Group. Through the Local Committees, a broad and inclusive participation of stakeholders, including value chain workers, is ensured for a transparent and constructive collaboration.

The Company assesses the effectiveness of this engagement mainly through the monitoring of the results of the projects and initiatives implemented, as well as through the feedback gathered during the discussions in the Local Committees, mainly during the process of analysis of materiality of impacts, which allows the Group's vision to be compared with that of the different categories of stakeholders. The materiality analysis welcomes input from suppliers and employee representatives in the value chain on the impacts, both positive and negative, related to environmental, social and governance issues. It is used by the Group as input for strategy planning and development and to produce reporting that is increasingly relevant and focused on the real interests of stakeholders, providing an articulated picture of policies, actions and achievements.

In the process of analysing the materiality of impacts, and through their participation in Iren's Local Committees, suppliers and trade unions representing workers in the value chain can bring to the Group's attention specific issues related to particularly vulnerable workers.

The supervision of the Local Committees is delegated to the Deputy Chair, who is supported in this by the Corporate Social Responsibility and Local Committees Department, which reports directly to him or her, and who periodically reports to the Control, Risks and Sustainability Committee and the Board of Directors on the progress of activities and on the discussion and planning carried out within the Committees themselves.

Each Local Committee meets on average four times a year and, through specific internal working groups, oversees activities for the best implementation of projects for environmental and social sustainability.

Together with the Local Committees, the Open-es collaboration platform, to which the Group has adhered since 2024, represents a tool through which Iren monitors the sustainability performance of its suppliers, in the environmental, social and governance spheres. A structured questionnaire - differentiated according to the size of the supplier company - makes it possible to detect, for each Group supplier that has accepted the invitation to access Open-es, the presence of policies, actions and targets related to its workers and to identify initiatives to be addressed to the supplier companies in order to manage the actual and potential impacts on the workers themselves. The questionnaire also explores issues related to workers who may be particularly vulnerable, checking, for example, the adoption of diversity, inclusion, and equal opportunity management policies and/or practices for different categories of employees, the approach towards the inclusion of disadvantaged workers, and women's empowerment.

The information gathered in this way, which constitutes an in-depth source on ESG issues relevant to the Group's suppliers, together with the findings of the materiality analysis of impacts, does not point to particularly vulnerable categories of workers in the Group's value chain.

Open-es is a tool used by the Group to engage suppliers on its sustainability policies, actions and goals, and provide them with an assessment of its sustainability profile with indications of areas for improvement to reduce the impacts generated, including on its own workers. This allows supplier companies to continuously improve their sustainability performance, in line with regulatory developments and industry best practices, and enables Iren Group to monitor the sustainability journey of its suppliers.

The Group also promotes direct interaction with suppliers, through dedicated workshops to support them, among others, in decisions related to the management of impacts on their workers.

The ESG Supply Chain project (see the paragraph "ESG supply chain project" in this chapter), undertaken by the Group to involve suppliers in a process of growth in the management of ESG issues, is headed by the Procurement and Corporate Social Responsibility Departments and Local Committees which, in this context, also pursue the target of identifying, assessing and managing the positive and negative impacts of supply chain activities on the environmental, social and governance levels, with particular attention to possible impacts on workers.

Preventing impacts through analysis and listening

[S2-3_01, S2-3_02, S2-3_03, S2-3_04, S2-3_05, S2-3_06]

The materiality analysis conducted by the Group did not reveal any actual negative impacts on workers along the value chain. However, a potential impact has been identified in relation to social aspects, e.g. health and safety, working conditions and diversity, which is also related to the Group's poor supervision. This implies that, although there are no concrete signs of immediate impacts or risks, there is a possibility of negative effects that could occur in the future, thus requiring attention and preventive measures. In this perspective, the Group provides a number of options through which supply chain workers can raise concerns, among which:

- Iren's Local Committees, a channel for dialogue and the exchange of ideas that enables representatives of economic categories and trade unions to participate systematically as permanent members, and to report the concerns and needs of workers along the value chain. Through this channel, specific requests are brought directly to the attention of the Group, which provides the necessary support;
- the Group website represents one of the channels through which workers in the supply chain can communicate directly to obtain information and assistance. In fact, for each Local Committee there is a reporting form available, which is both easy for interested parties to access and useful for expressing their concerns;
- the Iren Integrity line, another channel accessible from the Group's website also by workers in the value chain (see the paragraph "Listening to the customer" in the chapter Customer orientation). The site also contains an information document and references for accessing the external channel for sending whistleblowing reports managed by ANAC (the national anti-corruption authority), which can only be used in the cases provided for by Legislative Decree No. 24/2023.

Both the contact channels and the meetings of the Local Committees are made known and accessible to the Group's suppliers and workers through the corporate website.

On the Group Procurement Portal, an injury reporting form is available to suppliers, which is referred to in tenders. In addition, any claims by the employees of contractors, e.g. in cases of non-payment, are monitored and assessed, with the contracting authority taking action in their stead.

Any reports received through the dedicated channels are monitored and brought to the attention of the relevant corporate departments. In this way, the Company can assess each individual report and take corrective measures to improve processes or respond directly to the concerns raised. This approach ensures that workers in the supply chain can see a tangible response to their demands, contributing to a continuous improvement of relations between the Group and its economic and social reference context, also at local level.

Sustainable supply chain: actions and monitoring

[S2.MDR-A_01-12, S2-4_01, S2-4_02, S2-4_03, S2-4_04, S2-4_05, S2-4_06, S2-4_07, S2-4_08, S2-4_09, S2-4_10, S2-4_13, S2-4_14]

Adopting an evidence-based approach, preventive and corrective actions, constant monitoring and clear and transparent communication (see chapter "Proactively managing Impacts, risks and opportunities" in section Focused on people), allows Iren Group to effectively address any impacts, risks and opportunities related to the supply chain. The Group has a number of procedures in place to prevent and effectively intervene with corrective measures, should cases arise, even though the negative impact mentioned regarding supply chain workers that resulted from the impact significance analysis is potential rather than actual.

The Group has implemented a supplier qualification and selection process that, from a preventive perspective, takes into account a number of sustainability-related factors, with a focus on socio-environmental issues and adherence to the values and principles of the Code of Ethics, which must be voluntarily accepted by all bidders without the possibility of exceptions or amendments. The Code of Ethics outlines the standards of behaviour with regard to, among other things, business ethics, respect for and protection of the market, human rights and personal dignity, protection of personal data, and environmental protection. When qualifying in the Register, Iren also requires, as part of the information on operational and organisational capacity, that the number of permanent and fixed-term employees be indicated and that the ratio of permanent employees to the total number be specified, a ratio that generates a directly proportional increase in the qualification score in the Register.

The presence of an internal or external prevention and protection service, the designation of a safety focal point to oversee individual contracts and orders, the existence of a training programme on the topic, and the integration of training for foreign workers with Italian language courses are some of the factors examined through the evaluation questionnaire during the Supplier Register's qualification phase.

When assessing the award of the service or supply, particular care is taken to ensure compliance with the rules on the correct application of labour contracts and the payment of the relevant compulsory insurance and social security contributions; the specifications provide for the supplier's obligation to comply with the rules on the protection of workers and national collective labour agreements (CCNL) in force and applicable in the sector concerned. Public tenders for works and services are subject to the requirement that the leading CCNL, as determined by the company itself in accordance with established guidelines, be applied to the workers employed in the contract. Additionally, it is necessary to confirm the economic and regulatory equivalence of the different contract applied in the event that a different CCNL is declared. These responsibilities are managed by periodically obtaining the single document of tax and social welfare payment compliance (DURC) and the documents mandated by workplace safety legislation (document for the evaluation of interfering risks (DUVRI), and safety operating plan (POS). In the case of non-compliance with remuneration and social security contributions, the laws of alternative means are applied, meaning employees and social security funds are paid directly and these amounts are deducted from the amount paid to the contractors.

Subcontracts are also authorised and controlled, according to the law, and the same protections are extended to the workers of subcontractors as those to the workers of contractors.

In addition, the Group's contractual documentation makes it expressly clear that supplies and services to be performed in compliance with minimum social standards on human rights and working conditions (see the paragraph "Policies" in the chapter Iren people). All the Group's specifications include clauses aimed at curbing the phenomenon of illegal work in tenders and subcontracts.

As well as fully implementing the regulations for employee health and safety, in many contracts the score attributed by the Group focuses on the commitment of the contractor to ensure, in line with the provisions established by the collective labour agreement (social clause) and with the organisation it intends to implement, occupational safety through the hiring of the personnel of the outgoing contractor (the latter may be scored for the maintenance of the resources used). Furthermore, in regard to Contact Centre services, the awarding tenders state that the personnel costs cannot be lowered.

To compete in public tenders organised by Iren Group, the supplier must comply with the obligations established by the regulations regarding the employment of disabled workers (Law No. 68/1999).

For tenders, Group contracts state that the contractor is responsible for complying with current sector legislation. As the contract is characterised by the assumption of the responsibility to achieve a result, the contractor is entrusted to organise the means and workforce needed to attain said result. In the context of public tenders, the supplier is required to specify the applicable National Collective Labour Agreement and the number of hours estimated for the performance of the contract. If the offer appears to be suspiciously irregular, the aspect of the cost of labour used in the execution of the contract is also investigated.

The attention to workplace health and safety is extended to suppliers through their registration in the Register, contractual provisions, safety documentation and on-site monitoring.

In contract situations or, more generally, where third parties operate at Group sites, the relevant documentation required to identify and communicate information on workplace risks and prevention measures, as well as any interference risks relating to the performance of activities by third-parties in those sites, is prepared. This documentation is prepared according to procedures specific to each Business Unit, in order to make the process as appropriate as possible to the characteristics of the individual contracted activities. The professional suitability of the supplier companies is verified and information is provided on the specific risks present in the environments subject to processing, in the case of contract activities falling within the scope of the Consolidated Law on Health and Safety at Work (Article 26 of Legislative Decree No. 81/2008). Interference risks are managed by drawing up the single document for the assessment of interference risks (DUVRI), in the case of activities falling within temporary or mobile construction sites (Title IV of Legislative Decree No. 81/2008), a safety coordinator is appointed during the design and execution phase, and documentary checks and inspections are carried out by the site assistants, the Works Management and the Prevention and Protection Service, with the drafting of the relative reports.

In addition, awareness-raising and training activities are carried out for companies working for the Group on security issues. In 2024, for example, initiatives were organised with, among others, the three largest contractors carrying out maintenance activities for most of the Group's buildings.

[IREN_S2_103]

Training of supply chain workers (No.) - 2024	Total	Of which on health and safety
Training courses for supplier companies	44	18
Hours of training provided to supplier companies	1554	68
Workers of supplier companies involved	308	82

Injuries that happen while carrying out tasks for the Group and at locations where the Group has legal access are reported to the Works Management. The Group's Prevention and Protection Service gathers and thoroughly examines information about these incidents, in addition to consulting with the Works Management, to identify any criticalities and establish corrective measures.

[IREN_S2_104]

Injuries of supply chain workers (no.)	2024
Recorded injuries	95
of which fatal	0

Qualified suppliers that have been awarded a tender are assessed by the internal departments that manage contracts and directly monitor the conduct of the supplier when carrying out the contracted works. Monitoring and verification of compliance with the provisions of the contracts on social, environmental and safety aspects are under the control of the Group's Works Management. Control occurs on two levels:

- the first is documentary and involves checking the consistency and existence of all the documents declared in the contract;
- the second is, on the other hand, the monitoring directly on the site of execution of the work, by the Directors of Works of the Business Units and by the site assistants, of the compliance with the contractual conditions and rules in force by the contract workers.

The assessment performed generates a score, which is added to the qualification score. Any continuous negative outcome or serious failure in the execution of the work, which the Procurement, Logistics and Services Department is notified, will lead to the suspension and subsequent exclusion from the Supplier Register for a set period.

Through the signing of specific declarations, such as the express acceptance of the Code of Ethics and the principles of Model 231, the supplier undertakes contractual commitments regarding compliance with minimum social standards on human rights and working conditions (see the paragraph "Human rights of supply chain workers" in this chapter). In the event of violations, the supplier will be excluded from the tender or, if the violation is later discovered, the award will be revoked, a penalty will be applied, or the contract will be terminated for the supplier's fault. They may also lead, depending on their seriousness, to disqualification from participating in tenders to be called by Iren Group.

Processes to remedy negative impacts, should they occur, are clearly regulated within the Group Procurement Code and are available to the workers involved in the process. Their effectiveness is monitored for each individual case in which they need to be applied.

The significant socio-economic impacts vis-à-vis the supply chain highlight the Group's key role in generating value for the workers in the chain, and more broadly for the communities in which it operates. In fact, the location of the Group's suppliers is rooted in the local areas of reference, both in terms of the number of active suppliers and the economic value of the orders. In 2024, purchase orders were issued to 5,845 suppliers for about 1,598 million euro. The incidence of volumes by geographic area is shown below. In addition, the Group supports social co-operation whose main task is to professionally integrate disabled or disadvantaged people (Law No. 381/1999 regulates the social cooperatives). **Social cooperatives**, which are particularly active in waste collection and environmental hygiene services, received orders in 2024 amounting to approximately 51 million euro, or 3.2% of the Group's total order intake.

[IREN_S2_100]

Suppliers by geographical area (% of euro)	2024
Piedmont	16.8
Liguria	12.1
Emilia-Romagna	14.2
Tuscany	7.9
Lombardy	25.3
Sicily	2.0
Friuli-Venezia Giulia	1.4
Sardinia	0.2
Other Italian regions	18.9
Other European countries	1.0
Other non-European countries	0.2

ESG Supply Chain Project

To promote a culture of sustainable growth in value chain companies, technological and process innovation aimed at improving the health and safety of employees, and respect for people's rights, the Group continued the **ESG Supply Chain** sustainable management project in 2024. The primary target of the project is to generate positive repercussions on the workers in the value chain and to take an increasingly leading role with respect to its own supply chain with a view to sustainable and resilient development, accompanying its suppliers along the way and enhancing the capacity of the area and local companies.

The project is developed through several **actions** over a multi-year horizon.

Actions	
Qualification of suppliers	• evolution of the Group's Supplier Register by **expanding the information required on sustainability profiles** through the activation of a new qualification questionnaire with greater focus on the sustainability policies, actions and targets adopted by suppliers for the purpose of awarding **qualification points** • gradual inclusion, by company size, of **blocking certifications** for qualification in the supplier Register
ESG criteria in tenders and Vendor rating	• implementation of the **catalogue of ESG criteria** to be introduced in tender specifications and in tenders themselves • integration of the **Vendor rating** system with ESG criteria
Evaluation of suppliers' ESG performance	• access to the Open-es platform • gradual expansion of the supplier base with ESG performance evaluation and indication of **improvement profiles**, obtained through the Open-es platform
Engagement of suppliers and supply chain workers	• invitation to suppliers to report through the Open-es platform • organisation of **workshops** with qualified suppliers • **training** for workers of supplier companies, including on workplace health and safety issues • analysis of the significance of impacts
Internal engagement	• internal training activities to disseminate knowledge of the path undertaken at Group level for sustainable supply chain management

Participation in **Open-es** (see introduction to this chapter) has the dual target of strengthening the direct engagement of the Group's qualified suppliers on sustainability issues and providing them with a tool to assess strengths and areas for improvement in the area of ESG factor management. In fact, the information that suppliers make available to the Group by answering the **sustainability questionnaire** contributes to the assessment of ESG performance and allows them to access a benchmark to compare their results with those of similar companies, to activate a customised development plan, identifying priority actions to be implemented, and to support suppliers in their improvement path.

At the same time, the initiative offers Iren Group the opportunity to prevent and minimise potential negative social impacts generated within the supply chain, also thanks to a more detailed and constantly updated information base. Information gathered periodically through Open-es on a large number of suppliers, and their analysis by size, geography and product categories, allows the Group to identify any significant negative impacts on workers in the supply chain. The involvement of representatives from economic categories and trade unions in the process of analysing the relevance of impacts, who participate in a structured and permanent manner in the **Iren Local Committees**, allows the Group to identify the actual or potential impacts that may affect the workers in the value chain, enabling the development of more targeted and effective management strategies.

ESG supply chain targets

[S2.MDR-T_01-13, S2-5_01, S2-5_02, S2-5_03, S2-3_03, S2-4_12]

The **ESG Supply Chain project**, operationally developed from 2024 with a time horizon until 2028, was designed as a tool to concretise Iren Group's strategic lines in the area of sustainable supply chain management. The project targets were defined in a cross-functional project group involving Procurement, Logistics and Services, Corporate Social Responsibility and Local Committees, all business units and the main central departments. The targets were approved by the CEO.

The monitoring of the targets, which will be conducted in parallel with the development of the project, will make it possible to assess the effectiveness of the actions undertaken and to identify possible **areas for improvement**, with the adoption of corrective or implementation measures, to ensure the achievement of the set targets of strengthening the integration of ESG principles along the entire supply chain.

Improving the ESG profiles of the supply chain			
Main scope	all of Iren Group's own operations		
Stakeholder engagement	suppliers, Iren's own workforce, networked companies		
Target		2025 (short-term)	2028 (long-term)
Strengthening the supplier qualification system on ESG factors	new supplier qualification questionnaire with greater focus on assessing the sustainability policies, actions and targets adopted by suppliers for qualification scoring purposes	activation of the questionnaire	supplier qualification scores
ESG factors in tenders	implementation of the catalogue of ESG criteria used in tender specifications and in tenders themselves	continuous updating of the catalogue	
direct engagement of suppliers	• workshops with qualified suppliers • evaluation of suppliers' ESG performance with indication of improvement profiles through Open-es	• realisation of first 3 workshops • progressive expansion of the pool of evaluated suppliers	• continuous direct engagement through Open-es • all suppliers evaluated
Vendor rating	integration of the Vendor rating system with ESG criteria	integrated Vendor rating system from 2025	
Block certifications	gradual inclusion by size of supplier companies (large, medium and small) of blocking certification for qualification in the supplier Register		blocking certifications introduced for different types of suppliers
Internal training	training to spread awareness of the path taken by the Group in sustainable supply chain management and to ensure effective alignment between all actors involved	training for Business Units/Group Departments	continuous involvement of Business Units/ Departments in updating the ESG criteria catalogue for tender specifications and tenders
2024 Results	In 2024, the focus was mainly on launching the project in its various areas: defining the new questions in the qualification questionnaire and the Vendor rating questionnaire, selecting the certifications deemed necessary as a blocking elements, selecting an initial set of ESG criteria to form the ESG criteria catalogue, launching an internal and external communication plan to coincide with joining Open-es, providing the first training sessions		
SDGs	4, 6, 8, 10, 12, 13, 15, 16, 17		

Among the **upcoming projects**, the Group plans to create a procedure that, while the contractor is carrying out their activities, will conduct operational inspections using indicators and checklists, suggest direct questionnaires or interviews to the worker, conduct control activities to gather any complaints and unresolved issues of the worker, confirm that the contractor operates in accordance with the fundamental principles of social ethics, transparency, and respect for workers' rights, limiting the risk of joint and several liability of the customer, confirm, on a regular basis and for the duration of the contract, that the contractor has accurately fulfilled its wage and social security obligations with regard to the personnel employed in the contract, and establish suitable channels of direct communication between the contractor's employees and the customer.

Sustainable development of local communities

[S3.SBM-3_01, S3.SBM-3_02, S3.SBM-3_03, S3.SBM-3_04, S3.SBM-3_05, S3.SBM-3_06, S3.SBM-3_07, S3.SBM-3_08]

Local presence, understood as embeddedness in the communities, is one of the pillars of Iren Group's strategy. Therefore, active listening to communities is a core principle, integrated in the Group's policies and strategies. Through constant dialogue and the sharing of objectives, the Group is committed to building a solid and lasting partnership with the communities in the areas in which it operates. This synergy, founded on the knowledge that dialogue and sharing generate mutual value, guides the Group's actions. Engagement is based on criteria of inclusiveness, transparency, fairness and attention to ethical, environmental and social aspects, ensuring that everyone's voice is heard and taken into consideration.

IMPACTS	
✗	• Visual impact on the local area due to the presence of Group's facilities (i.e. waste-to-energy plants, wastewater treatment plants, power stations) • Potential inconveniences related to traffic, the presence of construction sites, noise pollution, the emission of vibrations and the spread of odours resulting from the activities managed by the Group
✓	• Increased value distributed to stakeholders and direct and indirect economic impacts for communities • Contribution to economic and social development and the reduction of environmental impacts, supported by the Group's activities in the areas of efficiency of infrastructures favouring the ecological transition, digitisation, technological innovation, collaboration with innovative start-ups, universities, research centres and other partners

RISKS	OPPORTUNITIES
• Risk that the Group does not exploit the leverage of technological change (e.g. investments in plants aimed at reducing emissions) and/or does not maintain the efficiency of existing infrastructures, thus not contributing to the reduction of impacts on the surrounding community and the environment, with effects on performance and competitive capacity (e.g. decrease in the market value of plants, costs of decommissioning/adaptation of plants that have become obsolete) • Delays in the execution of works or interventions due to post-tender appeals with consequent reputational impacts resulting from the failure to complete the works or interventions within the established and externally communicated timeframe and/or prolonged changes to the road system that may cause inconveniences to the daily habits of citizens, generating protests and discontent • Risk of water, soil or air pollution and impact on the surrounding community (e.g. noise and odour pollution) from activities managed by the Group	• Implementation of sustainable investments and initiatives that can contribute to the growth and improvement of the area in which the Group operates

Material impacts, risks, dependencies and opportunities related to communities were analysed through the process described in the paragraph "Double materiality assessment" in the chapter Strategy for sustainable development, for the general analysis part, and in the chapter Iren people, for the specific process related to social aspects. The analysis considers all the communities located in the areas where the Group operates, the operations along the entire value chain, the inputs required and the outputs generated by its activities, with the aim of identifying any communities most exposed.

The **visual impact** on the local areas due to the presence of the Group's facilities is of a generalised nature, while **potential inconveniences** related to road conditions, the presence of construction sites, noise pollution, the emission of vibrations and the spread of odours deriving from the activities managed, are linked to specific events.

The increase in value distributed to stakeholders and in direct and indirect **economic impacts** for local communities is directly linked to the Group's strategy of generating shared value while improving environmental and social impact, with economic impacts manifested through the creation of new jobs, investments in sustainable infrastructure and increased services for local communities.

Also of strategic importance is **the contribution to economic-social development and the reduction of environmental impacts**, which is supported by the activities managed in the area of infrastructure efficiency to facilitate the green transition, digitisation and technological innovation, including through partnerships and collaborations. All fundamental factors to ensure a responsible use of natural resources, reduce waste and enhance the services offered, contributing to improving the quality of the environment and living conditions of communities, meeting the needs of people and businesses in an increasingly efficient manner. Collaboration on research and innovation stimulates the creation of advanced solutions to reduce environmental impact and contribute to the creation of new opportunities, fostering the development of skills and knowledge to support economic and social growth in the areas where the Group is present.

The analysis conducted also highlights risks and opportunities related to the generality of the communities concerned.

Policies for communities

[S3.MDR-P_01-06, S3-1_02, S3-1_03, S3-1_04, S3-1_05, S3-1_06, S3-1_07, S3-4_11]

Iren Group's policies in relation to the communities concerned find their foundations in the Sustainability Policy and the Code of Ethics (see paragraph "Policies" in chapter Iren people) and focus on an integrated approach that considers social, environmental and economic dimensions, considering dialogue and collaboration with communities and stakeholders, together with the assessment of impacts, to be prerequisites for creating shared value and sustainable development. Some of the main elements of these policies include:

- sustainability and the green transition through management plans that aim to reduce the environmental impact of activities and facilitate the transition to a low-carbon economy. The adoption of innovative technologies and energy efficiency are at the heart of these initiatives, with the aim of minimising environmental risks and improving the quality of life in local communities;
- engagement and continuous dialogue with local communities to understand their needs and concerns. Corporate policies promote transparency and participation, ensuring that decisions are aligned with the interests of the people living in the areas where the Group is active, in order to better understand and integrate their expectations into corporate strategy. To this end, the Group has activated various channels of communication, participation and dialogue, among which the Iren Local Committees are of particular importance (see paragraph "Creation of social value" in this chapter);
- investments in infrastructure and services that also foster sustainable growth for communities, such as renewable energy plants, water management systems, and advanced digital solutions. These investments help to improve the services offered and create economic opportunities for local people and businesses;
- contribution to the employment growth of the communities in which it operates, through the creation of new jobs and the development of growth opportunities for people and businesses in the areas in which it operates, favouring the transfer of knowledge and the development of local skills;
- management of social and environmental risks through a system that takes into account potential environmental and social issues related to its activities. These include the management of environmental impacts, the protection of workers' health and safety, and the constant monitoring of industrial activities that could adversely affect communities;
- collaboration with local authorities and social organisations in order to foster the socio-economic development of communities, reduce inequalities and improve social integration.

Responsibility for approving the Sustainability Policy and Code of Ethics lies with the Board of Directors and their implementation is delegated to senior management.

Through its activities, the Group contributes to the creation of the socio-economic conditions necessary for the effective enjoyment of human rights. It considers this aspect in its policies and in the feasibility assessment of new projects, in order to avoid harmful behaviour and identify areas of possible intervention to help improve stakeholders' access to fundamental rights.

Respect for human rights is part of the constant dialogue with stakeholders (also through the Local Committees) and the Group's commitments are also referred to in the Service Charters adopted (see paragraph "Customer policies" in chapter Customer orientation).

Therefore, the Group is committed to gathering feedback from stakeholders through open communication channels to ensure that human rights needs and concerns are adequately considered.

In addition, the Group is committed to ensuring grievance mechanisms that allow anyone who believes their rights have been violated to file complaints and obtain appropriate responses, to resolve any conflicts through constructive dialogue, and to identify, assess and communicate in a transparent manner the environmental, social and economic impacts generated by its activities.

These commitments reflect Iren Group's desire to ensure that all activities are carried out in a responsible manner, respecting human rights and in line with international regulations.

The effectiveness of the policies adopted by the Group is confirmed by the fact that, in 2024, no human rights reports were made in relation to the communities concerned.

Engaging communities through dialogue and listening

[S3-1_09, S3-2_01, S3-2_02, S3-2_03, S3-2_06, S3-3_10, S3-3_11, S3-3_12, S3-3_13, S3-3_14, S3-3_15]

Community engagement is crucial in the management of activities and in the definition of Iren Group's sustainable development strategies: the communities' point of view guides decisions and activities aimed at managing actual and potential impacts.

In the process of building plants, discussion with the public is included in the authorisation process, with the possibility for anyone to make comments on the project and obtain answers from the competent authority. In the planning of services, particularly in the environmental sector, meetings are held with communities when changes are made to collection methods, and the public's concerns are formally represented by the ambit authorities and municipalities. Similarly, the Group places great emphasis on dialogue with communities in the daily management of waste collection, constantly monitoring reports, collaborating with municipalities to improve the service, and implementing targeted communication campaigns to encourage correct waste disposal.

Furthermore, in the water sector, the Group values dialogue with communities through collaboration with municipal administrations and regulatory and control bodies. Reports from institutions, associations and individual members of the public are fundamental to understanding the needs of communities and guiding corporate actions. In managing service interruptions, whether planned or for fault repair, the Group takes into account situations of greatest inconvenience and vulnerability, ensuring special attention to essential community water needs.

In the electricity distribution, as for the water service, in managing service interruptions the Group takes into account the most sensitive situations (hospitals, prisons, schools, public and private care facilities) to which, in cases of emergency, priority is given to ensuring the service.

The Group adopts an integrated and transparent communication strategy to disseminate its policies, using both corporate online channels (website and social media profiles) and direct dialogue tools with stakeholders. In particular, community-related policies are discussed and shared in Iren's Local Committees (see paragraph "Creation of social value" in this chapter), where the Company discusses key issues such as the Business Plan, the quality of services and local development projects, such as renewable energy communities, with a specific focus on the needs of the different areas.

Through the tool of the Local Committees, the Group can on the one hand intercept the needs of the local area and on the other hand detect the potential impacts of its activities on the communities. In this sense, the Iren Local Committees guarantee that the communities are heard and that the key issues and any emerging reports are mapped.

Reports from communities are carefully considered in order to target actions and best respond to the needs of the local area. The Group offers different channels for affected communities to express their concerns, ensuring an open and constant dialogue:

- dedicated call centres per service line (communicated in the invoice and on the websites of the relevant companies);
- reporting through social media channels and Company websites;
- counters open to the public (times communicated in the invoice and on the relevant websites);
- round tables with municipalities to consider improvements or changes;
- The Iren Integrity Line (see paragraph "Listening to the customer" in chapter Customer orientation), an online channel dedicated to reporting violations, accessible to all, whose modalities of use are detailed on the Group's website.

Any reports received through the dedicated channels are monitored and brought to the attention of the relevant corporate departments. In this way, the Group can assess each individual report and take corrective measures to improve processes or respond directly to concerns raised. This approach ensures that affected communities can see a tangible response to their requests, contributing to a continuous improvement of relations with the local area. The Group's website, from which the different contact channels can be consulted, ensures that local communities are aware of the reporting tools and can use them in a useful and reliable way to express their concerns.

In addition, the press office ensures constant and extensive communication with the media and the public, through interviews, in-depth reports and the dissemination of corporate initiatives and strategies.

Acting for communities

[S3.MDR-A_01-12, S3-4_05, S3-4_06, S3-4_07]

All of the Group's activities are planned and carried out with an awareness of its responsibility towards communities and territories, especially producing wealth while protecting the environment and respecting stakeholders' expectations. Therefore, the Group evaluates, in a structured manner, the measures to be adopted for an effective response to the negative impacts on the affected communities identified, in relation to their actuality or potential.

Actions	
Risk prevention	• **investments** to maintain the efficiency and **technological upgrade** of plants • construction of **new plants and infrastructures** to support the green transition • adoption of a certified **environmental management system** • **dialogue with stakeholders** on the implementation of new plants
Architectural integration	• **strategic location of** plants • **architectural solutions** and urban **green areas** to minimise the visual impact of plants • **consultation** of communities and local authorities
Sustainable management of construction sites	• **planning and organisation of construction sites** to reduce disruption to local communities • **timely and transparent communication** to local communities on interventions and timelines • **cooperation with local authorities** for traffic management
Prevention of noise and odour emissions	• acoustic **measurements** and insulation solutions • odour abatement **technologies**
Creation of social value	• investments in **sustainable infrastructure** for the local error and communities • **Eduiren** activities and projects to raise community awareness of sustainability issues • **Iren Local Committees** for dialogue, discussion and participatory planning

Risk prevention

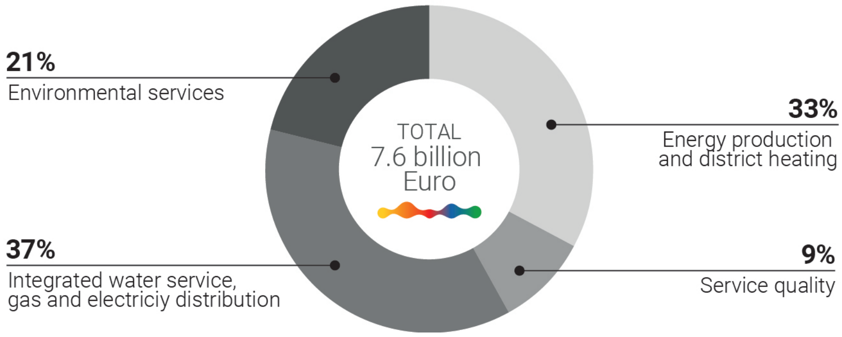
[S3-4_08, S3-4_09]

The Group's strategy focuses on **risk prevention**, transparency and constant communication with local communities and authorities, monitoring progress and planning future resources to ensure success:

- **planning the investments** necessary to maintain plants at high efficiency standards, including through research initiatives and technological and process innovation. These investments are contemplated in the Group's Business Plan in order to improve performance, including in terms of environmental impact, prevent breakdowns and malfunctions, and renew plants to optimise their operation and extend their useful life. This includes technology scouting, collaborations and investments in innovative start-ups, agreements and partnerships with research centres and universities, and access to public co-financing for R&D activities;
- construction of **new cutting-edge plants and infrastructure**, envisaged in the Business Plan, in the energy, water and waste treatment sectors to support the ecological transition (waste-to-energy plants, renewable energy generation plants, electric and thermal energy storage plants, development of the district heating network, wastewater treatment plants);
- adoption of an **environmental management system** that introduces the assessment of environmental impacts, risks and opportunities into decision-making paths and provides for control and monitoring systems based on periodic analyses, in all the Group's plants and assets, also for the purpose of constant **control of compliance** with environmental **authorisation requirements** that determine the parameters and limits to be respected in the management of plants. For each activity, direct and indirect impacts related to the main environmental aspects (e.g. consumption, waste, emissions, soil pollution, odours, traffic, electromagnetic fields, noise) are assessed;
- **constant dialogue with stakeholders** during the design and implementation of new plants. Before embarking on the authorisation process to build new plants or infrastructures, the Group considers it essential to conduct information meetings with local communities, explaining the project in detail and its impact on the local areas. For major projects, the party appointed to issue the authorisation convenes the Conference of Services, which must give its opinion concerning the feasibility of the project, indicating the necessary conditions to obtain the agreements, opinions, concessions, authorisations, licences, clearances and consents required by the law. The Services Conference is a cooperation programme between government entities, the public, businesses and local authorities, in which dialogue with the public and institutions is guaranteed. During the construction phase, the Group ensures a constant flow of information to the authorising bodies and the public, including in relation to the timing of the completion of the works, in order to maintain an alignment on any delays resulting from the technical complexity of the construction or other external causes.

Investments and initiatives to contribute to the growth and development of the local area are included in the Group's Business Plan with a strategic orientation towards sustainability: over 90% of investments, amounting to 7.6 billion euro, are directed at projects to support the development of resilient cities, the green transition, sustainable water resource management, the circular economy and service quality.

Investments to 2030 with impacts on communities (billion Euro)



Architectural integration of plants

[S3-4_01, S3-4_02, S3-4_03, S3-4_10]

Installations that can have a significant **visual impact** - waste-to-energy plants, waste treatment plants, energy generation plants and electricity distribution substations - tend to be in urban industrial settings. The commitment to minimise this impact is realised as early as the planning stage where the Group's strategic choices are oriented towards the **positioning of plants**, when possible, in industrialised areas or away from areas of particular landscape and residential value.

Special attention is paid to aesthetics and landscaping during the **design and realisation** of plants. This includes the adoption of **architectural solutions** that minimise visual impact, such as the choice of materials and colours that blend in with their surroundings and the containment of volumes. One example is the "Cabine d'Artista" ("Artist's Cabins") initiative through which the Group held a competition for young artists to select works to completely cover the perimeter walls of five outdoor electricity cabins with images evoking environmentally friendly and environmental themes.

For **plants located in places of scenic or touristic interest** - as in the case of wastewater treatment plants, reservoirs and water plants - the Group assesses the possibility of building underground works or otherwise taking care to mitigate their impact, using materials and tree barriers that improve their integration into the context. The **integration of green areas** and the planting of trees or hedges around the facilities, in addition to acting as a visual screen, helps to improve the surrounding landscape and also offers environmental benefits such as CO_2 reduction and improved biodiversity. This is the context for Heat Garden, built at some heat storage facilities in Turin, which houses terraces and roof gardens (over 2,500 square metres and about 11,000 plants and trees) and a cultivation greenhouse, perfect integrated into the storage system. Another example is the forest (300,000 square metres and about 15,000 plants and trees) created around the Parma waste-to-energy plant. All are solutions that contribute to improving the local microclimate.

For newly built plant, the Group contemplates, as early as the design phase, the possible enhancement of nearby areas with urban or landscape **redevelopment** projects, such as the landscaping of surrounding or overlying areas with the inclusion of street furniture and/or infrastructures related to the road system or the use of public spaces for sports, recreational and social activities. One example is the recent construction of the wastewater treatment plant in the central area of Genoa, which saw the planting of trees to protect the district's cycle lanes.

The **consultation phases with local communities** and relevant bodies are also of particular importance in the choices made by the Group in the planning process. During these phases, visual impacts and other aspects of integration into the landscape are assessed and, where appropriate, compensatory measures are put in place to ensure that installations are better integrated into the landscape.

Sustainable management of construction sites

[S3-4_01, S3-4_05, S3-4_06, S3-4_07]

In order to prevent and contain potential inconveniences to local communities related to the road network and the implementation of works, the Group plans and organises worksites in such a way as to minimise, as far as possible, their impact on road traffic and people's daily lives, including by intervening in strategic periods (e.g. when there are fewer people and vehicles during holidays, school closures), with particular attention to vulnerable groups and economic activities. The use of less polluting means of transport and the definition of transport schedules for waste produced by construction sites, which minimise the number of trips, fulfil this objective. In 2024, as part of the "EfficienTO" project, the Group upgraded several school buildings in Turin, planning the timing and timetable of works to minimise the impact on the usability of school spaces and noise emissions so that teaching activities can continue without interruption.

The Group is also committed to ensuring that any work to lay underground infrastructures (e.g. district heating, water, gas networks) is followed by careful restoration of the affected areas, so as to ensure full functionality and safety of the roads for local communities. The restoration process is carried out in compliance with current regulations and with the aim of minimising inconvenience to the public and preserving the aesthetic and structural integrity of the area.

The Group also considers it essential to adopt all measures capable of guaranteeing maximum safety on construction sites for the public, especially in the case of work carried out on road surfaces.

The mitigation of inconveniences to local communities is also implemented through timely and transparent communication about ongoing activities, informing about the timing of works, measures taken to limit inconveniences, and possible alternatives for road management. In the case of plant construction, the communication sector supports the business units through the management of relations with the local press and the implementation of training and awareness-raising actions for the local population.

In addition, cooperation with local authorities is strategic for the preparation of traffic management plans, when facilities or construction sites interfere with the road system, with detours and temporary route changes.

Prevention of noise and odour emissions

[S3-4_01, S3-4_02, S3-4_05, S3-4_07]

The Group pays particular attention to the prevention and monitoring of emissions into the air, water and soil and the containment of noise and odour pollution.

In order to prevent and reduce the inconvenience to communities resulting from the emission of noise and vibrations and the spread of odours related to its activities, the Group has defined specific actions:

- outward acoustic measurements and the adoption of noise-limiting technologies and processes. For example, for the water service, the choice of pumps and machines falls on those with the lowest emissions and in some cases they are shielded to reduce emissions outside the area;
- advanced technological solutions for odour control, such as air treatment and the use of specific filters to eliminate unpleasant odours. In addition, air quality in the areas surrounding the plants is regularly monitored to ensure that environmental standards are met. A particular case is the sludge storage plant at the Reggio Emilia purification plant, where an innovative technology of atomising specific enzymatic products is used to favour the degradation of odorous substances, thus reducing the olfactory impact and improving the quality of the surrounding air. In addition, when spreading agronomic sludge, special care is taken to bury the material, which has a fertilising function, as quickly as possible. In 2025, the sludge storage plant will be converted to produce more stabilised material that is easier to reuse in agriculture.

In addition, the adoption of specific waste and emission management systems prevent air, soil and water pollution, including through technologies that reduce harmful emissions beyond the limits of environmental permits (see chapter "Preventing pollution" in section "Green transition").

In summary, Iren Group adopts a proactive and integrated approach to manage and minimise the disruption to communities related to its activities, focusing on advanced technologies and actions aimed at preventing environmental and social impacts, preserving the quality of life of local communities.

Creation of social value

[S3.SBM-3_05, S3-4_03, S3-4_08, S3-4_12, S3-4_15, S3-4_17]

The Group's contribution to the sustainable development of the local area and communities also translates into the realisation and support of sustainability projects: from training and culture, to adaptation to climate change, to saving water and energy resources, to the promotion of social inclusion for the most vulnerable categories, in line with the Sustainable Development Goals of the 2030 Agenda. In 2024, Iren Group carried out numerous initiatives with the aim of promoting the socio-economic development of the areas in which it operates, supporting organisations and institutions in their promotional and participatory activities. For this reason, during the year the Group invested around 13 million euros in 435 projects in the areas of culture and sports and in support of organisations such as foundations, theatres and museums in the various areas in which it operates.

The Iren Group also develops initiatives that create social value and promote collective wellbeing, through investments in sustainable infrastructures and the growth of services to citizens and, more broadly, to local communities.

Municipal waste management and city cleaning, integrated water services, and the operation of electricity and gas distribution networks produce significant social value because they contribute directly to improving the quality of life and health and safety, protecting the environment and creating a fairer and more sustainable society.

The planned development of the **district heating** network will, in the coming years, offer public the opportunity to contribute to **improving air quality** in urban areas by reducing pollutant emissions compared to traditional heating systems.

In **environmental services**, a particularly relevant aspect is **cooperation with social entities** that generates value for the local community, fostering inclusion and support for disadvantaged groups, and helping to stimulate the local economy, activating job opportunities and entrepreneurial development. This is in addition to the environmental and social value of **advanced and sustainable management of waste produced by communities**, using waste sorting systems and innovative technologies to maximise the recovery of materials and energy from waste.

Investments in **renewable energy communities** (RECs) contribute to social-economic development and the reduction of environmental impacts. In this context, Iren Group has launched several initiatives including, in 2024, the establishment of the renewable energy community of Parma Nord, in collaboration with Legacoop Emilia Ovest. The Group contributed as a facilitating partner in the setting-up, aggregation of participants and energy management of the ERC, and, as a third-party producer, by financing and constructing a 1 MWp photovoltaic plant on a disused landfill site, allowing energy to be produced and shared within the energy community. With this formula, new renewable plants financed by the Group are already in the pipeline, which, together with the entrepreneurial initiatives of local small and medium-sized enterprises, will lead to the activation of new configurations in the area.

In the field of energy efficiency, the Group has activated, in collaboration with the City of Turin, the “EfficienTO” project for the energy redevelopment of over 800 public buildings (schools, offices, cultural and religious buildings and sports facilities), whose benefit for the local community will be linked both to **energy and economic savings** and to environmental benefits in terms of reduced emissions.

For the health and safety of the community, the Group’s actions take the form of substantial investments in infrastructure efficiency, continuous monitoring of emissions, inspection of gas, electricity, water and district heating networks, systematic control of the quality of distributed water resources, and the enhancement of the safety of pedestrian crossings in the city of Turin through the installation of new LED traffic light lanterns with a twilight system. In addition, the promotion and dissemination of a network of houses for free water to the public is a supporting element for economically disadvantaged population groups.

The creation of social value also passes through **communication and awareness-raising in local communities**, as in the case of the permanent exhibition on energy efficiency solutions at the Tecnopolo in Reggio Emilia or in the wide range of initiatives proposed by **Eduiren**, the Group’s educational sector.

Eduiren

[IREN_S3_2_X001]

Eduiren offers free meetings and workshops on sustainability and ecological transition issues for schools. It also offers training courses and webinars for teachers and communities and organises visits to plants located in the areas in which the Iren Group operates. It participates in projects in collaboration with other stakeholders to promote the growth of the local areas and organises initiatives, workshops and shows as part of events to inform and raise awareness on sustainability issues and designs new tools and narrative methods to tell the story of the ecological transition processes.

Eduiren aims to educate aware members of the public from an early age directly in schools and in the local area. In this regard, the catalogue of free training courses supports school planning and education on sustainability issues.

The main objective is to raise the awareness of new generations and communities on issues related to the environment, energy efficiency and social responsibility, creating a positive and lasting impact on the local area. In this way, the Group contributes to the formation of aware and active members of the public, ready to support and adopt greener and more responsible practices in their daily lives.

In 2024, **more than 870 schools were involved in educational activities**, with more than **700 projects** reaching more than 77,000 people, and 345 visits to the Group’s plants were carried out with a total number of more than 11,700 visitors. Eduiren’s activities also generated **595,000 contacts to digital content offered online**.

The creation of value for the communities concerned is also expressed, as anticipated, through the activities of **Iren’s Local Committees**, a tool for dialogue, exchange of ideas and participatory planning between the Group and all its stakeholders.

Iren Local Committees: dialogue, exchange of ideas and community participation

[S3-2_02, S3-2_03, S3-2_04, S3-3_12, S3-4_15, S3-4_16, IREN_S3_2_X003]

The main tool used by the Group to maintain constant collaboration with the communities involved is the **Local Committees**, i.e. bodies set up to strengthen relations with local communities and regions, analyse and anticipate their needs, stimulate innovative environmental and social initiatives, increase widespread knowledge of the strategies and services offered, guaranteeing a broad representation of stakeholders and directly engaging the top management of Iren Group.

Iren's Local Committees work to maintain an active and **systematic dialogue** with stakeholders, including through participatory planning initiatives and consultation on sustainability, innovation and the quality of the services managed by the Group. The Local Committees are governed by a specific **regulation** under which they are set up at provincial level by means of a bottom-up stakeholder selection mechanism. In fact, a special call for applications is published on the Group's website for recognised associations and organisations. These individuals must represent environmental or consumer interests, economic categories or trade unions, or in any case have actively participated in the public debate on issues relevant to the activities of the Iren Group.

The Group will publicise the procedure for the establishment of the Committee by carrying out appropriate publicity and assigning a deadline within which interested associations and bodies must express their interest in participating in the Committee, at the same time indicating one of their representatives.

The Committees are made up of **15-18 members**, the representatives of different categories of stakeholders, who offer voluntary and free participation. In addition to these, there are five members by right: a representative of the municipal capital, a representative of the provincial municipalities, a representative of the Local University, the Iren Deputy Chairperson and the Chairperson, as a permanent guest.

Stakeholder engagement through the Local Committees is delegated to the Deputy Chair who, for their management, relies on the Corporate Social Responsibility and Local Committees Department, which reports directly to him or her, and who periodically reports to the Control, Risks and Sustainability Committee and to the Board of Directors on the progress of activities and on the discussion and planning actions carried out within the committees themselves.

Each committee meets on average four times a year and, through specific internal working groups, oversees activities for the best implementation of projects, proposed by committee members themselves or by the public through Irencollabora.it, a collaboration platform for broadly and directly involving communities in the shared and participatory planning of sustainability initiatives for the local area. **In 2024, 67 meetings of committees** and working groups **were held.**

Projects proposed on the **Irencollabora.it platform** are evaluated during the relevant Local Committee meetings and, if considered worthy by the majority of the Committee members, are accompanied and supported. The members of the committees represent various local entities and make their skills and knowledge available, often providing proposers with ideas and suggestions to refine their project proposals and facilitate their feasibility.

In 2024, the Iren Local Committees **initiated 23 new** projects, while 28 projects, some of which had already been started in the previous year, were brought to full implementation. The areas of intervention of the projects concern: energy efficiency and energy saving, renewable sources, reduction of emissions into the atmosphere, promotion of the circular economy and reduction of waste production, protection and rational use of natural resources, combating food waste, urban decorum, reduction of impacts on the area and biodiversity, enhancement of the local environmental and cultural heritage, education for sustainability and attention for the weakest segments of the population in relation to Iren Group's areas of activity.

A **dedicated e-mail** address for each Committee is a further channel used by Committee members to make specific requests. In addition, the Group's website publicly offers detailed information on the activities of the Committees, with an indication of the topics discussed at the various scheduled meetings, the return of minutes of the meetings and a contact channel open to all members of the public. Periodically, when publicising the activities carried out by the Committees, reference is made to the availability of these contact channels.

Monitoring the effectiveness of actions

[S3-2_05, S3-4_04]

To assess the effectiveness of its actions, the Group adopts instrumental or process monitoring systems that include the collection of feedback directly from local communities, also in relation to any inconveniences suffered, and, if necessary, takes immediate corrective action to improve the management of activities.

The Group assesses the effectiveness of the engagement of the communities concerned mainly through the verification of the results of the projects and initiatives undertaken, as well as through the feedback gathered by the Local Committees (see paragraph "Creation of social value" in this chapter), including in the materiality assessment process that allows the Group to compare its vision with that of the different categories of stakeholders, welcoming their contribution in defining corporate strategy and to develop increasingly relevant reporting focused on their real interests, capable of providing an articulated picture of the policies, actions and results achieved. Constant dialogue and follow-up of activities are crucial in order to monitor the effectiveness of engagement and to make any necessary corrections.

At the operational level, internal and external audits are carried out within the framework of certified quality, environmental and safety management systems (compliant with ISO 9001, ISO 14001 and ISO 45001). In addition, several dedicated systems and tools are structured:

- in gas distribution, all activities are constantly monitored with performance assessments - also in relation to the provisions of ARERA (the regulatory authority for energy, grids and the environment) with reference to the technical quality of the service - through quantitative indicators that are recorded monthly and verified within dedicated management committees;
- in electricity distribution, the effectiveness of the actions undertaken for the renewal, maintenance and development of the distribution network is monitored by means of the development indicators of the annual investment plan and the technical service quality service indicators provided by ARERA;
- in the integrated water service, in addition to internal analyses and those of the bodies in charge of control, the effectiveness of the actions pursued is monitored through specific indicators, mandatory periodic reports provided to ARERA, and the monitoring of user complaints;
- in the district heating service, continuous verification of network performance and analysis of emergency reports or service interruptions, as well as their response times, are carried out to assess the effects of the actions taken;
- in the environmental services, the effectiveness of the improvement actions taken is evaluated through the information received from the public and regulatory and supervisory authorities.

For all business areas, the reports received from the community and local authorities are particularly significant for monitoring purposes, as they make it possible to detect the occasional or possible recurrence of critical situations for which timely and targeted or structural action should be planned.

Our targets for Local Communities

[S3.MDR-T_01-13, S3-5_01, S3-5_02, S3-5_03]

The Iren Group has defined targets for communities, with the aim of strengthening collaboration and promoting sustainable development of the territory, maximising positive impacts and responsibly managing risks, improving people's quality of life and supporting the local economy, with a particular focus on environmental protection. The Group's focus on creating shared value and promoting balanced and sustainable development also guides the generation of tangible benefits for local areas, through targeted investments and social responsibility initiatives for a more sustainable and prosperous future.

Area	Target	Impact on communities	Reference
Decarbonization	Carbon intensity energy production (GHG Scope 1)	Reducing carbon intensity is a contribution to climate change mitigation that impacts communities in terms of improving quality of life, reducing extreme events and the resulting impacts on people, and providing access to cleaner natural resources for future generations	paragraph "Climate targets" in the chapter Meeting the challenge of climate change
	Environmentally friendly corporate vehicle fleet	The increasing use of environmentally friendly vehicles in the corporate fleet contributes to reducing atmospheric emissions, decreases dependence on fossil fuels and promotes a more sustainable mobility model	
Circular Economy	Recovery of material from waste	Extracting resources from waste produces several benefits for communities because it reduces pollution, stimulates the economy, conserves natural resources, promotes a healthier and more sustainable environment and supports the transition to a circular economy	paragraph "Targets for the circular economy' in the chapter Supporting the circular economy
	Sorted waste collection	The development of efficient ways of waste collection enables the recycling and reuse of waste material while reducing environmental impact. Systems aimed at rewarding those who produce less waste provide incentives to reduce waste production, make more conscious consumption choices	
Water resources	Treatment capacity	Increasing purification capacity and quality ensures that wastewater is effectively treated before being released into the environment, preventing pollution that affects the quality of life of communities	paragraph "Targets for water and marine resources" in the chapter Sustainable use of water and marine resources
	Water withdrawals from the environment	Reducing water withdrawals means preserving vital community resources, ensuring environmental sustainability as well as economic and social well-being	
	Aqueduct network losses	Reducing losses in the aqueduct network contributes to a more efficient use of water resources, resulting in less water being withdrawn from the environment	

District heating volumes				
Main scope	district heating/own operations/downstream value chain			
Stakeholders engaged	customers, users, community, environment			
Target/Results (Mm^3 - absolute)	Baseline year 2020	2024 Results	2027 (medium-term)	2030 (long-term)
	97	102.3	118	125
Methodologies, assumptions and scientific data used	Future forecasts of the target are based on what is contemplated in the development and urbanisation plans of the target territories, as well as in the local energy plans that include district heating in the strategies to improve the energy efficiency of cities and urban air quality			
2024 Results	The results achieved in 2024 are in line with expectations			
SDGs				

Customer Orientation

[S4.SBM-3_01, S4.SBM-3_02, S4.SBM-3_03, S4.SBM-3_04, S4.SBM-3_05, S4.SBM-3_06, S4.SBM-3 _07, S4.SBM-3_08]

Customer orientation, quality, accessibility and transparency of services are priorities that Iren Group has defined in its Sustainability Policy and in its growth strategy: high levels of quality and service innovation, to meet new and emerging customer needs, are a solid basis for long-term growth.

In fact, the Group's strategy is strongly oriented towards the development of new integrated services to anticipate market trends. Technological innovation, resource sustainability, ecological transition and digitalisation are some of the levers to strengthen the relationship with customers in a broader perspective of satisfaction and loyalty.

IMPACTS

✗
- Potential physical, economic and informational inaccessibility to managed services, impacting on customers and members of the citizens, particularly vulnerable ones
- Potential uncontrolled circulation of information/data concerning the citizens/customers (processing of personal data not in accordance with the law)

✓
- Development of new products/services, projects and cultural dissemination initiatives for the sustainable use of resources, including through continuous dialogue with stakeholders
- Ensuring constant and secure access to managed services for citizens/customers, with special attention to vulnerable ones

RISKS

- Acute physical risk related to water with significant damage, failure or infrastructure malfunction, interruption or limitation of activities and a reduction of hydropower generation, increased intervention costs, interruption of supply of goods and services by strategic suppliers, soil pollution, impact on water quality/water stress, critical health and safety of personnel
- Acute physical risk related to solid mass with significant damage, failure or malfunctioning of infrastructure, interruption to and limitation of activities, increased burden for interventions, interruption of supply of goods and services by strategic suppliers, critical health and safety of personnel
- Chronic temperature-related physical risk with damage to infrastructure, reduced plant efficiency, criticality in service delivery, changes in gas or heating demand trends, resulting in reduced revenues
- Litigation with public authorities, customers, consumer associations, class actions (e.g. following prolonged inefficiencies/claims for reimbursement)

OPPORTUNITIES

- Business opportunities related to the green transition, the circular economy, regional areas and technological and digital evolution (e.g. services for energy efficiency and self-production, material recovery from waste, sustainable mobility, etc.) with a consequent positive impact on communities and the environment

The identification of potential impact, risk and opportunity factors considers all customers and end-users on which the Group could generate significant impacts: the public and businesses served by the integrated water and urban hygiene services, domestic and business customers of the sale of gas, electricity and district heating, users of the gas and electricity distribution service, customers of smart solutions services (private, business and public administrations).

[IREN_S4_112]

Main types of customers and residents served (no.)	2024
Electricity sales customers	1,387,171
Gas sales customers	918,381
Electricity distribution customers	733,997
Gas distribution customers	754,718
Residents served by the district heating service	630,273
Residents served by the integrated water service	3,045,836
Residents served by urban waste management services	4,047,997

The analysis considers the downstream operations and all the outputs generated by the activities managed, with the aim of identifying the customers and/or end-users most exposed to negative effects and particular vulnerabilities (e.g. economically or socio-demographically vulnerable persons) for whom the Group is committed to guaranteeing physical, economic and information access to the services provided, also in order to reduce exposure to possible risks.

Potential negative impacts, relating to the accessibility of services and the privacy of customers, are related to possible incidents and therefore not generalised or systemic.

The realisation of the positive impacts and opportunities connected to customers, as well as the prevention and mitigation of risks, passes through the significant investments and actions that the Group carries out to guarantee the safety, continuity, healthiness and sustainability of its activities, aware of the responsibility that the management of services of primary importance entails for the present and future of people and the environment.

The positive impacts generated by the development of new products and services, projects and cultural dissemination initiatives for the sustainable use of resources, including through continuous dialogue with stakeholders, and ensuring constant and safe access to managed services, with particular attention to vulnerable customers, derive from a multifaceted framework of activities, described in detail in this chapter (see paragraphs "Sustainable products and services", "Continuous dialogue with customers and consumers" and "Sale of energy services" in this chapter).

The data and information provided within the chapter concern all consumers and end users who may suffer impacts, risks or benefit from opportunities relevant to the Group.

Customer policies

[S4.MDR-P_01-06, S4-1_01, S4-1_02, S4-1_03, S4-1_04, S4-1_05, S4-1_06, S4-1_07, S4-1_09]

The centrality of the customer and the focus on guaranteeing high quality standards are priorities for Iren Group, which, to this end, adopts appropriate communication tools, marketing practices and initiatives aimed at improving processes and services to meet its customers' needs. In pursuing these priorities, the Group adheres to the principles of **fairness, clarity and transparency** set forth in its Code of Ethics, the Consumer Code (Legislative Decree no. 206/2005) and the Code of Business Conduct of the regulatory authority for energy networks and environment (ARERA), with the aim of enabling customers to make informed choices.

The **human rights** commitments defined in the Sustainability Policy (see paragraph "Governance policies and tools" in the chapter Iren Group Governance) - considering stakeholder expectations, the Italian Constitution, the International Bill of Human Rights, the International Labour Organisation (ILO) conventions, the United Nations Sustainable Development Goals the 10 Principles of the Global Compact to which it adheres, and the OECD Guidelines for Multinational Enterprises - are referred to in the Service Charters adopted by the Group and made available online to all customers through the Group's websites, which regulate daily actions to ensure quality, efficiency and continuity of services, respect for the environment, protection of health and safety, and fairness in customer relations:

- equal rights of the citizens/customers and non-discrimination;
- equal treatment, objectivity, justice and impartiality towards different categories or groups of customers and the citizens;
- attention to people with disabilities, the elderly and members of weaker social groups;
- universal access to water, as a guarantee to all users of the quantity of water necessary to satisfy their basic needs;
- collaboration with local and regional governments to ensure access to energy for vulnerable customers;
- respect, courtesy, clarity and transparency;
- facilitating the citizen/customer in exercising their rights and fulfilling their obligations;
- citizen/customer participation in the provision of the service, both to safeguard the right to proper provision and to foster cooperation, including by periodically acquiring the users' assessment of the quality of the service provided and making available to them appropriate channels for communicating suggestions and complaints;
- clarity and comprehensibility of messages with the utmost care in the use of simple, immediately comprehensible language;
- accessibility of information by foreign citizens/customers, as much as possible;
- respect for the fundamental right to privacy and the protection of personal data, guaranteeing the integrity, confidentiality of data and ensuring their processing in a responsible, fair and transparent manner, in accordance with the policies adopted on the matter and the legislation in force (GDPR - Regulation (EU) 2016/679).

The Group recognises that access to essential services such as water and energy play a substantial role in ensuring respect for human rights, as they are directly related to the wellbeing and quality of life of individuals, and is therefore committed to working with local and regional governments to ensure that vulnerable customers have access to these services (see paragraph "Sale of energy services" in this chapter).

Continuous dialogue and listening to representatives of consumer associations, also through the Iren Local Committees (see paragraph "Iren Local Committees: dialogue, exchange of ideas and community participation" in the chapter Sustainable development of local communities), is a pillar of the Group's policies, with the aim of intercepting and responding promptly to new needs and any instances from customers, and to consider them at both strategic and operational levels.

The Group constantly monitors any impacts of its activities on stakeholders and is committed to providing adequate remedy, including through specific channels that allow people to make reports and get answers on the matter: information or complaint channels for customers, the channel for reporting violations (whistleblowing) accessible via the web (see paragraph "Listening to the customer" in this chapter) and the channels indicated in the Code of Ethics (see paragraph "Governance policies and tools" in the chapter Iren Group Governance).

In 2024, the Group found no violations of human rights, the principles of the UN Global Compact and the OECD Guidelines in relation to its customers and users.

Active engagement of customers and consumers

[S4-2_01, S4-2_02, S4-2_03, S4-2_04, S4-2_05, S4-2_06, S4-3_13]

Maintaining a constant dialogue with customers and their representatives is essential for Iren Group to better understand their needs and expectations, thus improving the services offered. A continuous dialogue also allows for the early identification of possible problems or development opportunities, ensuring more effective and timely management of resources.

In addition, listening and communication help to strengthen customer trust and build lasting relationships in a competitive and ever-changing environment where it is increasingly necessary to take up new challenges and respond with innovative and customised solutions.

The engagement of customers and their representatives takes place at different levels.

Through Iren's Local Committees, the Group actively involves consumer associations - whose representatives are members of the Committees - in the process of analysing the materiality of impacts through which they contribute to the assessment of relevant sustainability issues, including that relating to respect for human rights, thus providing guidelines for the definition of the Group's strategy and for the development of reporting that is increasingly relevant and focused on their real interests.

The Committees are also a forum for discussion on company services and issues of environmental and social sustainability - including respect for human rights - and allow consumer associations to express the views of customers through the communication channels provided by the Committees.

The Group assesses the effectiveness of customer and consumer involvement through the feedback gathered at the meetings of the Local Committees, which on average meet four times a year, and during the relevance analysis process: dialogue and follow-up activities are fundamental tools for monitoring and planning improvement actions.

Collaboration and dialogue with consumer associations also takes place through the national council of consumers and users (CNCU), which fosters a constant confrontation at national level, enriched by territorial meetings with local representatives of the associations. The CNCU is a state body that has advisory functions on consumer rights issues, with the aim of improving and strengthening their position in the market.

Tools for prevention and improvement

[S4-3_01]

The potential negative impacts on customers and end-users concern, on the one hand, access to products and services and, on the other hand, the confidentiality of information. Iren Group's objective is to achieve maximum customer satisfaction, preventing the occurrence of negative impacts and reputational or litigation risks - which may also arise from climate change-related factors - through an approach based on:

- ensuring the continuity and reliability of managed services, through the implementation of investments, the definition of monitoring plans, including predictive monitoring, of managed activities and the widespread use of infrastructure control tools. The Group designs and carries out structured preventive, routine and control maintenance on all its plants and infrastructures. Preventive maintenance is based on planned interventions to prevent failures, malfunctions and increase the resilience of infrastructure, including to climatic effects. Routine maintenance plans, which cover the periodic activities necessary to maintain good working order, take into account the assessment of the vulnerability of plants/infrastructure and the historical analysis of failures and malfunctions to identify trends or more problematic areas on which to focus interventions. The scheduling of activities considers the timing, frequency, priorities and any related constraints (necessary authorisations, accessibility of locations). Through an advanced monitoring system, the status of the installations and infrastructure and any malfunctions or disruptions are detected, allowing for the prevention of sudden breakdowns. The monitoring represents a fundamental input for the definition of maintenance plans;
- the monitoring of the effects of climate change, which concerns both the dependence on natural resources - such as the availability of water resources, in the case of the aqueduct network and hydroelectric power plants, to meet demand - and the rise in temperatures, with the aim of identifying mitigation strategies such as, for example, planning for greater penetration of cooling and support for electrification of consumption;
- timeliness and effectiveness in ordinary, extraordinary and emergency management, including through 24-hour availability to ensure the fastest possible restoration of services;
- monitoring the quality of the service and customer relations through the control of parameters that influence the efficiency and reliability of the service (continuity, intervention times on breakdowns and requests, repetitiveness of

anomalies, response times to requests) and the preparation of clear intervention procedures for the management of sudden breakdowns or planned interruptions that minimise inconvenience to customers;

- management by processes and a focus on managing risks and impacts against a continuous analysis of the organisation's context, needs and the expectations of stakeholders;
- the development of technologies to prevent interruptions and to operate without interrupting or minimising service interruption;
- proactive communication on planned maintenance activities - particularly when they entail service interruption - on new regulations, on the correct use of services, on the management and sustainability of consumption, on tariff changes, on the Group's growth and development plans, and on any other factor that may contribute to maximising transparency and gathering suggestions and observations, including through direct and ongoing dialogue with consumer associations. Continuous and open communication is also a tool for dealing with complex issues and establishing alternative dispute resolution processes, such as mediation, preventing them from turning into lawsuits;
- a "Privacy Management Model" to ensure that personal data protection issues are managed in compliance with regulatory principles (GDPR - Regulation (EU) 2016/679) and to disseminate its culture within the Group. The Model defines roles, tasks and responsibilities in the management of privacy compliance and the main processes put in place and adopted to ensure the adoption of the principles applicable to the processing of personal data: lawfulness, fairness, transparency, purpose limitation, data minimisation, accuracy, storage limitation, integrity, data confidentiality and accountability of the Data Controller;
- continuous training of employees and collaborators, in the knowledge that competent staff can solve problems quickly;
- the adoption of certified Quality, Environmental and Safety Management Systems, also subject to third-party audits, which provide specific procedures to maintain high quality standards.

Should significant negative impacts on customers occur, the Group intervenes by ensuring adequate remedial processes. The effectiveness of operational processes is monitored to ensure timely and appropriate solutions. In order to monitor the effects of interventions, evaluations are conducted on the results obtained, ensuring that the actions taken have effectively resolved critical issues and reduced negative effects.

In addition, the Group works with stakeholders and interested parties to identify possible improvements to remedial processes, using the feedback received to refine its practices. The monitoring of key performance indicators and customer reports enables timely action to correct any non-compliant practices. The main objective is to ensure a quick and effective approach to managing impacts, improving trust and the relationship with customers and consumers.

Listening to the customer

[S4-3_02, S4-3_03, S4-3_04, S4-3_05, S4-3_06]

The Group provides all customers and end-users with various contact channels to make reports, communicate suggestions, needs and complaints, and receive assistance. These include dedicated toll-free numbers, digital platforms, apps for mobile devices to request information on services, receive customised notifications and send reports, physical counters to receive direct assistance, and 24-hour communication channels for reporting faults and emergency situations, which guarantee technical interventions within certain timescales.

Customer contact personnel receive specific and regular training, including updates on industry regulations and in-depth information on new legislation and tariffs.

To ensure an effective service, the types of requests and the quality of responses are monitored, and customer satisfaction surveys are also conducted.

Iren counters and stores: a network of 157 points distributed throughout the region, for customers who prefer physical interaction.

Single toll-free number for commercial services: the toll-free number responds to all enquiries and reports from customers of energy and water services, offering the possibility of handling paperwork and obtaining advisory support.

Waste Management Services Customer Care : the service responds to enquiries from users of waste collection and management services that can be submitted by telephone, e-mail and web. Reports and requests are automatically forwarded to the operational structures of the relevant local environmental services for management.

Toll free numbers for emergency requests: dedicated numbers are available to customers and the public in general for reporting faults, emergencies and requests for emergency assistance for water, electricity, gas and district heating networks.

Direct contact channels to encourage interaction with condominium administrators and consumer associations and to manage requests from their clients.

IrenYou app: in 2024, the app was further developed to improve user experience, accessibility and to extend functionality. Through a single account, users can access all Group apps using the same credentials.

IrenAmbiente app: enables access to all the waste management services of the municipality of residence, to book the collection of bulky waste in a few steps and to make any environmental reports.

Luce in città app: enables users to report any faults or anomalies relating to Turin's public lighting service, thus speeding up restoration activities to the benefit of service efficiency and quality. In a few simple steps, the app allows the fault to be reported by taking a photo or sending the code of the malfunctioning light point, automatically geolocalising the affected area. Once the repair work is completed, users who reported the fault or failure receives timely feedback on the resolution of their report.

On the websites of the Group Companies that manage waste management services, the integrated water service and the sale of electricity, gas and heat, the procedures for filing a complaint are explained and there are forms to simplify filing and sending them. The channels and methods for making a **complaint** are also set out in the information contained in the bills, where all the information for its proper handling is indicated, and in the current service charters.

As already mentioned, the periodic meetings and public online tools made available to the **Iren Local Committees** also represent a channel through which consumer associations can report the needs of the realities they represent. In addition, the Group's website, from which it is possible to consult the contact channels dedicated to the Committees, publishes detailed information on their activities, with an indication of the topics discussed at the various scheduled meetings and the return of the minutes of the meetings.

In addition, the Group has adopted a procedure for handling reports of violations that provides for specific protection measures for whistleblowers. Reports can be transmitted through the **Iren Integrity Line** online platform, which guarantees, by means of encryption tools, the confidentiality of the reporter and the content of the report (see paragraph "Reporting channels" in the chapter on Business conduct).

As natural persons affected by the processing of personal data, customers and end-users may lodge complaints, in accordance with the GDPR Regulation, with the data protection watchdog in the event of a possible breach of the law by the data controller. In 2024, 17 complaints were registered concerning possible breaches of data protection regulations addressed to the Group companies responsible for processing and to the data protection watchdog. These requests were dealt with in a timely manner, within the deadlines set by the legislation, without any requests for information being made by the watchdog.

Customers are informed about the channels made available by Iren Group through integrated communication including invoices, websites, apps, social media, contracts, information materials and dedicated campaigns. Thanks to the communication push, the contact channels are widespread and popular with customers, as evidenced by the number of people using them.

[IREN_S4_100]

App/platform users (no.)	2024
Iren You	2,009,830
IrenAmbiente	76,103
Luce in Città	1,160
Facebook, X, Instagram, LinkedIn	67,930

Internet sites (no. of visitors/month)	2024
Iren Group (no. of visitors/month)	43,506
Iren Luce Gas e Servizi (no. visitors/month)	261,231
Iren Collabora (no. of users)	2,399
Iren YouTube (no. of users)	2,210

[IREN_S4_4_X004]

Contact centre - energy and water services	2024
Customers who spoke to an operator (no.)	2,759,500
average response time (seconds)	54

[IREN_S4_4_X006]

Customer care – Waste management services	2024
Customers who spoke to an operator (no.)	531,015
average response time (seconds)	57
E-mail and web contacts (no.)	276,543
average response time (days)	6

The reports received are analysed by special teams so that the most appropriate action can be taken, both in the management phase of the complaint and, above all, in the prevention phase of the cases that generated it. In this way, the Group can assess each report and take corrective measures to improve processes and respond directly to customers and users, ensuring tangible feedback to requests.

Monitoring complaints and reports is therefore a fundamental management tool: the number and type of complaints are an element of great attention for the Group and, at the same time, attest to the increased awareness of customers and the growing level of their expectations.

[S4-3_13]

Complaints submitted by customers by type of service provided (no.)	2024
Total	27,229
Integrated Water Service	7,303
Waste management services	12
Gas sales	10,462
Electricity sale	9,375
District heating	77

One tool available to customers and consumers to address and resolve any disputes that may arise in connection with electricity and gas sales and distribution, integrated water service management and district heating sales Conciliation.

Conciliation is an out-of-court procedure that allows the customer and the Group, through dialogue and with certain formalities and timeframes, to find a shared solution to issues not resolved at the complaint stage. Conciliation is a compulsory step before possibly going to court. The conciliation attempt can be carried out through the Conciliation Service of ARERA at the Acquirente Unico, through the Joint Conciliation Body Iren - Associations National Committee of Consumers and Users, recognised by ARERA as an ADR (Alternative Dispute Resolution) Body, or through other recognised ADR Bodies.

Actions and resources for consumers and end-users

[S4.MDR-A_01-12, S4-4_01, S4-4_02, S4-4_03, S4-4_04, S4-4_05, S4-4_06, S4-4_07, S4-4_08, S4-4_09, S4-4_10, S4-4_11, S4-4_12]

The adoption of an approach based on preventive tools, monitoring and the definition of corrective and improvement actions, together with clear and transparent communication (see paragraph "Proactively managing impacts, risks and opportunities" in this section) enable Iren Group to effectively address impacts, risks and opportunities related to customers and end-users.

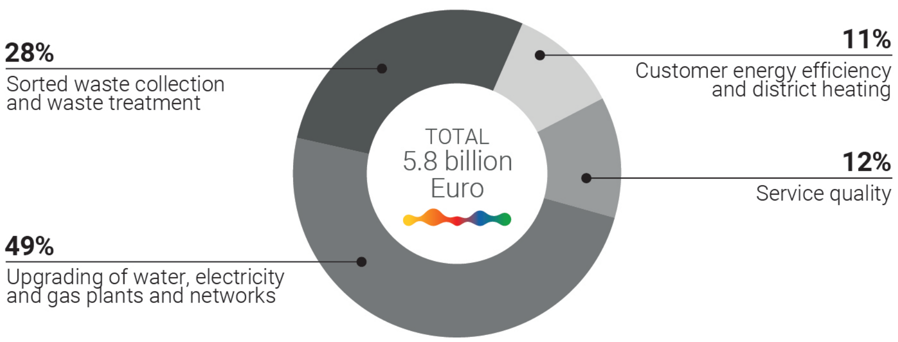
The actions identified in the Group's Strategic Plan in the environmental field have a significant social value that is reflected both directly and indirectly on customers and end-users. Specific plans also guide the Group's action for the continuous advancement of the quality, reliability and safety of the services provided to customers.

Actions	
Service quality	• **investment** in the renewal and resilience of facilities and infrastructure • **routine and extraordinary maintenance** plans for network facilities and infrastructure • **monitoring of** Iren's and suppliers' **performance** • adoption of a **business continuity management model** • employee **involvement and** continuous **training**
Continuous dialogue with consumers and end-users	• evaluation of **customer satisfaction** • involvement of **Consumer Associations** • **training/information** initiatives for **customers** for accessibility of services • **raising customers' awareness** of the sustainable use of resources
Sustainable products and services	• offering **innovative services in energy efficiency, electric mobility, home automation** • **expansion of the network of** local counters • digital contact **channels and tools**

Service quality

Efficiency, reliability and safety are relevant both for the quality of services and to ensure proper use of resources and for the reduction of impacts. To this end, the Group has planned significant **investments** up to 2030 for the renewal and ordinary and extraordinary maintenance of network equipment and infrastructure and for service quality.

Investments to 2030 for quality and sustainability of activities (billion Euro)



A structured system for monitoring and evaluating the effectiveness of actions allows for continuous improvement of processes to achieve the strategic objectives. To this end, the Group uses appropriate tools to gather information, using performance indicators (KPIs) that quantitatively and qualitatively monitor service management. Moreover, with regard to electricity and gas sales services, the water service and electricity and gas distribution services, ARERA provides for specific technical quality of service indicators that are subject to specific monitoring.

Gas distribution

municipalities served: 119
network managed: 8,433 km
network controlled: 100%
gas distributed: 1,059 million m^3

In **gas distribution**, quality and continuity is ensured through constant monitoring of the networks, a modernisation plan and the implementation of emergency plans. Inspections are carried out with suitable instruments to detect any dispersions not perceptible by smell, so that they can be quickly eliminated.

In 2024, **100% of the** managed **gas network**, amounting to 8,433 km, was **inspected**, and the plan to renovate network sections made with non-compliant material continued.

The use of innovative technologies for laying and maintaining the networks means that necessary activities can be performed while reducing time frames and costs and keeping disruption to residents to a minimum. For example, in the case of planned outages, work is carried out with the help of "plugging with by-pass" systems that allow work to be carried out without suspending the flow of gas.

Safety and continuity are also ensured by remote plant control systems, cathodic protection of steel networks, the use of odorised gas and a 24-hour emergency service to collect customer information/complaints. In 2024, in relation to the emergency calls handled, the average arrival time at the call site was well below the 60 minutes required by ARERA.

[IREN_S3_4_X004, IREN_S4_4_X009]

Gas network replaced (km)	2024
Total	11.3
Steel pipes	7.6
Polyethylene pipes	0.2
Cast iron pipes	3.5

Emergency service – Gas	2024
Managed calls (no.)	6,991
Average arrival time at the call site (min.)	33.4

Continuous monitoring is also facilitated by the gradual installation of electronic gas meters that allow the detection of any malfunctions or gas leaks, improving customer safety, as well as enabling their possible integration with smart home systems or applications that allow them to monitor and optimise consumption in real time, helping to save energy. In 2024, 91% of the 835,446 meters installed by the Group will be electronic, and the plan is in place to replace all digital meters still in operation.

Electricity distribution

municipalities served: 3
network managed: 7,871 km
electricity distributed: 3,609 GWh

For the **electricity distribution** service, the Group has adopted a planning tool that lays down rules and procedures for the renewal, upgrading and expansion of the network and transformation plants from high to medium voltage. In addition to the gradual replacement of obsolete components, the plan provides for the technical and qualitative improvement of the network.

The management of interventions is assessed on the basis of compliance with the planned time schedules for the design and construction of the works, as well as compliance with the technical standards required for the construction of new primary substations, through periodic audits and project reviews.

The effectiveness and quality of interventions are measured through the service quality indicators defined by the Regulatory Authority for Energy, Networks and Environment (ARERA).

[IREN_S4_106]

Outages per LV customer - N1 (average no.) (1)	2024
Turin (high-concentration)	2.8
Parma (high-concentration) (2)	1.4
Vercelli (medium-concentration)	1.1

Cumulative downtime – D1 (min./user) (1)	2024
Turin (high-concentration)	65.5
Parma (high-concentration)	39.8
Vercelli (medium-concentration)	13.2

(1) ARERA sets target values for these indicators in relation to the size of the areas served: - high concentration (municipalities with more than 50,000 inhabitants), N1 = 2.29, D1 = 49.2; - medium concentration (municipalities with more than 5,000 inhabitants), N1 = 1.34, D1 = 25.32; - low concentration (municipalities with less than 5,000 inhabitants), N1 = 3.92, D1 = 71.87.

(2) Data for Parma (low concentration) are not reported due to the low numerical relevance of the underlying users.

The annual maintenance plan for secondary electricity distribution networks provides for the inspection of substations and medium voltage (MV) overhead lines, with a different breakdown by area: inspection of electrical substations every two years in all areas and visual inspection of medium voltage overhead lines every three years for Parma, every six months for Turin and once a year for Vercelli. The inspection plan provides for a general inspection of each plant with six-monthly checks, a six-monthly thermographic check of the active parts of the plants, a check of electrical equipment containing oil with PCBs above 50 ppm, and the condition of asbestos artefacts on an annual basis. To safeguard the health of customers, the Group also carries out measurements to ensure compliance with electromagnetic field limits at power generation and distribution plants.

Relevant for electricity distribution is the gradual installation of second-generation (G2) electronic meters that allow customers to manage energy more efficiently, thanks to the possibility of monitoring and optimising consumption, including through apps and smart home technologies, contributing to a reduction in environmental impact and a more responsible use of resources. By 2024, 65% of the 803,576 meters installed by the Group are G2 and the replacement of all previous generation meters is being implemented.

Integrated water service

municipalities served: 266
network managed: 22,146 km
checked network: 92.5%
water in the mains: 275.4 million m³

The Regulatory Authority for Energy Networks and the Environment (ARERA) has defined specific indicators relative to contractual quality levels and targets of the water service - transposed in Iren Group's Service Charters - in relation to the initiation and termination of the contractual relationship (MC1), the management of the contractual relationship and accessibility to the service (MC2).

Reporting to ARERA in 2024, covering the year 2023, confirms for the Group a high level of compliance with the standards, on average over 94% for MC1 and around 90% for MC2. Internal projections for the year 2024 show a growth in performance levels of around 97% for MC1 and over 95% for MC2.

For the distribution of drinking water, the water taken from the different sources is introduced in the distribution network that reaches all the users, after having carried out the necessary controls and verifications of the potability requirements. Control, extension and maintenance activities are carried out on the networks with a view to minimising negative impacts for the public as far as possible. In 2024, out of 22,146 km of managed water network, 20,492 km (92.5% of the total) were checked for leaks.

By the end of 2024, the Group managed 1,032,051 water meters serving the various types of users, 26% of which are new-generation electronic meters that, in addition to providing real data for billing the fees due, help make customers more aware of their consumption, encouraging behaviour aimed at reducing and improving the sustainable use of water.

In the management of network renewal or maintenance operations, where an interruption in water distribution service is programmable, the methods of communication to users deemed most effective on a case-by-case basis (e.g. notices in the press and on local television, signs posted in the area concerned) are adopted, as required by regulation. In 2024, there were a total of 483 planned outages in the managed territories.

For emergency interventions, e.g. to repair a burst pipe, all of the necessary measures are implemented in order to restore the water supply in the shortest possible time, in accordance with the provisions of the regulation in force. In addition, and where possible, such interventions are carried out using methods and techniques that allow for no interruption in supply. In 2024, there were a total of 17,496 outages in the network, subject to repairs carried out following the search for leaks or reports received. The average arrival time at the place of the emergency call for the Group stands at 90 minutes.

In the supply of water for drinking use, the health and safety of the customer are an absolute priority, guaranteed by Iren Group through constant verification, even beyond legal obligations, of the quality of the water throughout the supply cycle: capture, treatment, disinfection, distribution. In the treatment sector, analytical tests are carried out on the wastewater flowing into and out of the plants, and on the intermediate treatment steps, the sludge produced and the drains from the production user plants into the sewer. The number of samples and the relative analysed parameters derive from sampling plans prepared for all the areas managed. The internal controls, aimed at preventing possible negative impacts, are more numerous than those envisaged by the regulations in force and by the protocols signed with the area authorities, ARPA and the Provinces. In 2024, more than 1 million parameters on drinking water and wastewater were analysed (see paragraph "Sustainable management of the water distribution service" in chapter Sustainable use of water and marine resources).

The constant search for and reduction of leaks in the aqueduct network and activities to raise awareness among customers and the public to reduce water waste, are at the heart of the Group's strategy to make its water distribution service increasingly efficient, also with the aim of reducing water withdrawals from the environment (see the paragraph "Optimised management of activities and processes to limit impacts on water resources" in chapter Sustainable use of water and marine resources).

Waste management services

municipalities served: 552
local collection centres: 431
urban waste treated: 2,808,000 t

Preventing generation, increasing sorted waste collection levels, and recycling waste are critical targets of management policies for the Group, as they reduce disposal requirements and thus the overall environmental impact. To this end, Iren Group promotes awareness-raising initiatives to spread culture, awareness and virtuous behaviour, through communication to the citizens and schools.

The Group adopts advanced waste collection systems (door-to-door, ecological islands with user recognition, punctual pricing) - accompanied by widespread information to create attention and responsibility towards more waste- and waste-reducing consumption styles - which contribute to achieving excellent levels of sorted waste collection (see paragraph "Advanced waste collection systems" in chapter Supporting the circular economy) thanks to the cooperation of the citizens which demonstrates its awareness of the importance of this service with a view to protecting the local area. Within these systems, the presence of a widespread network of local collection centres, where different types of sorted waste can be freely handed in, is particularly relevant. The range of services is completed by collecting bulky waste at home and services dedicated to companies for the management of waste assimilated to urban waste.

For the development and increasingly efficient management of the service, the computerisation of processes plays a key role. This enables important environmental benefits to be obtained, thanks to optimisation of collection, monitoring of services rendered in the area, and extension of the punctual pricing method, which is also based on the actual production of waste delivered by the user and is therefore more equitable.

As mentioned above, the use of apps allows users to receive information on services and report any problems. In particular, the IrenAmbiente app provides assistance in correctly sorting household waste, with the possibility of recognising products by framing the barcode or using search filters. In addition, it offers the possibility to book bulky waste collection or make environmental reports. For prompt and timely communication between the Group and its users, the app provides real-time alerts and news on the waste management services provided, as well as on any updates and changes, including a notification service that reminds daily of the fraction of waste collected by operators on the following day. Thanks to geolocalisation, users can view points of interest related to the service provided, such as dedicated counters, timely information on schedules and waste that can be delivered to the collection centres, and up-to-date collection calendars.

Finally, to meet specific local needs, the Group works with local administrations to improve the planning and management of the collection service, taking into account demographic, urban and logistical characteristics.

District heating

municipalities served: 11
network managed: 1,146 km
network controlled: 96%
heat sold: 2,267 GWht

Iren Group's district heating service produces and supplies the thermal energy required by customers for heating/cooling rooms and producing hot water. ARERA started regulating the sector on aspects of commercial and technical quality, quotation, measurement, transparency and pricing.

The Group has taken steps to adapt its technical-administrative processes and update the Service Charter, which constitutes the commitment to satisfy customer needs and to guarantee the reliability of the service, safety when using the service, and fairness and equity in contractual relations.

Iren Group constantly monitors the quality and efficiency levels of its services, including district heating, with the aim of adapting strategic choices to customer expectations in a logic of continuous improvement.

Iren is constantly striving to ensure efficiency and reliability in the management of the district heating network is guaranteed, including through the adoption of advanced technologies and the preventive maintenance of the infrastructure to ensure uninterrupted service, maintaining high standards of reliability and transparency in interactions with customers. To prevent negative impacts, regular inspections and maintenance are carried out to identify and promptly resolve any problems or wear on the network; advanced monitoring systems are used to detect anomalies, leaks or inefficiencies in the network in real time (terrestrial and airborne thermography). In addition, detailed contingency plans are put in place to respond promptly to critical situations, minimising service impacts, and security measures are taken to protect key infrastructure from external threats, vandalism or sabotage.

The effectiveness of the actions is evaluated through continuous monitoring of network performance and through analysis of reports of emergencies or of service interruptions and their response times. The district heating network operated by Iren Group is 1,146 km long, 96% of which was inspected in 2024.

Not least, district heating provides a concrete answer to improving air quality in cities. The results of studies conducted by the department of environmental, territorial and infrastructural engineering (DIATI) of the Politecnico di Torino show a substantial reduction of environmental impacts on the atmosphere and economic impacts, in terms of avoided social costs due to the reduction of negative health effects, resulting from the extension of district heating networks powered by cogeneration plants.

Sale of energy services

energy and gas customers: 2,305,552
gas sold: 1 billion m^3
electricity sold to customers: 6,979 GWh

The capillarity of the sales networks and a level of service characterised by increasingly high-quality standards offer customers assistance and advice both through physical channels, such as counters and stores, and through digital channels such as chat and web sales.

Communications to customers comply with the principles of clarity and transparency provided by the Code of Ethics and Consumer Code, with the objective of placing the customer in a position to be able to make an informed choice.

The Group pays particular attention to the efficiency of its management systems, the improvement of commercial quality and the continuous training of operators, especially following the expansion of the range of services and products offered.

All sales and marketing activities that take place outside the Group's business premises are carried out in compliance with the rules set out in the Code of Business Conduct formulated by ARERA (Regulatory Authority for Energy, Networks and Environment).

The Group carefully monitors all the activities of the supplier agencies, differentiating its controls according to the customer's method of engagement, the type of commercial action requested by the customer, and the way in which the contract is signed and accepted. For each acquisition channel, whether physical or digital, further controls are foreseen. Specifically, in order to constantly check the correct operation of teleseller agencies and web comparators, as foreseen by the mandate, the Group makes telephone calls called courtesy calls or confirmation calls, depending on the different contractual modalities, within a maximum of 48 hours after the contract has been signed and confirmed by the customer. With regard to the physical channels, there is the so-called instant call, carried out on average within 2 hours after contractualisation, for a more timely and effective control of the sales activity.

Systematic monitoring of the agencies' activities is aimed at confirming that contact has been made with the agent, that the contract proposal has been accepted and that the agent is fully aware of the signed offer. In line with its transparency policy and to protect the actual wishes of the customer, Iren Group offers signatories to a contract stipulated over the telephone (verbal order) the possibility of listening to their own telephone recording by accessing a dedicated section of the website with personal credentials.

The Company's organisation provides for **a specific body dedicated to analysing complaints** of customers concerning external channels of sales. These complaints can result in the application of penalties and, in more serious cases, the dismissal of the agent or operator, with a ban on working for the Group, even through other companies, up to the possible resolution of the agency mandate. Furthermore, with the aim of verifying that the work of the agencies complies with contractual obligations and, in particular, with the company self-regulation documentation (Code of Ethics, Model 231, operating procedures), visits are periodically carried out at the commercial structures, the results of which are monitored by the managers of the different channels.

In 2023, a new tool was introduced for uploading all business files and usable by all sales channels, both physical and digital: this was a further step towards complete digitalisation and the adoption of more technologically advanced working tools that offer agencies continuous and immediate feedback on their work. The new tool ensures the possibility of dedicated reporting, the use of more and more advanced integrated preliminary verification tools, the opportunity of different types of digital signatures and increased efficiency of contracting processes.

Commercial and marketing activities are conducted in accordance with principles of fairness and transparency, in full compliance with all regulations on privacy and personal data protection (Regulation (EU) 2016/679 - GDPR).

The Group is also focused on ensuring high commercial quality standards - in line with ARERA provisions - with regard to the **response to complaints and written requests for information**.

[IREN_S4_3_X001, IREN_S4_3_X002]

Response to written requests for information/complaints - 2024	Written requests for information	Complaints
Average time (days)	12	16
Responses within the maximum 30 days (%)	96%	91%

To **combat the economic inaccessibility of services** and in compliance with sector regulations, the Group has activated specific facilitation procedures for customers in economic difficulty, including bill instalment and the promotion of social bonuses. In addition, to support customers whose contract was renewed during the period of high gas costs - with a fixed price offer higher than the 2024 values - a unilateral contract amendment was applied with discounts of up to 50%, valid for the first quarter of 2024. All interested parties were contacted and received a voucher worth 50 euro, which can be used as a discount on their bill or for the purchase of gift cards.

[IREN_S4_4_X001, IREN S4_4_X003]

Social bonuses issued - 2024	Number	Amount (€)
Total	**396,871**	**62,235,221**
Electricity	175,125	27,521,158
Gas	103,802	6,812,221
Integrated water service	117,944	27,901,842

Also for the 2023-2024 heating season, the Iren **district heating bonus** was activated, a discount on the bill fully provided by the Group. This bonus is increasingly a key support tool for households in an economically vulnerable condition, according to the indicator of the equivalent economic situation (ISEE). In continuity with what has been done in previous years, the Group decided to activate the district heating bonus, since the social bonuses provided for by current legislation only concern the gas, electricity and water service sectors.

Business Continuity Management

Iren Group has adopted a **Business Continuity Management (BCM) model** to ensure the continuity of processes deemed critical, in the face of unforeseen events, minimising external and internal impacts.

In order to properly manage business continuity processes and ensure the implementation of appropriate organisational and technological measures, a Business Continuity Plan (BCP) procedure was drawn up that defines continuity strategies to ensure the rapid resumption of processes in the event of an interruption.

In addition, the Group has adopted a crisis plan with the aim, should an emergency or critical event occur, of providing a structured response to contain any damage caused, ensuring business continuity is maintained and defining an action plan that identifies further measures and strategies.

Professionalism and expertise for customers

In order to guarantee quality, reliability and continuity of service, the Group develops **involvement, participation and training** of its personnel, including in the sharing of Company strategy and policies, and in the maintenance of the certified Quality, Environment and Safety Management System.

The main bodies directly involved in the management of customer-oriented services are:

- Business Units involved in the management of services and infrastructures: the emergency services that monitor the networks and intervene to deal with disruptions and handle emergencies, the technical departments that deal with the operation and routine maintenance of networks and facilities;
- Customer management, which is structured to manage the relationship, orientate and provide assistance in procedural processes for the processing of files, respond to all requests for information with respect to services, complaints so that any critical issues can be resolved promptly;
- Administration that deals with invoicing and issuing invoices;
- Safety and quality of services that monitors the safety of operations and ensures that quality standards are met;
- Compliance 231 that supports the customer service in case of requests related to privacy and protection of customer data;
- Legal counsel ensuring that Iren complies with the laws relating to the management of services while respecting consumer rights;
- Communication that works to ensue that communication is transparent, effective and understandable to all consumers and end-users;
- Personnel and organisation that contributes to building the organisational conditions for the best supervision of activities.

Collaboration between these bodies and their involvement in the processes of analysing performance and defining improvement actions is fundamental to guaranteeing ever higher levels of service to customers.

The personnel belonging to these bodies are constantly trained, in relation to their competences, on new regulations, technological and digital innovations, new products and services, corporate strategies, policies and procedures. Training on ethics and behaviour is a fundamental and transversal element for building skills and professionalism consistent with the Group's values.

Continuous dialogue with customers and consumers

The involvement of consumer associations, through the Local Committees and the National Council of Consumers and Users, along with the continuous dialogue with the regulatory bodies are essential tools for exchanging ideas and verification that actions produce concrete results for consumers.

At Local Committee meetings, consumer associations have the opportunity to bring attention to the needs of particularly vulnerable categories of customers, thus helping to ensure that the Group's policies and actions adequately address those needs. In this regard, the Group has set up meetings with its Local Committees on the subject of high energy costs, with in-depth analyses of the energy scenario and the initiatives adopted to promote virtuous customer behaviour to reduce energy consumption, encouraging a sustainable and conscious approach to the use of resources.

People's vulnerability is a major factor in service management. For example, when it comes to the distribution of electricity and water services, the Group considers the most vulnerable situations, like users of electro-medical equipment, who need to be informed in advance and preventively and for whom an interruption can be rescheduled. In addition, the water service users advisory committee, set up in Emilia-Romagna in collaboration with the Local Sector Authority, pays particular attention to vulnerable categories, proposing improvements, promoting transparency and reporting any problems in contractual clauses.

In addition, several communication initiatives were carried out in 2024, aimed at increasing the awareness of the most vulnerable customers (e.g. older people or those with a foreign culture and language) of how to use the services. Other initiatives have been carried out to contribute positively to improving social outcomes for consumers, such as, for example, awareness-raising campaigns for proper and responsible waste management and separate waste collection, cooperation with schools and associations to raise awareness among young people on environmental and sustainability issues, or specific information activities aimed in particular at the elderly population to prevent door-to-door scams by fake sellers of electricity and gas contracts.

Iren Group also promotes initiatives for the responsible consumption of resources, proposing solutions for monitoring energy consumption, helping customers to make conscious decisions and reduce their environmental impact. These include the Iren4Planet service that allows customers to calculate their carbon footprint and find out how to reduce their emissions by filling out an online questionnaire and answering simple questions about their daily habits, consumption and purchases.

For business customers, the Group offers a comprehensive energy monitoring service to ensure efficient and optimised use of energy sources, thus improving efficiency and reducing waste. The service includes a series of advanced solutions, including the design of the monitoring system (also for energy diagnosis according to Legislative Decree no. 102/2014), the supply and installation of measuring instruments (electricity, gas, steam, water) and sensors (temperature, humidity, CO_2), periodic reports, consumption analysis and performance indicators.

These activities are accompanied by the constant monitoring of the press in order to capture any critical issues in relation to service management and consumer relations, as well as to provide answers that may be of interest to the general public.

Through customer care surveys and enquiries, the Group collects customer feedback, which is essential for making improvements to the services offered.

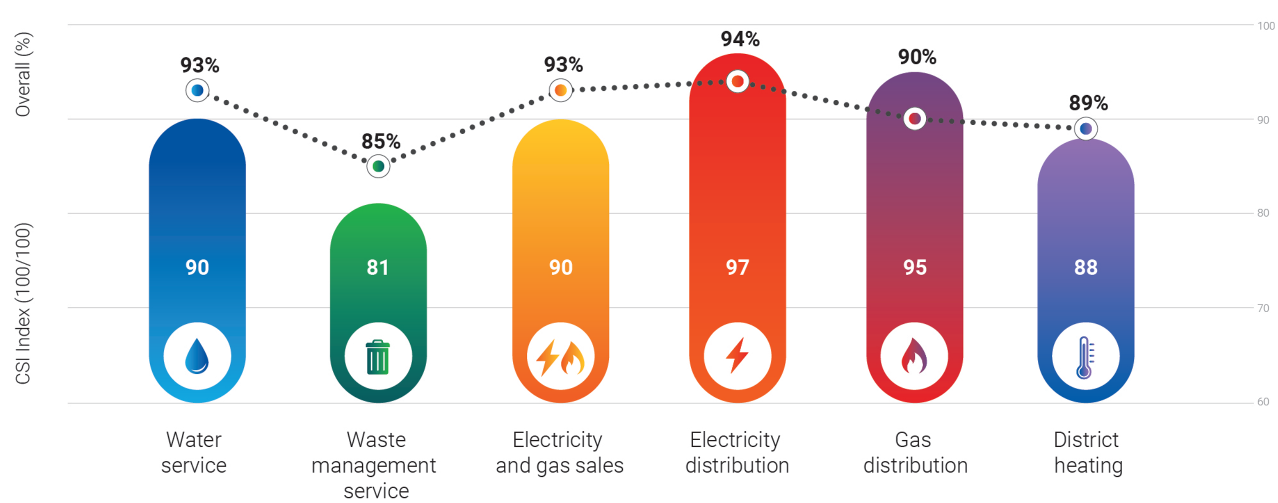
Monitoring customer satisfaction

The strategy to minimise impacts and risks also focuses on the activities carried out by both provider agencies and in-house operators, through both qualitative and quantitative monitoring tools. Particularly important among these is the customer satisfaction survey - conducted, within the scope of the powers delegated to the Deputy Chairperson, by the Corporate Social Responsibility and Local Committees Department - through which the Group acquires the evaluation of customers and the public on the quality of services and relations. The survey, carried out annually, provides the following for the different sectors:

- an overall indicator (CSI - Customer Satisfaction Index) that shows customer satisfaction in terms of the difference between perceived service value and expectations in regards various technical and relational aspects, which are weighted together. Here, evaluations are made on a complex of more than 160 factors relating to the intrinsic characteristics of the service, its continuity and reliability, its efficiency and effectiveness, its cost/quality ratio and payment methods, the management of the relationship with the customer through the various channels, including the management of complaints and feedback, and the ability to listen to needs;
- a synthetic overall satisfaction indicator that is monitored by directly asking the customer to highlight the overall perceived satisfaction level. Overall satisfaction shows the percentage of customers who say they are satisfied.

[IREN_S4_5_X001]

Customer satisfaction level - 2024



The analysis of the survey results, shared with the Group's Business Units and Departments, and their monitoring over time make it possible to identify any critical issues and define strategies for improvement.

Another tool for measuring the level of customer satisfaction is the voice of customer, a questionnaire used after every interaction with the Group (call centre, counter, written communication, etc.), which invites customers to express an evaluation of the quality of the service received.

Relevant, in this context, is the monitoring of customer management, which - in addition to being aligned with industry regulations, Model 231, the Code of Ethics, and the Group's policies and operating procedures - provides for a control activity on all performances through daily, weekly and monthly reports, submitted to the management, in order to identify critical issues or areas for improvement.

Sustainable products and services

Customers are an active part of the Company's processes and the green transition, also thanks to a growing awareness and attention to consumption, efficient use of energy and water, and reduction of waste.

The Group aims to improve their experience by working to better understand what they need, with the goal of increasing loyalty, through high quality and innovative service to offer solutions increasingly responsive to evolving needs. This is why Iren has gradually developed a portfolio of innovative services and products to support its customers in energy saving, sustainable mobility, comfortable home management and personal well-being.

New services and new products, consistent with the strategy, that confirm the Group's commitment to seize the opportunities related to climate, circular economy, sustainable use of water resources and the development of resilient cities to confirm itself as a leader in the transition and an essential partner for territories in providing answers to the public and customers through:

- the expansion of the portfolio of energy efficiency services and products for customers, in particular related to the energy redevelopment of buildings, home automation devices for reducing energy consumption, and technological global service for public and private buildings;

- the promotion of **energy communities** and distributed energy production among retail, business and public administration customers;
- the introduction of **point-based pricing systems in waste management** that create customer attention and responsibility towards consumption styles more oriented towards reducing waste and scrap, and the encouragement of the use of good practices in waste sorting, allowing improved processes from collection to recovery of materials from waste;
- the introduction of additional treatments in **wastewater treatment** to provide water resources with characteristics that allow them to be used by agricultural and industrial enterprises;
- selling **GO-certified electricity** to retail and business customers by providing them with offers to reduce the carbon footprint of their energy consumption;
- the provision of services and the implementation of **e-mobility** infrastructure.

[IREN_S4_117]

GO-certified electricity	2024
GO-certified electricity sold (GWh)	2,395
GO-certified electricity sales contracts signed in the year (% of total)	70%

These initiatives are accompanied by the Group's strong focus on innovation aimed, in particular, at researching and adopting technologies and solutions to support the sustainable development of its businesses.

The creation of an increasingly widespread network of physical points in the local area to meet the needs of those who prefer direct contact with the Group is part of the service quality strategy. Together with the existing local stores, 52 new ones were opened in 2024, giving customers 157 counters across the local areas. To ensure that all customers have access, there are queue-eliminating systems for the elderly, pregnant women, and disabled, stations specifically designed to welcome people with disabilities, and multilingual operators to help with communication with foresing nationals and customers. Careful coordination and supervision guided the setting up of the new stores with the aim of increasing the number of locations and offering a more efficient service, reducing waiting times and expanding the range of services.

In pursuing a **policy geared towards ecological transition and technological and digital innovation**, the Group also promotes more sustainable ways of contacting users. These include promoting the dematerialisation of invoices, highlighting both the environmental benefit of reducing printing and the convenience of having documents always accessible in digital format.

[IREN S4_107]

Invoices in electronic format	2024
Total (no.)	**9,781,780**
Electricity, Gas, District Heating, Water Service	8,920,158
Waste management Services	861,622
Electronic invoices as a % of total invoices	**44%**

Furthermore, thanks to the support of increasingly innovative **digital tools**, customers can perform operations such as billing, self-reading or bill payment directly from their devices in no time.

Targets for consumers and end-users

[S4.MDR-T_01-13, S4-5_01, S4-5_02, S4-5_03]

Service quality, pursued through performance improvement, and the maximisation of consumer satisfaction levels are priorities for Iren Group, which places customer orientation, high standards of efficiency in service continuity and customer relationship management, as well as accessibility and transparency of information at the centre of its operations.

In order to realise these priorities, the Group has set specific medium- and long-term objectives, also based on the analysis and survey of customer needs increasingly oriented towards the search for sustainable services.

Energy savings from products and services sold				
Main scope	sale of energy efficiency products and services/own operations/downstream value chain			
Stakeholder engagement	retail and business customers, community, environment			
Target/Results (Tep - absolute)	Base year 2020	2024 Results	2027 (medium term)	2030 (long term)
	71,000	473,000	543,000	642,000
Methodologies, assumptions and scientific data used	Future forecasts of the target are based on climate scenarios in line with the WB2D trajectory, projections of energy market developments, consistent with Italian and European legislation on energy efficiency (EU Directive 2023/1791) and the energy performance of buildings (EU Directive 2024/1275)			
2024 Results	The results are in line with expectations			
SDGs	9, 11, 12, 13			

Sale of GO-certified electricity				
Main scope	sale of energy efficiency products and services/own operations/downstream value chain			
Stakeholder engagement	retail and business customers, environment			
Target/Results (GWh - absolute)	Base year 2020	2024 Results	2027 (medium term)	2030 (long term)
	326	2,395	2,465	3,000
Methodologies, assumptions and scientific data used	Future forecasts of the target are based on the projections of climate scenarios in line with the WB2D trajectory, on projections of energy market developments, consistent with Italian and European legislation on energy efficiency (EU Directive 2023/1791) and with the 2030 national integrated energy and climate plan (PNIEC)			
2024 Results	The results are in line with expectations			
SDGs	11, 12, 13			

Store network				
Main scope	customer care/own operations/downstream value chain			
Stakeholder engagement	customers and users			
Target/Results (no. - absolute)	Base year 2020	2024 Results	2027 (medium term)	2030 (long term)
	82	157	278	314
Methodologies, assumptions and scientific data used	The medium- and long-term target takes into account the needs identified by stakeholders and forecasts of scope extension and is consistent with the strategies defined in the Business Plan			
2024 Results	The results are in line with expectations			
SDGs	10, 11, 12			

All objectives are monitored on an interim and annual basis to check progress in relation to the annual targets of the Business Plan and to define, if necessary, corrective actions or take into account changes in the scenario that may require a revision of the objective.

The achievement of targets is supported by the investment plan for quality and digitisation of services.

Ethical governance

2.2.4

Business conduct

Governance for sustainable growth is achieved through a coherent system of direction, policies, integration of ESG factors in company strategy, and management of risks and opportunities.

The Sustainability Policy defines the commitments, while the Code of Ethics establishes the general principles, the conduct criteria and the control system to maintain and strengthen trust with the stakeholders. Training and raising the awareness of people are the keys to consolidating an ethical culture that tangibly influences the Group's development opportunities. Starting with the Board of Directors, the governance approach involves the entire organisation, assigning specific levels of responsibility to different roles.

IMPACTS	
✗	• Potential negative external impacts arising from regulatory violations and/or breaches of company ethics, and failure to manage risks
✓	• Value creation fostered by ethical management, stable corporate governance, proper risk management and stakeholder engagement on integrity principles in business activities, with particular regard to corruption • Information transparency on strategies and activities and systematic listening to stakeholders through Iren's Local Committees and structured and secure reporting channels • Reduction of environmental and social impacts generated by the supply chain through supplier selection, involvement and monitoring activities

RISKS	OPPORTUNITIES
• Disputes with public authorities, customers, consumer associations/class actions (e.g. following prolonged inefficiencies/claims for reimbursement	• Improved reputation/stakeholder loyalty and attractiveness driven by corporate strategy (including investments) and effective ESG risk management that produces value creation for the Group, stakeholders and the local area • Adherence to the Cooperative Compliance regime in the tax field • Access to sustainable finance instruments

Impacts, risks and opportunities material to business conduct were identified through the process described in the paragraph "Double materiality assessment" in the chapter Strategy for sustainable development.

Policies on culture and business conduct

[G1.GOV-1_01, G1.GOV-1_02, G1.MDR-P_01-06, G1-1_01, G1-1_02]

The Iren Group is committed to pursuing the Sustainable Development Goals of Agenda 2030 (SDGs), operating in compliance with the principles defined in its Sustainability Policy and Code of Ethics, which translates the Group mission, vision and values into standards of conduct for all those who work for and with the Group. These are key documents in which the Group expresses concrete commitments to ensure responsible business management, ensuring ethical and transparent operations. Both documents, approved by the Board of Directors, represent the pillars of the sustainable governance model adopted by the Group. For more details on the Sustainability Policy, the Code of Ethics and the role of the Board of Directors[10] on ethical conduct, see the paragraph "Governance policies and tools" in the chapter Iren Group Governance.

The Group's ethical governance, guided not only by the Sustainability Policy and Code of Ethics, but also by Model 231 (discussed in more detail below), is also communicated to all employees via the company intranet "Noi Iren". This tool facilitates the development of processes, supports organisational changes, growth strategies and **encourages the dissemination of a shared corporate culture**, also through video storytelling and dedicated formats such as "Il tempo di un caffè" (speeches by managers to engage on values, sustainable development strategies and objectives) or "Iren Pills" (monthly for sharing Group initiatives). The intranet is accessible to all staff via tablets or Company smartphones. The **dissemination of culture also passes through training and skills development**: the Group invests in continuous training to enhance, increase and renew the skills of its employees and to share values, policies and strategies. This approach helps to create a sense of belonging and improve the quality of the working environment. Moreover, the Iren Group constantly assesses the effectiveness of its policies and initiatives through the collection of internal feedback and the annual

[10] It should be noted that some members of Iren's Board of Directors and Board of Statutory Auditors held comparable positions in the government sphere between 2022 and 2024: Pietro Paolo Giampellegrini, member of the Board of Directors, holds the position of Secretary General of the Ligurian Regional Council; Ugo Ballerini, Statutory Auditor, held the position of sub-commissioner for the reconstruction of the Polcevera viaduct at the Presidency of the Council of Ministers.

performance analysis (see paragraph "Performance enhancement and evaluation" in chapter Iren people). These combined elements contribute to a strong corporate culture geared towards sustainability, inclusion and continuous growth.

Policy for dialogue with shareholders and investors

Iren Group considers it essential to maintain an open, fair, transparent relationship, based on a mutual understanding of roles, with shareholders and investors.

To this end the Group has adopted the Policy for Managing Dialogue with Shareholders and Investors (published on the Group's website), approved by the Board of Directors, which regulates the dialogue between the Board of Directors and the representatives of shareholders and investors beyond shareholders'meeting on issues within the Board's competence and defines the principles, rules and methods for conducting this dialogue, identifying the recipients, the interlocutors, the topics of discussion, the timing and channels of interaction. The Policy is based on the principles of transparency, correctness, punctuality and timeliness of information, equal treatment of shareholders, effectiveness, compliance with regulations - including those on market abuse -, internal governance rules and procedures, always ensuring cooperation and transparency to supervisory authorities, regulators and competent administrations. The Investor Relations function is responsible for managing relations with shareholders and the financial market, and among other things discloses important information related to the Group. The Director of Administration, Finance and Control (CFO), who is in charge, among other things, of the Investor Relations function, was identified as the point of contact for the purposes of the Policy for Managing Dialogue with Shareholders and Investors. Moreover, pursuant to the Consolidated Law on Finance, shareholders can ask questions on the items on the agenda of the Shareholders' Meeting, even before the meeting itself.

With regard to the methods of dialogue with the other categories of stakeholders, the Policy refers to Iren's Local Committees (see paragraph "Iren Local Committees: dialogue, exchange of ideas and community participation" in chapter Sustainable development of local communities).

Organisation and Management Model Legislative Decree No. 231/ 2001

Iren and Group's main Companies have adopted Organisation, Management and Control Models pursuant to Legislative Decree No. 231/2001 (Model 231), which configure **a structured and organic system of control activities and procedures to prevent, where possible, conduct that could constitute the commission of the crimes** covered under the Decree.

The provisions contained in Model 231 must be complied with by all those who perform, even de facto, management, administration, direction or control functions in the Company, by employees, as well as by those acting on behalf of the Group. The adoption of Model 231, in addition to representing grounds for exemption from the Company's liability with regard to the commission of the offences referred to in Legislative Decree 231/2001, **is an act of social responsibility towards its shareholders, employees, customers, suppliers as well as the community and represents a fundamental tool for spreading the culture of sustainability**. In 2024, the process of revising and updating the Model 231 of some Group Companies continued, in to order ensure its ongoing consistency with organisational and/or regulatory changes, so that it maintains the effective ability to prevent the commission of predicate offences over time.

Predicate offences (Legislative Decree No. 231/2001)	Applicability to Iren
Offences in relations with the Public Administration (e.g. corruption, incitement to corruption, undue induction to give or promise benefits, extortion, embezzlement to the detriment of the State, undue receipt of public funds, fraud against the State or other public body, aggravated fraud to obtain public funds and computer fraud)	✓
Forgery of money, public credit cards, revenue stamps and identification instruments or signs	✗
Corporate offences such as false corporate communications, obstruction of control, unlawful distribution of profits and reserves, unlawful transactions on shares or quotas of the company or of the parent, transactions to the detriment of creditors, failure to communicate conflicts of interest, bribery among private individuals, instigation of bribery among private individuals, unlawful influence on the shareholders' meeting, market rigging, obstructing the exercise of the functions of public supervisory authorities	✓
Crimes for the purpose of terrorism and subversion of democratic order provided for by the Penal Code and special laws	✗
Offences of market abuse (abuse or unlawful communication of privileged information and market manipulation)	✓
Offence of female genital mutilation practices	✗
Crimes relating to health and safety in the workplace (manslaughter and grievous bodily harm)	✓
Crimes of receiving stolen goods, money laundering, utilisation of money, good or benefits of unlawful origin, self-laundering	✓
Computer crimes and unlawful processing of data	✓
Copyright infringement crimes	✓
Crimes of employing third country citizens staying illegally	✓

Predicate offences (Legislative Decree No. 231/2001)	Applicability to Iren
Offences of organised crime, both on a transnational and national scale (for example, criminal association, Mafia-type association, also foreign, kidnapping for the purpose of extortion, induction to not make statements or to make false statements to the judicial authorities, personal aiding and abetting	✓
Crimes of induction to not make statements or to make false statements to the judicial authorities	✓
Crimes against the individual person (such as people trafficking, reduction and maintenance in slavery and illicit intermediation and exploitation of labour) and crimes of racism and xenophobia	✓
Environmental offences (e.g. environmental pollution, environmental disasters, culpable offences against the environment, trafficking and abandoning highly radioactive material, offences against protected animal or plant species and habitats, offences relating to atmospheric emissions, management of wastewater discharges, waste management, organised activities for the illegal trafficking of waste)	✓
Corruption and incitement to corruption between private individuals	✓
Crimes against industry and commerce (such as disturbance of the freedom of industry or trade and fraud in the exercise of trade)	✓
Fraud in sports competitions, abusive exercise of gambling or betting and games of chance exercised by means of prohibited devices	✗
Tax offences such as fraudulent declaration through the use of invoices or other documents for non-existent transactions	✓
Smuggling	✗
Offences relating to non-cash payment instruments	✗
Crimes against cultural heritage and laundering of cultural goods and devastation and looting of cultural and landscape heritage	✗

The control over the adequacy, effectiveness and suitability of Model 231, of which the Code of Ethics is an integral part, is ensured by the Supervisory Body appointed in the Group Companies by specific resolution of their respective Boards of Directors, with the aim of meeting the requirements of autonomy, independence, professionalism and continuity of action. The Supervisory Body is vested with the powers of initiative and control necessary to ensure effective and efficient supervision of the operation of and compliance with the Model under the law. The Supervisory Body , with the support of the competent Company departments, performs checks on the areas of activity found to be at risk pursuant to Model 231 and reports every six months to the Board of Directors on the activities carried out and the results obtained. If it is considered necessary, the Supervisory Body expresses suggestions aimed at improving the system for controlling the activities and monitors its implementation. The assignment of these responsibilities to a body equipped with autonomous powers of initiative and control, together with the correct and effective performance of the same therefore represent fundamental prerequisites for the exemption from liability provided for by law.

Each recipient of Model 231 is required to report any violations or suspected violations of the Code of Ethics or the principles of control provided for in the Model itself (whistleblowing), using the "Iren Integrity Line" application (see paragraph "Reporting channels" in this chapter).

The Supervisory Body's six-monthly report to the Board of Directors includes any reports received from internal and external parties during the period. In 2024, 12 reports were received by Iren Group's Supervisory Bodies, which were taken into account in accordance with the procedures in force. On the basis of the investigations carried out and, for some cases still in progress, initiatives were taken in line with the reported cases, including the initiation of specific audits, adoption of measures or corrective actions aimed at preventing the criticalities highlighted, requests for updates on developments and corrective actions already undertaken. Two reports have been closed as they are not relevant or do not require specific actions.

Prevention of corruption and other offences under Model 231

[G1.MDR-A_01-12, G1-1_10, G1-1_11, G1-3_01, G1-3_04, G1-3_05, G1-3_06, G1-3_07, G1-3_08, G1-3_09, G1-4_01, G1-4_03]

In carrying out its activities, Iren Group frequently manage relations with Public Administration and third parties. Relations must take place in compliance with the principles laid down in the Code of Ethics and in Model 231, which express guidelines and rules of conduct that aim to prevent, as far as possible, the commission of offences pursuant to Legislative Decree 231/2001, including corruption. Company processes are also regulated by specific procedures defining roles, responsibilities and methods of control, establishing the traceability of processes and the clarity of authorisations to ensure transparency and honesty in the company's activities.

The Model 231 of the Group companies identifies, within the activities carried out, the corporate processes and areas "sensitive" to the potential risk of committing the offences indicated by the Decree. Furthermore, activities sensitive to the risk of corruption are identified – for which suitable internal rules are provided to supplement the Code of Ethics (general principles of control and specific protocols of behaviour and control) – such as:

- definition of purchasing requirements and preparation of technical specifications;
- selection and formation of contractual relations with suppliers;
- consulting selection and management (public and private bodies);
- managing the execution of contracts with suppliers;
- selection, recruitment and management of personnel, the reward system and industrial relations;
- management of sponsorships, gifts and donations;

- support in the management of relationships with public bodies to attain or renew authorisations, licences and concessions for carrying out corporate activities;
- management of public grants, payments and contributions;
- support for Group Companies in their participation in tenders for public and private works, supplies and services;
- management of financial and monetary flows, including in relation to financing and centralised treasury operations;
- management of relations with certification bodies;
- management of judicial and out-of-court litigation.

The process mapping, risk assessment, preparation of Model 231, examination and approval of the document by the Board of Directors, its dissemination and relative training initiatives, also constitute training on anti-corruption issues for each of the parties involved in these activities.

The audit activities concerning the issue of corruption fall into the context of broader audit activities regarding the internal control system of processes with a view to preventing the most significant risks, including corruption.

With regard to internal communication and training on the offences pursuant to Legislative Decree No. 231/2001, which also includes policies and procedures for the prevention of corruption, the activity is diversified according to the roles and responsibilities of the recipients, with the aim of conveying knowledge and instructions on specific aspects of the Model 231 such to ensure the awareness and full understanding of the internal provisions to be complied with and the ethical standards that inspire our conduct.

The training is provided to all personnel and, in particular, to the organisational departments and functions most exposed to corruption issues (100% of employees in departments at risk of corruption are included in the training programmes). The frequency and content of the training activities are designed to provide a full understanding of the Decree and awareness of Model 231. Training is mandatory and controls are in place to verify participation and learning. On the basis of the policy adopted, training on anti-corruption policies and procedures continued in 2024, with 385 hours provided to 69 employees, implementing the new version of the e-learning training module, updated according to the latest regulations, which will be disseminated to the corporate population from 2025.

In addition, during the year, a specific induction session on Model 231 was held for members of the Board of Directors and the Board of Statutory Auditors, as well as for Iren's top managers.

All employees are required to consult Model 231, available in its entirety in a dedicated area of the Company intranet and its General Part is published on the Company website.

In 2024, there were no convictions or proven cases of corruption within the Group companies.

Reporting channels

[G1-1_02, G1-1_05, G1-1_08, G1-1_12, G1-3_02, G1-3_03]

The Group is strongly committed to preventing offences in the performance of its activities, adopting the necessary organisational and disciplinary measures to counter any possible occurrence thereof. For this reason, it is considered essential that employees, collaborators and third parties report alleged violations of which they have become aware in the context of their work, also in order to ensure compliance with the provisions of Model 231 and the Code of Ethics.

The Group has adopted specific regulatory instruments to define the governance of the reporting process and the operating procedures in which it is articulated, implementing the provisions introduced by Legislative Decree No. 24/2023[11] on the protection of whistleblowers. Specifically, a whistleblowing procedure has been adopted that regulates the subject matter of the report, who can present it, how and through which channels it can be submitted, who manages the reports, the preliminary investigation phase, applicable sanctions, and how the reports are filed and stored.

The report may concern violations, conduct, acts or omissions likely to harm the public interest or the integrity of the Group, of which the whistleblowers may have become aware in the context of their work, including even potential violations of the Code of Ethics and Model 231.

Reports can be submitted through the dedicated whistleblowing channel "Integrity Line", which guarantees, through the use of encryption tools, the confidentiality of the identity of the person making the report, the person involved and the person mentioned in the report, as well as the content of the report and the related documentation.

The application is accessible from the Company intranet and the Group Companies' website and all reports received are automatically coded and recorded.

For the purpose of verifying the validity of the circumstances represented in them, reports are handled by the Whistleblowing Committee, composed of the Internal Audit and Compliance Director, the Legal and Corporate Affairs Director and the Personnel and Organisation Director.

[11]Legislative Decree No. 24/2023 provides for the prohibition of retaliation against the whistleblower, which translates into rules to prevent or nullify measures aimed at punishing the whistleblower for disclosing information. By way of example, the following may constitute forms of retaliation against the whistleblower: dismissal, suspension, non-promotion, change of function, adoption of disciplinary measures, early termination or cancellation of a contract for the supply of goods or services, etc. The Decree also provides that the protection from retaliation applies to other persons who, although not having directly submitted the report, are nevertheless deemed worthy of protection, such as those who assist a whistleblower in the reporting process or other persons who are connected to the reporting person (e.g. colleagues who have a habitual or recurring relationship with the person).

The Committee verifies the reported facts in compliance with the principles of objectivity and confidentiality, including the possible hearing of the whistleblower and any other persons who may provide information on the facts reported. To this end, the Committee may avail itself of the support and cooperation of external consultants or the competent corporate departments. The Whistleblowing Committee is responsible for:

- issuing the whistleblower with an acknowledgement of receipt of the report within a specified time;
- liaising with the whistleblower and requesting additions if necessary;
- diligently following up on reports received;
- providing feedback on the report within a specified timeframe.

The Committee guarantees the confidentiality not only of the identity of the whistleblower, but also of any other information or element of the report from which the identity of the whistleblower may be inferred directly or indirectly.

At the end of the investigation, the Committee draws up a report indicating the results of the investigation carried out and informs the reporting party of the action taken or intended to be taken on the report. If the report turns out to be well-founded, the Committee informs the whistleblower of the conclusion of the investigation through the Iren Integrity Line channel and shares the results of the investigation with the competent department, depending on the subject matter, for the adoption of any consequent disciplinary measures and improvement actions. If, during the preliminary investigation, relevant aspects emerge in relation to Model 231, the Committee shares the results with the Supervisory Body. In the event of an unfounded report, it is archived. The Committee will also inform the competent corporate bodies of the conclusion of the investigation and the outcome of the verifications carried out.

The Code of Ethics also provides for other reporting channels. In particular, it is possible, depending on the area of competence, to make reports to the Supervisory Body (through a special e-mail box accessible only to members of the Supervisory Body or by letter to the Chairperson of the Supervisory Body), to one's superiors (for employees) and to the Internal Audit and Compliance Department. The procedures for making reports are indicated on the website of each Group Companies and on the Company intranet. These channels are also able to guarantee the confidentiality of the identity of the whistleblower in the management of the report.

Fiscal strategy

While respecting and independently making its own management decisions and in line with its Sustainability Policy, Iren Group pursues a tax strategy inspired by principles of honesty, correctness and regulatory compliance, characterised by collaborative and transparent behaviour towards the tax authorities and third parties, in order to minimise any substantial impact in terms of risk, be it fiscal or reputational.

To this end, the Board of Directors approved the document Fiscal Strategy (made available to all stakeholders on the Group's website), also referred to in the Code of Ethics, which defines the objectives and approach adopted in the management of the tax variable, setting out the principles of conduct, in order to contain the risk of incurring tax violations or the abuse of the principles and purposes of the tax system, as well as to ensure the correct and timely determination and settlement of taxes.

Consistently with these principles, Iren refrains from implementing tax practices or strategies aimed at abusively eroding the tax base and commits itself not to undertake operations and behaviours and not to establish commercial relations or implement company structures that are devoid of economic substance and aimed at obtaining undue tax advantages and that are not justified by valid economic reasons, including organisational or managerial reasons, or in any case consistent with social and business ethics objectives.

Iren also undertakes to actively pursue prior certainty of its tax positions and to prevent the start of unnecessary tax disputes or disputes that, in any case, based on a prognostic assessment, could have an unfavourable outcome (principle of "more likely than not"). Where the tax obligations or cases are considered, based on an objective assessment by management, to be unclear or subject to interpretation or, in any case, have margins of uncertainty, Iren acts with full transparency towards the Tax Authorities, according to the instruments made available by the legal system, to achieve the application of the correct level of taxation.

This approach includes the adoption of a tax risk management and control framework in order to ensure the submission of accurate tax returns, the correct application of all tax rules and, when deemed appropriate, the involvement of the Tax Authority in the face of transactions that may generate interpretative uncertainties. To oversee the processes provided for in the Tax Control Framework, the Board of Directors has set up the Tax Risk Management Committee, made up of 4 permanent members – the Risk Management Director, the Tax Risk Manager, the CFO of Administration, Ordinary Finance and Control and the Financial statements and Accounting Manager – which carries out supervision and control tasks, as well as providing guidance in the context of monitoring activities, supporting the various actors involved, including the CEO and the Tax Risk Manager, in the performance of their respective duties with non-binding advisory and proactive functions. The Tax Risk Manager is responsible for monitoring, aimed at verifying the effectiveness and efficiency of the controls in place to protect against tax risks and periodically reports to the Tax Committee on the activities carried out, their results, and the adequacy of the Tax Control Framework.

Consistent with the broader system of internal control and risk management, the Tax Control Framework requires that tax risk be managed through the assignment of responsibilities and roles according to three levels of control. First level control is represented by the individual operational lines that implement so-called line controls, as defined by Company policies and procedures. The second level of control is entrusted to the Tax Risk Manager who prepares the annual monitoring plan on tax controls and risks and ensures its execution, identifying any areas for improvement and supporting the control owners in identifying the related corrective actions. The third level control, assigned to Internal Audit, has the objective of verifying the operation and suitability of the internal control and risk management system and identifying irregular trends and violations of procedures and regulations.

The management of fiscal issues has been identified as a sensitive activity concerning the tax offences referred to in the Legislative Decree No. 231/01 that Iren considers potentially applicable in the conduct of business activities.

In order to improve communication and collaboration with the revenue agency, Iren Group has decided to adhere to the 'Collaborative Compliance Regime' (Legislative Decree No. 128/2015) which provides for a new relationship scheme between the revenue agency and taxpayers inspired by the principles of cooperative compliance. The main benefits of risk management derive from the possibility of joint assessment of any tax risks with the Revenue Agency before the tax return and access to forms of prior appeal with an abbreviated procedure. The Group Companies that meet the requirements of the Revenue Agency and are admitted to the "Collaborative Compliance Regime" are Iren and Iren Energia.

Privacy management model

With the entry into force of the EU Regulation 2016/679 (GDPR) on the protection of personal data, Iren Group has developed a management system that ensures the adoption of the principles applicable to the processing of personal data: principles of lawfulness, fairness, transparency, purpose limitation, data minimisation, accuracy, storage limitation, integrity, data confidentiality and accountability of the data controller.

The Group's Privacy Management Model, approved by the Board of Directors, not only formalises the approach adopted, but also ensures that corporate management of privacy issues complies with regulatory principles and promotes a culture of personal data protection within the Group. The Model defines the roles, tasks and responsibilities of the persons involved in the management of privacy compliance and the main processes prepared and adopted, including keeping the processing register, risk assessment, management of the exercise of data subjects' rights, management of data breaches, management of third parties and dissemination of privacy culture.

The procedure for the management of data subjects' rights, in particular, defines the set of rules of conduct for the collection and timely processing of requests from data subjects concerning the exercise of their rights under the GDPR, as well as requests for the revocation of consent given under the European Data Protection Regulation. For this purpose, special e-mails have been set up for the Group Companies entitled to receive requests from interested parties. These channels are carefully monitored and, at least once a year, specific analyses are carried out in order to verify the most significant aspects such as, for example, the number of requests, the type of rights most exercised, and the timeliness of processing. These analyses are shared within the Privacy Committee, in which the Data Controllers of the Companies and the Directors of the functions of Iren most involved in relation to privacy issues participate.

The monitoring of the Model is one of the tasks of the Data Protection Officer (DPO) who, also with the support of the competent corporate structures, carries out the necessary controls aimed at verifying the Group's compliance with the defined Model and reports the results of the monitoring activities to the Data Controllers and any proposals for action to the Privacy Committee, which has the task of defining the strategic direction of the policies on the protection of personal data, assessing their implementation and evaluating potential criticalities and areas of risk that have emerged, and directing their mitigation.

The Board of Directors is informed, at least once every six months, directly or via the Control, Risk and Sustainability Committee - which in turn is informed at least once every six months by the Data Protection Officer - about the data protection management system.

Supplier relations management

[G1-2_02, G1-2_03]

Iren Group attaches particular value and importance to the management of environmental, social and economic aspects along its supply chain, in line with national, European and international guidelines to promote a sustainable economy. Therefore, the focus on identifying and managing the impacts of business activities and the supply chain is central to the Group.

The commitments set out in the Group's policies for managing relations with suppliers (see paragraph "Policies for sustainable supply chain management" in chapter Suppliers and partners) find concrete expression in structured monitoring and improvement activities. These include the project, which became fully operational in 2024, for the sustainable management of the supply chain (ESG Supply Chain Project - for which see paragraph "ESG Supply Chain Project" in chapter Suppliers and partners), promoted by the Group to take an increasingly leading role in its supply chain with a view to sustainable and resilient development, accompanying its suppliers along the way and enhancing the capacity of the local area and local companies. The project led to the adjustment of the supply chain assessment with respect to ESG parameters and principles, the upgrading of the Supplier Register by expanding, in the qualification process, the information required from suppliers on their sustainability profiles, and subscription to the Open-Es platform for the direct involvement of suppliers.

Through sustainability questionnaires administered to suppliers, the Group is able to assess the sustainability performance of the supply chain, both in aggregate and in detail.

In 2024, the ESG Supply Chain project implemented an internal training programme to ensure that everyone was on the same page. In 2025, supplier-focused workshops will be held to help suppliers along their sustainability journey.

The supplier qualification system of the Group aims to guarantee that products, services and works are able to ensure quality and reliability, and that the supplier selection and management process is based on the principles of transparency, clarity, integrity and non-discrimination. The Group's approach to relations with its suppliers is explained in detail in the chapter Suppliers and partners in the section Focused on people.

As defined in the Rules for Qualification in the Supplier Register, in order to improve the access of micro, small and medium-sized enterprises (SMEs) to specific product categories, the Group may adopt the good practice of reserving invitations to negotiation events for them for small sums. Additionally, to promote social cohesion and local development, the Group reserves a 50% share for local economic operators who meet the necessary qualifications in the Register when choosing which qualified suppliers to invite for instrumental contracts that are not covered by the Procurement Code.

In order to avoid or minimise impacts on the supply chain in emergency cases (e.g. Covid-19 health emergency or high prices related to the war crisis), the Group has adopted concrete practices and measures, e.g. recognition of extra security costs, compensation for expensive materials, contracts on an annual rather than multi-year basis to manage price fluctuations, discounting of prices on a forward-looking rather than compensatory basis.

Supplier payment practices

[G1-2_01, G1-6_01, G1-6_02, G1-6_03, G1-6_04, G1-6_05]

Iren Group's policy on payments to suppliers is based on setting clear and transparent terms in contracts, specifying deadlines and payment methods, and on continuous and open dialogue with suppliers.

The Group's payment methods are set out in the terms and conditions of contracts with suppliers and may vary from 30, 60, 90 to 120 days. Invoices paid within 30 days account for about 30% of annual invoices, within 60 days for about 28%, within 90 days for about15 % and the remainder, about 27 %, within 120 days.

The average time taken by the Group to pay an invoice from the date on which the contractual or legal payment deadline starts to be calculated is four days. With the exception of any delays due to the supplier's failure to meet contractual deadlines, 100% of payments are on schedule.

In 2024, Group Companies received nine injunctions for late payments. In eight cases the Group filed an objection, reaching an agreement between the parties in two cases, while in the remaining six the opposition is still pending before the competent judicial Authority. In addition, in one case, the Group received a claim form for non-payment of a decree within the legal deadlines.

Political influence and lobbying

[G1-5_01, G1-5_02, G1-5_03, G1-5_05, G1-5_06, G1-5_08, G1-5_09, G1-5_10, G1-5_11]

The Group Code of Ethics expressly establishes in paragraph 7.5, that "Iren does not make contributions, either directly or indirectly and in any form, to parties, movements, committees and political and trade unions organisations, or to their representatives and candidates, except for those due under specific regulations". Consistent with this principle, in 2024, the Group made no contributions or expenditures to political campaigns or lobbying organisations whose role is to influence voting initiatives, policies and public laws.

The Group's Public Affairs Department - which reports to the Executive Chairperson - is responsible for monitoring regulatory-institutional developments and for mapping and monitoring institutional arrangements (at parliamentary and governmental level) in relation to the Group's business and interests.

Iren Group has chosen the path of associative participation, which aims to put experience and knowledge at the service of companies and organisations that share a common path of sustainability and responsibility. Participation in networks and associations is focused on continuous updating, on the dissemination of publications, studies and research, on information and comparison meetings, on the involvement of institutions and social forces to promote strategic issues, stimulating targeted and incisive intervention proposals and policies. The monitoring, analysis and comparison of emerging trends and regulatory issues are of great importance for the most correct and up-to-date understanding of the reference framework in which the Group operates. In 2024, the Group invested more than 1.8 million euro in association activities.

In particular, membership of associations and networks at national level, in line with objective 17 of the United Nations Agenda 2030 "to promote partnerships for sustainable development", is of great importance to the Group, both in terms of attention to sustainability policies and in terms of regulatory and technological updates.

Association/network	Description
Anfida	National association of private water works companies that belong to Confindustria, which promotes solidarity and collaboration between its member companies, organises studies on topics of interest and acts as their representative with private and public authorities, organisations and administrations
Assoambiente	At national and EU level represents mainly private companies managing environmental services and circular economy companies
Italian association of energy wholesalers and traders (AIGET)	Promotes economic, financial, technical and scientific initiatives that can benefit the energy sector and aims to encourage competition and transparency in energy markets
Italian urban heating association (AIRU)	Represents sector operators with the aim of promoting and disseminating plant engineering innovation and its application
Assonime (Association of Italian joint-stock companies)	Works to improve industrial, commercial, administrative and tax legislation in Italy and represents the views of the companies within Italian, European and international institutions
Italian gas committee (CIG)	Promotes the study of scientific and technical problems and the publication of technical regulatory documents for the combustible gas sector. Participates, on behalf of UNI, in the work of standardisation bodies (CEN and ISO), collaborates with national and international bodies and associations, and carries out training activities
Confindustria (GE, PR, PC, RE, SP, TO and VC)	The leading organisation representing manufacturing and service companies within Italy that is tasked with contributing to the economic growth and social advancement of the country, alongside political institutions and economic, social and cultural organisations.
Confservizi (at national and regional level)	A trade union that represents, promotes and protects companies and bodies that manage public utility services such as water, gas, electricity, environmental health and local transport
Corporate Forum for Sustainable Finance	An international network of companies committed to supporting and developing sustainable finance as a tool to combat climate change and promote a more sustainable and responsible society
EHP – EuroHeat and Power	An international association that represents the district heating and cooling sector and co-generation sector in Europe
Elettricità futura	The main association of the Italian electricity industry that represents and protects companies, both small and large, operating in the electricity sector in Italy and has over 700 operators with plants throughout the country
ESG governance LAB	Platform, promoted by ET.Group, highly specialised in ESG that brings together national and multinational companies committed to sustainable transition together with specialised advisors and other relevant stakeholders
Italian federation for the rational use of energy (FIRE)	Association active in the energy and environmental sector, in particular for the promotion of good practices for energy efficiency, use of renewables and sustainability, participation in international projects, qualification of energy managers and ESCOs
Global Compact Network Italia Foundation	Created with the aim of contributing to the development in Italy of the UN Global Compact, of promoting its 10 principles, together with the United Nations Sustainable Development Goals (SDGs), of delving into sustainability issues, flanking and supporting companies and organisations
Sustainable development foundation	A reference point for the main sectors and players in the green economy, at the service of companies and organisations that share a common sustainability path Focuses on the dissemination of publications, studies and research, continuous updating, information and discussion meetings, and the involvement of institutions and social forces to promote the strategic themes of the green economy
Fondazione Symbola	Brings together companies and organisations, enhancing initiatives capable of improving Italy, focusing on innovation and development, beauty and creativity, human capital and local areas. Green economy, culture and social cohesion are the three factors considered to create a quality economy
Kyoto Club	Organisation consisting of public and private actors committed to achieving the GHG emission reduction targets of the Kyoto Protocol, European decisions and the Paris Agreement Interacts with public, national, European and UN Framework Convention on Climate Change decision-makers on energy-environmental proposals and policies
Open Es	Collaboration platform that connects companies and organisations in a collaborative ecosystem that concretely supports development and growth on the dimensions of sustainability. An open network to meet the challenges of the energy transition and generate value in a transparent way
Sustainability Makers	Brings together the professionals who are dedicated to the definition and implementation of strategies and sustainability projects in business and other organisations: it works to qualify and promote these professionals with the aim of increasing their competence and authority
UN Global Compact	Emerged from the desire to promote a sustainable global economy that is respectful of human and labour rights, environmental protection and the fight against corruption. Voluntary commitment to principles that promote sustainability values and a commitment to contribute to globalisation characterised by sustainability, cooperation and multi-stakeholder partnerships
Utilitalia	Federation that brings together public service companies that operate in the water, environment, electricity and gas sectors, acting as their representative at European and national Institutions. It offers support and refresher and training courses, as well as consultancy on contractual, legislative, operational, tax and legal aspects
Valore D	The first association of companies in Italy – over 350 to date, with more than 2 million employees and an aggregate turnover of over 500 billion euro – that has been committed to gender balance and inclusive culture in organisations and our country for ten years

In addition, the Group collaborates with Institutions, including financially, for specific projects that are attributable to its mission and, in particular, **for projects that contribute to the economic, social and environmental sustainability of the local areas**. These partnerships, however, are always implemented on the basis of clear documentation of the use of resources (see chapter "Sustainable development of local communities" in section Focused on people).

In Iren Group there are specific departments that manage relations with the associations (Regulatory Affairs and Communication and External Relations), the Directors in charge of these departments report to the Executive Chairman. In order to ensure the transparency of its activities, Iren Group is registered in the EU transparency register under ID 771031452198-40.

Statement of Sustainability Reporting pursuant to Article 81-*ter* (1) of the Consob Regulation No. 11971 of 14 May 1999 as amended and supplemented

The undersigned Moris Ferretti and Selina Xerra in their capacities as Executive Deputy Chairperson of Iren S.p.A. and the Director in Charge of Certifying the Iren Group's Sustainability Statement respectively attest, pursuant to Article 154-*bis*(5-*ter*), of Legislative Decree No. 58 of 24 February 1998, that the Sustainability Statement included in the Directors' Report has been prepared:

a) in accordance with the reporting standards applied pursuant to Directive 2013/34/EU of the European Parliament and of the Council of 26 June 2013 and Legislative Decree No. 125 of 6 September 2024;

b) with the specifications adopted pursuant to Article 8, paragraph 4 of Regulation (EU) 2020/852 of the European Parliament and of the Council, of 18 June 2020.

Reggio Emilia, 24 March 2025

Executive Deputy Chairperson of Iren

Moris Ferretti

The Director in Charge of Certifying the Sustainability Statement

Selina Xerra

Report of the Independent Auditors

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(This independent auditors' report has been translated into English solely for the convenience of international readers. Accordingly, only the original Italian version is authoritative.)

Independent auditors' limited assurance report on the consolidated sustainability statement pursuant to article 14-bis of Legislative decree no. 39 of 27 January 2010

To the shareholders of
Iren S.p.A.

Conclusion

Pursuant to articles 8 and 18.1 of Legislative decree no. 125 of 6 September 2024 (the "decree"), we have been engaged to perform a limited assurance engagement on the 2024 consolidated sustainability statement of the Iren Group (the "group") prepared in accordance with article 4 of the decree, presented in the specific section of the report on operations (the "consolidated sustainability statement").

Based on the procedures performed, nothing has come to our attention that causes us to believe that:

- the group's 2024 consolidated sustainability statement has not been prepared, in all material respects, in accordance with the reporting standards endorsed by the European Commission pursuant to Directive 2013/34/EU (the European Sustainability Reporting Standards, "ESRS");
- the information presented in the "European Taxonomy" section of the consolidated sustainability statement has not been prepared, in all material respects, in accordance with article 8 of Regulation (EU) 852 of 18 June 2020 (the "taxonomy regulation").

Basis for conclusion

We have performed the limited assurance engagement in accordance with the Standard on Sustainability Assurance Engagements - SSAE (Italia). The procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed. Our responsibilities under that standard are further described in the "*Auditors' responsibilities for the sustainability assurance engagement*" section of our report.

We are independent in accordance with the ethics and independence rules and standards applicable in Italy to sustainability assurance engagements.

Our company applies International Standard on Quality Management 1 (ISQM Italia 1) and, accordingly, is required to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

We believe that the evidence we have acquired is sufficient and appropriate to provide a basis for our conclusion.

Other matters

In the "European Taxonomy" section, the 2024 consolidated sustainability statement presents the 2023 comparative information required by article 8 of the taxonomy regulation, which has not been subjected to an assurance engagement.

Responsibilities of the directors and board of statutory auditors ("Collegio Sindacale") of Iren S.p.A (the "parent") for the consolidated sustainability statement

The directors are responsible for designing and implementing the procedures to identify the information included in the consolidated sustainability statement in accordance with the ESRS (the "materiality assessment process") and for the description of these procedures in the "Double materiality assessment" section of the consolidated sustainability statement.

The directors are also responsible for the preparation of a consolidated sustainability statement in accordance with article 4 of the decree, which contains the information identified through the materiality assessment process, including:

- compliance with the ESRS;
- compliance of the information presented in the "European Taxonomy" section with article 8 of the taxonomy regulation.

Moreover, the directors are responsible, within the terms established by the Italian law, for designing, implementing and maintaining such internal controls as they determine is necessary to enable the preparation of a consolidated sustainability statement in accordance with article 4 of the decree that is free from material misstatement, whether due to fraud or error. They are also responsible for selecting and applying appropriate methods to produce disclosures and formulating assumptions and estimates about specific information on sustainability matters that are reasonable in the circumstances.

The *Collegio Sindacale* is responsible for overseeing, within the terms established by the Italian law, compliance with the decree's provisions.

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Inherent limitations in preparing the consolidated sustainability statement

For the purpose of disclosing forward-looking information in accordance with the ESRS, the directors are required to prepare such information based on assumptions, described in the consolidated sustainability statement, regarding future events and the group's actions that are not necessarily expected to occur. Actual results are likely to be different from the forecast sustainability information since anticipated events frequently do not occur as expected and the variation could be material.

The disclosures provided by the group about Scope 3 emissions are subject to more inherent limitations than those on Scope 1 and Scope 2 emissions, given the lack of availability and relative precision of information used for determining both qualitative and quantitative Scope 3 emissions information from value chain.

Auditors' responsibilities for the sustainability assurance engagement

Our objectives are to plan and perform procedures in order to obtain limited assurance about whether the consolidated sustainability statement is free from material misstatement, whether due to fraud or error, and to issue an assurance report that includes our conclusion. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence decisions of intended users taken on the basis of the consolidated sustainability statement.

As part of a limited assurance engagement in accordance with SSAE (Italia), we exercise professional judgement and maintain professional scepticism throughout the engagement.

Our responsibilities include:

- considering risks to identify disclosures where a material misstatement is likely to occur, whether due to fraud or error;
- designing and performing procedures to address disclosures where a material misstatement is likely to occur. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- directing, supervising and performing the sustainability limited assurance engagement and assuming full responsibility for the conclusion on the consolidated sustainability statement.

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Summary of the work performed

A limited assurance engagement involves carrying out procedures to obtain evidence as a basis for our conclusion.

The procedures performed are based on our professional judgement and include inquiries, primarily of the parent's personnel responsible for the preparation of the information presented in the consolidated sustainability statement, documental analyses, recalculations and other evidence gathering procedures, as appropriate.

We have performed the following main procedures:

- we gained an understanding of the group's business model, strategies and operating environment with regard to sustainability matters;
- we gained an understanding of the process adopted by the group to identify and assess material sustainability-related impacts, risks and opportunities (IROs), based on the double materiality principle. Moreover, on the basis of the information acquired, we evaluated any emerging inconsistencies that may indicate the presence of sustainability matters not addressed by the group in its materiality assessment process; Specifically, mostly through inquiries, observations and inspections, we gained an understanding of how the group:
  - considered the interests and opinions of the stakeholders involved;
  - identified its sustainability-related IROs, assessing their consistency with our knowledge of the group and its sector;
  - defined and assessed material IROs by analysing the qualitative and quantitative materiality thresholds it determined, assessing their consistency with the outcomes of the ERM process;
- we gained an understanding of the processes underlying the generation, recording and management of the qualitative and quantitative information disclosed in the consolidated sustainability statement, including of the reporting boundary, through interviews and discussions with the group's personnel and selected procedures on documentation;
- we identified the disclosures associated with a risk of material misstatement, whether due to fraud or error. Based on our risk assessment procedures, we identified the most significant risks of material misstatement in relation to the following sustainability matters: climate change, water and marine resources, resource use and circular economy;
- we designed and performed procedures, based on our professional judgement, to respond to identified risks of material misstatement, including:
  - for information gathered at group level:
    - with reference to qualitative information and, in particular, the sustainability-related policies, actions and objectives, we held inquiries and performed limited procedures on documentation;
    - with reference to quantitative information, we carried out analytical procedures, inspections, observations and recalculations on a sample basis;

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- for information gathered at site level, we visited the Torino Nord cogeneration and TRM waste-to-energy plants in Turin and the Rosone hydroelectric power plant in Valle Orco (Turin), which we selected on the basis of their business and contribution to the metrics of the consolidated sustainability statement. During these visits, we interviewed group personnel and obtained documentary evidence supporting the calculation of the metrics;

- we gained an understanding of the process adopted by the group to determine taxonomy-eligible economic activities and whether they were aligned under the taxonomy regulation and checked the related disclosures presented in the consolidated sustainability statement;
- we checked the consistency of the disclosures contained in the consolidated sustainability statement with those included in the group's consolidated financial statements pursuant to the applicable financial reporting framework, the underlying accounting records or management accounts;
- we checked the compliance of the structure and presentation of disclosures included in the consolidated sustainability statement with the ESRS;
- we obtained the representation letter.

Turin, 2 April 2025

KPMG S.p.A.

(signed on the original)

Fabio Monti
Director of Audit

Proposal for approval and allocation of the profit for the year ended 31 December 2024 and dividend distribution

Dear Shareholders,

Iren S.p.A.'s Separate Financial Statements at 31 December 2024 show a profit of Euro 212,507,129.19.

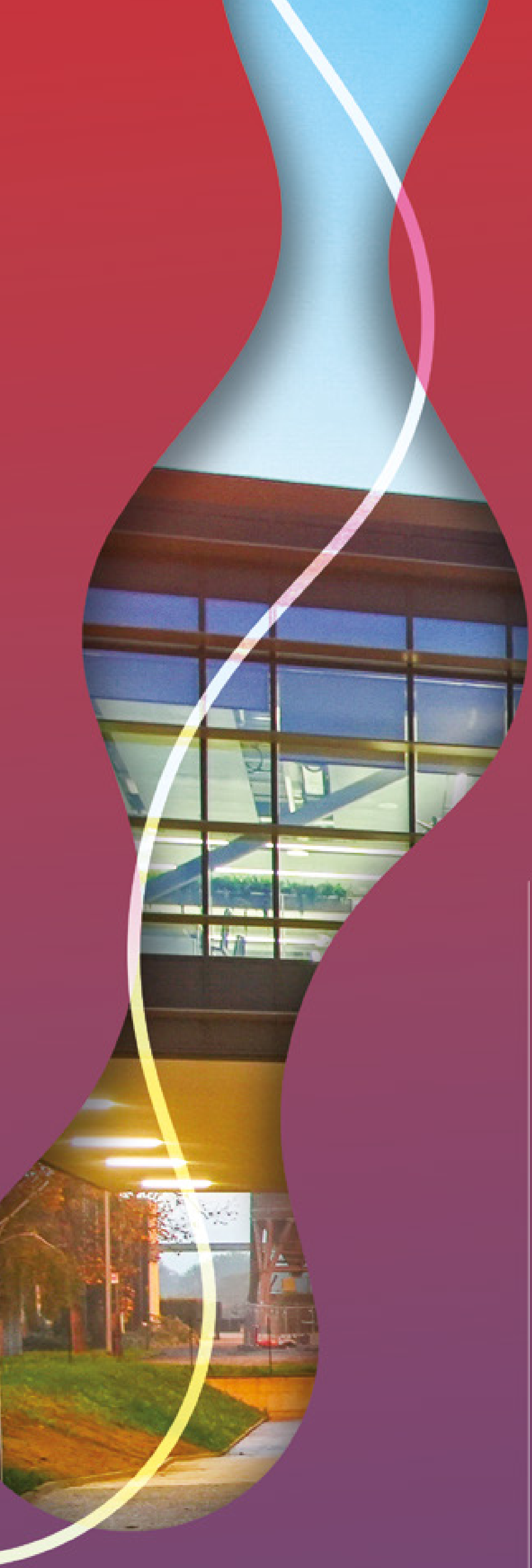
We therefore invite you to pass the resolution for the allocation of the profit for the year of Euro 212,507,129.19 as follows:

- Euro 10,625,356.46, equal to 5% of the profit for the year, to the legal reserve;
- a maximum of Euro 166,909,495.67 as a dividend to the Shareholders, corresponding to Euro 0.1283 for each of the maximum 1,300,931,377 ordinary shares constituting the Company's share capital, with the specification that any treasury shares will not benefit from the dividend; the dividend will be payable starting from 25 June 2025, with coupon date on 23 June 2025 and record date on 24 June 2025;
- the residual amount equal to at least Euro 34,972,277.06 to retained earnings.

Reggio Emilia, March 24, 2025

On behalf of the Board of Directors
Chairperson
Luca Dal Fabbro

(signed on the original)



Consolidated Financial Statements

3

Statement of Financial Position

thousands of euro

	Notes	31.12.2024	of which related parties	31.12.2023 Restated	of which related parties
ASSETS					
Property, plant and equipment	(1)	4,516,355		4,460,852	
Investment property	(2)	1,974		2,031	
Intangible assets with a finite useful life	(3)	3,357,523		3,140,359	
Goodwill	(4)	247,273		244,977	
Equity-accounted investments	(5)	282,462		212,798	
Other equity investments	(6)	8,723		10,914	
Non-current contract assets	(7)	300,238		232,384	
Non-current trade receivables	(8)	33,840	28,876	29,416	27,003
Non-current financial assets	(9)	124,756	37,998	128,937	38,279
Other non-current assets	(10)	131,668	1,081	163,992	1,081
Deferred tax assets	(11)	389,533		400,092	
Total non-current assets		9,394,345	67,955	9,026,752	66,363
Inventories	(12)	84,033		73,877	
Current contract assets	(13)	69,291		29,830	
Trade receivables	(14)	1,442,454	147,689	1,288,107	80,346
Current tax assets	(15)	14,474		18,894	
Sundry assets and other current assets	(16)	298,717	155	576,516	75
Current financial assets	(17)	580,646	6,682	242,184	8,220
Cash and cash equivalents	(18)	326,568		436,134	
Assets held for sale	(19)	790		1,144	
Total current assets		2,816,973	154,526	2,666,686	88,641
TOTAL ASSETS		12,211,318	222,481	11,693,438	155,004

The comparative figures at 31 December 2023 have been restated to take into account, at the acquisition date, as required by IFRS 3, the effects of completing the allocation of the acquisition price to the final fair value of the assets and liabilities acquired (Purchase Price Allocation) of Acquaenna and WFL. Please refer to Chapter IV Business combinations for more information.

thousands of euro

	Notes	31.12.2024	of which related parties	31.12.2023 Restated	of which relatedparti es
EQUITY					
Equity attributable to the owners of the parent					
Share capital		1,300,931		1,300,931	
Reserves and Retained Earnings		1,306,622		1,250,525	
Profit for the year		268,471		254,752	
Total equity attributable to the owners of the parent		2,876,024		2,806,208	
Equity attributable to non-controlling interests		467,673		438,086	
TOTAL EQUITY	(20)	3,343,697		3,244,294	
LIABILITIES					
Non-current financial liabilities	(21)	4,460,916		4,048,316	
Employee benefits	(22)	81,495		87,329	
Provisions for risks and charges	(23)	276,258		404,882	
Deferred tax liabilities	(24)	116,857		130,532	
Sundry liabilities and other non-current liabilities	(25)	751,559	1	581,844	
Total non-current liabilities		5,687,085	1	5,252,903	-
Current financial liabilities	(26)	656,530	7,060	736,379	14,988
Trade payables	(27)	1,787,198	42,841	1,634,720	32,615
Current contract liabilities	(28)	88,983		79,642	
Sundry liabilities and other current liabilities	(29)	353,693	107	333,182	9
Current tax liabilities	(30)	12,743		80,437	
Provisions for risks and charges - current portion	(31)	281,389		331,881	
Liabilities associated with assets held for sale	(32)	-		-	
Total current liabilities		3,180,536	50,008	3,196,241	47,612
TOTAL LIABILITIES		8,867,621	50,009	8,449,144	47,612
TOTAL EQUITY AND LIABILITIES		12,211,318	50,009	11,693,438	47,612

Income statement

thousands of euro

	Notes	FY 2024	of which related parties	FY 2023 Restated	of which related parties
Revenue					
Revenue from goods and services	(33)	5,903,454	452,150	6,301,581	312,536
Other income	(34)	139,671	11,758	188,800	3,441
Total revenue		6,043,125	463,908	6,490,381	315,977
Operating expenses					
Raw materials, consumables, supplies and goods	(35)	(2,224,054)	(1,875)	(2,763,473)	(1,947)
Services and use of third-party assets	(36)	(1,860,883)	(34,742)	(1,876,663)	(59,244)
Other operating expenses	(37)	(102,657)	(11,238)	(113,865)	(11,550)
Capitalised costs for internal work	(38)	60,193		56,907	
Personnel expense	(39)	(641,605)		(596,391)	
Total operating expenses		(4,769,006)	(47,855)	(5,293,485)	(72,741)
GROSS OPERATING PROFIT		1,274,119		1,196,896	
Depreciation, amortisation, provisions and impairment losses					
Amortisation and Depreciation	(40)	(655,475)		(600,929)	
Impairment losses on loans and receivables	(41)	(74,482)		(71,471)	
Other provisions and impairment losses	(41)	(24,462)		(60,108)	
Total depreciation, amortisation, provisions and impairment losses		(754,419)		(732,508)	
OPERATING PROFIT		519,700		464,388	
Financial management	(42)				
Financial income		45,701	611	37,148	244
Financial expense		(136,333)	(213)	(135,781)	(60)
Net financial expense		(90,632)	398	(98,633)	184
Gains (losses) on equity investments	(43)	(1,260)		6,263	
Share of profit or loss of equity-accounted investees, net of tax effects	(44)	7,471		6,836	
Pre-tax profit		435,279		378,854	
Income taxes	(45)	(131,697)		(97,025)	
Profit from continuing operations		303,582		281,829	
Profit (loss) from discontinued operations	(46)	-		-	
Profit for the year		303,582		281,829	
attributable to:					
- the owners of the parent		268,471		254,752	
- non-controlling interests	(47)	35,111		27,077	
Earnings per ordinary and savings share	(48)				
- basis (euro)		0.21		0.20	
- diluted (euro)		0.21		0.20	

The comparative figures of 2023 have been restated to take into account, at the acquisition date, as required by IFRS 3, the effects of completing the allocation of the acquisition price to the final fair value of the assets and liabilities acquired (Purchase Price Allocation) of Acquaenna. Please refer to Chapter IV Business combinations for more information.

Statement of comprehensive income

thousands of euro

		FY 2024	FY 2023 Restated
Profit for the year - owners of the parent and non-controlling interests (A)		303,582	281,829
Other comprehensive income that will be subsequently reclassified to profit or loss			
- effective portion of fair value losses on cash flow hedges		(60,167)	(70,693)
- fair value gains/(losses) on financial assets		-	-
- share of other gains/(losses) of equity-accounted investees		(804)	2,508
- change in translation reserve		922	(700)
Tax effect of other comprehensive income		15,311	17,203
Other comprehensive expense that will be subsequently reclassified to profit or loss net of tax effect (B1)	(49)	(44,738)	(51,682)
Other comprehensive income that will not be subsequently reclassified to profit or loss			
- actuarial gains/(losses) on employee defined benefit plans (IAS19)		(159)	254
- share of actuarial losses of equity-accounted investees related to employee defined benefit plans (IAS 19)		(161)	(415)
Tax effect of other comprehensive income		(25)	(292)
Other comprehensive expense that will not be subsequently reclassified to profit or loss net of tax effect (B2)	(49)	(345)	(453)
Comprehensive income (A)+(B1)+(B2)		258,499	229,694
attributable to:			
- the owners of the parent		224,121	203,717
- non-controlling interests		34,378	25,977

The comparative figures of 2023 have been restated to take into account, at the acquisition date, as required by IFRS 3, the effects of completing the allocation of the acquisition price to the final fair value of the assets and liabilities acquired (Purchase Price Allocation) of Acquaenna. Please refer to Chapter IV Business combinations for more information.

Statement of changes in equity

	Share capital	Share premium reserve	Legal reserve	Hedging reserve	Other reserves and retained earnings
31/12/2022	1,300,931	133,019	98,159	62,642	924,317
Owner transactions					
Dividends to shareholders					
Retained earnings			12,934		71,945
Repurchase of treasury shares					-
Changes in consolidation scope					-
Change in equity interests					(1,263)
Other changes					(194)
Total owner transactions	-	-	12,934	-	70,488
Comprehensive income for the year					
Profit for the year					
Other comprehensive expense				(49,884)	(1,150)
Total comprehensive income for the year	-	-	-	(49,884)	(1,150)
31/12/2023 Restated	1,300,931	133,019	111,093	12,758	993,655

	Share capital	Share premium reserve	Legal reserve	Hedging reserve	Other reserves and retained earnings (losses)
31/12/2023 Restated	1,300,931	133,019	111,093	12,758	993,655
Owner transactions					
Dividends to shareholders					
Retained earnings			8,614		93,709
Repurchase of treasury shares					-
Changes in consolidation scope					
Change in equity interests					(594)
Other changes					(1,153)
Total owner transactions	-	-	8,614	-	91,962
Comprehensive income for the year					
Profit for the year					
Other comprehensive expense				(45,059)	580
Total comprehensive income for the year	-	-	-	(45,059)	580
31/12/2024	1,300,931	133,019	119,707	(32,301)	1,086,197

The comparative figures of 2023 have been restated to take into account, at the acquisition date, as required by IFRS 3, the effects of completing the allocation of the acquisition price to the final fair value of the assets and liabilities acquired (Purchase Price Allocation) of Acquaenna. Please refer to Chapter IV Business combinations for more information.

thousands of euro

	Total reserves and Retained earnings	Profit for the year	Total equity attributable to the owners of the parent	Equity attributable to non-controlling interests	Total equity
31/12/2022	1,218,137	226,017	2,745,085	446,069	3,191,154
Owner transactions					
Dividends to shareholders	-	(141,138)	(141,138)	(42,860)	(183,998)
Retained earnings	84,879	(84,879)	-		-
Repurchase of treasury shares	-		-		-
Changes in consolidation scope	-		-	8,271	8,271
Change in equity interests	(1,263)		(1,263)	630	(633)
Other changes	(194)		(194)	-	(194)
Total owner transactions	83,422	(226,017)	(142,595)	(33,959)	(176,554)
Comprehensive income for the year					
Profit for the year		254,752	254,752	27,077	281,829
Other comprehensive expense	(51,034)		(51,034)	(1,101)	(52,135)
Total comprehensive income for the year	(51,034)	254,752	203,718	25,976	229,694
31/12/2023 Restated	1,250,525	254,752	2,806,208	438,086	3,244,294

thousands of euro

	Total reserves and Retained earnings (losses)	Result for the year	Total equity attributable to the owners of the parent	Equity attributable to non-controlling interests	Total equity
31/12/2023 Restated	1,250,525	254,752	2,806,208	438,086	3,244,294
Owner transactions					
Dividends to shareholders		(152,429)	(152,429)	(26,255)	(178,684)
Retained earnings	102,323	(102,323)	-		-
Repurchase of treasury shares	-		-		-
Changes in consolidation scope	-		-	32,612	32,612
Change in equity interests	(594)		(594)	(16,065)	(16,659)
Other changes	(1,153)		(1,153)	4,788	3,635
Total owner transactions	100,576	(254,752)	(154,176)	(4,920)	(159,096)
Comprehensive income for the year					
Profit for the year		268,471	268,471	35,111	303,582
Other comprehensive expense	(44,479)		(44,479)	(604)	(45,083)
Total comprehensive income for the year	(44,479)	268,471	223,992	34,507	258,499
31/12/2024	1,306,622	268,471	2,876,024	467,673	3,343,697

Statement of cash flows

thousands of euro

	FY 2024	FY 2023 Restated
A. Opening cash and cash equivalents	436,134	788,402
Cash flows from operating activities		
Profit for the year	303,582	281,829
Adjustments:		
Income taxes for the year	131,697	97,025
Share of profit (loss) of associates and joint ventures	(7,471)	(6,836)
Net financial expense (income)	90,632	98,633
Amortisation and depreciation	655,475	600,929
Net impairment losses (reversals of impairment losses) on assets	13,541	(6,263)
Impairment losses on loans and receivables	74,482	71,471
Net provisions for risks and other charges	237,226	331,537
Capital (gains) losses	5,389	5,653
Payment of employee benefits	(9,876)	(9,526)
Utilisations of provisions for risks and other charges	(298,068)	(183,755)
Change in other non-current assets	32,813	(9,518)
Change in sundry liabilities and other non-current liabilities	33,665	33,340
Taxes paid	(174,775)	(72,371)
Other changes in equity	93	48
Change in inventories	(12,610)	65,516
Change in contract assets	(107,714)	(85,765)
Change in trade receivables	(224,289)	114,247
Change in current tax assets and other current assets	252,534	(70,144)
Change in trade payables	126,162	(664,683)
Change in contract liabilities	9,341	40,433
Change in current tax liabilities and other current liabilities	7,529	63,508
Change in market exposure for commodity derivatives	(56,183)	(15,013)
B. Net cash and cash equivalents generated by operating activities	1,083,175	680,295
Cash flows from/(used in) investing activities		
Investments in property, plant and equipment and intangible assets	(830,217)	(866,605)
Investments in financial assets	(87,911)	(3,309)
Investment realisation	7,044	18,317
Acquisition of subsidiaries net of cash acquired	8,004	(39,565)
Dividends collected	2,039	4,545
C. Net cash and cash equivalents used in investing activities	(901,041)	(886,617)
Cash flows from/(used in) financing activities		
Repurchase of treasury shares	-	-
Dividends paid	(189,779)	(176,580)
Purchase of interests in consolidated companies	-	(633)
Non-controlling investors' payments into consolidated companies	3,353	-
New non-current loans	1,000,000	330,000
Repayment of non-current loans	(623,249)	(83,467)
Repayment of lease liabilities	(17,852)	(17,522)
Change in other financial liabilities	(35,533)	12,453
Change in loan assets	(325,881)	(118,281)
Interest paid	(125,314)	(95,850)
Interest received	22,555	3,934
D. Net cash and cash equivalents used in financing activities	(291,700)	(145,946)
E. Cash flow for the year (B+C+D)	(109,566)	(352,268)
F. Closing cash and cash equivalents (A+E)	326,568	436,134

The comparative figures of 2023 have been restated to take into account, at the acquisition date, as required by IFRS 3, the effects of completing the allocation of the acquisition price to the final fair value of the assets and liabilities acquired (Purchase Price Allocation) of Acquaenna. Please refer to Chapter IV Business combinations for more information.

Notes

Foreword

Iren S.p.A. is an Italian multi-utility company, listed on the Italian Stock Exchange (Borsa Italiana) and established on 1 July 2010 through the merger of IRIDE and ENÌA. The Company's registered office is in Italy, in Reggio Emilia, Via Nubi di Magellano 30. There were no changes in the company name during 2024.

The Group is structured according to a model which provides for an industrial holding company and four companies responsible for the single business lines operating in the main operating bases in Genoa, La Spezia, Parma, Piacenza, Reggio Emilia, Turin and Vercelli.

The business segments in which the Group operates are:
- Networks (Electricity distribution networks, Gas distribution networks, Integrated Water Service)
- Waste Management (Waste collection and disposal)
- Energy (Hydroelectric Production and production from other renewable sources, Combined Heat and Power, District Heating Networks, Thermoelectric Production, Public Street Lighting, Global services, Energy efficiency services)
- Market (Sale of electricity, gas, heat)
- Other services (Laboratories, Telecommunications and other minor services).

Paragraph XIII, Segment reporting, includes the information required by IFRS 8.

The consolidated financial statements as at and for the year ended 31 December 2024 include the financial statements of the Parent and of its subsidiaries (collectively referred to as the "Group" and, individually, as "Group companies") and the Group's interests in jointly-controlled companies and in associates, measured using the equity method.

I. Basis of presentation

The Consolidated Financial Statements of Iren Group at 31 December 2024 have been prepared in accordance with the International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board and endorsed by the European Union, as well as the measures issued in implementation of Article 9 of Legislative Decree No. 38/2005. The "IFRS" comprise also the revised International Accounting Standards ("IAS"/"IFRS") and all the interpretations issued by the International Financial Reporting Interpretations Committee ("IFRIC"), previously known as the Standing Interpretations Committee ("SIC").

In preparing these consolidated financial statements, the same accounting standards adopted in preparing the financial statements of the previous year were applied, with the exception of as reported in the paragraphs "Changes in accounting standards" and "Accounting standards, amendments and interpretations applied from 1 January 2024".

The consolidated financial statements are drawn up on the basis of the historical cost principle, with the exception of certain financial instruments measured at fair value and potential fees deriving from a business combination (i.e. put options to non-controlling investors), which are measured at fair value, as well as on the going concern assumption. The Group did not detect any particular risks connected with its business and/or any uncertainties that might cast doubt on its ability to continue as a going concern.

These consolidated financial statements are stated in euro, the parent's functional currency. All amounts expressed in euro are rounded to the nearest thousand in these consolidated financial statements. Due to rounding, there could be cases in which the detailed tables contained in this document show a difference of around one thousand euro. It is believed that these cases do not alter the reliability and informative value of these consolidated financial statements.

Financial statement formats

The financial statement formats adopted by Iren Group in preparing these consolidated financial statements are the same as those applied in preparing the consolidated financial statements at 31 December 2023.
In line with what was previously published, in the statement of financial position, assets and liabilities are classified as "current/non-current". Assets and liabilities classified as discontinued or held for sale are shown separately. Current assets, which include cash and cash equivalents, are those that will be realised, transferred or consumed during the Group's ordinary operating cycle or during the twelve months following year end. Current liabilities are those for which settlement is envisaged during the Group's ordinary operating cycle or during the twelve months following year end.
The Income Statement is classified on the basis of the nature of the costs. In addition to the Operating Profit, the Income Statement also shows the interim total of Gross Operating Profit obtained by deducting total operating expenses from total revenue.

The indirect method is used in the Statement of Cash Flows. The cash configuration analysed in the Statement of Cash Flows includes cash on hand and cash in current accounts.

Publication of the Consolidated Financial Statements

The Consolidated Financial Statements were approved for publication by Iren S.p.A.'s Board of Directors at its meeting of 24 March 2025. The Board of Directors authorised the Chairperson, and the Chief Executive Officer to make such changes to the consolidated financial statements as necessary or adequate to improve them until the date of approval by the Shareholders.
The Shareholders' Meeting to be called to approve the separate financial statements of the Parent has the right to request amendments to the aforementioned consolidated financial statements.

Use of estimates and assumptions by management

Estimates

Preparation of the Consolidated Financial Statements entails making estimates, opinions and assumptions that have an effect on the amounts of revenue, costs, assets and liabilities, including contingent liabilities, and on the information provided. These estimates and assumptions are based on past experience and other factors considered reasonable in the case in question, particularly when the value of assets and liabilities is not readily apparent from comparable sources.
Estimates and assumptions were used in applying the accounting standards, in particular to measure the following items of the financial statements:

- revenue from contracts with customers: revenue from the sale of electricity, gas and heat to end customers is recognised at the time the electricity or gas is supplied and includes, in addition to the amounts invoiced on the basis of periodic readings (and pertaining to the financial year) or on the basis of the volumes communicated by distributors and transporters, an estimate of the electricity and gas supplied during the financial year but not yet invoiced, as the difference between the electricity and gas injected into the distribution network and those invoiced during the financial year, calculated taking account of any network losses. Revenue between the date of the last reading and the end of the year is based on estimates of the customer's daily consumption, primarily based on the customer's historical profile, adjusted to reflect weather conditions or other factors that may affect the estimated consumption.
- impairment of non-financial assets: assets such as property, plant and equipment, investment property, intangible assets, right-of-use assets, goodwill and equity investments in associates/joint ventures are impaired when their carrying amount exceeds their recoverable amount, represented by the higher of fair value, net of costs to sell, and value in use. The recoverable amount is sensitive to the estimates and assumptions used to determine the amount of cash flows and the discount rates applied. However, possible variations in the basic assumptions on which these calculations are based could produce different recoverable amounts. Information on the main assumptions used to estimate the recoverable amount of assets with reference to impacts related to climate change as well as information on changes in these assumptions is provided in Note 4 "Goodwill".
- Expected losses on financial assets: at the end of each reporting date, the Group recognises a loss allowance for trade receivables and other financial assets measured at amortised cost, debt instruments measured at fair value through other comprehensive income, contract assets and all other assets within the scope of impairment. Loss allowances for financial assets are based on assumptions regarding the risk of default and the measurement of expected losses. In making these assumptions and selecting the inputs to calculate the expected credit loss, management uses its professional judgement, based on the Group's past experience, current market conditions, as well as forward-looking estimates at the end of each reporting period.
- Determining the useful life of non-financial assets. In determining the useful life of property, plant and equipment and intangible assets with a finite useful life, the Group considers not only the future economic benefits - contained in the assets - enjoyed through their use, but also many other factors, such as physical deterioration, obsolescence of the product or service provided by the asset (e.g. technical, technological or commercial), legal restrictions or other similar constraints (e.g. safety, environmental, etc.) on the use of the asset, if the useful life of the asset depends on the useful life of other assets. For further details on this aspect, see Note 1 "Property, plant and equipment".
- the useful life of assets related to hydroelectric concessions. Such assets are depreciated according to the expiry term of the related concession decrees. Decree-Law No. 135 of 14 December 2018 (Urgent provisions on support and simplification for businesses and public administration - "Decree-Law Semplificazioni") converted, with amendments, by Law No. 12 of 11 February 2019, regulates the new regime of remuneration of the so-called "Wet Works" concerning concessions for large-scale diversions of water for hydroelectric power plants; the new regulations establish that "Wet Works" are to be transferred without compensation to the Regions. If the Operator has made new investments during the useful life and provided that these investments have been authorised or permitted by the competent Public Administration, the Operator will have the right to a remuneration limited to the non-depreciated value. As regards the so-called "dry works" (property, plant and equipment included in the business unit of the outgoing operator and not included under the "wet works" category, the so-called non-transferable assets), the new law did not introduce changes and, therefore, the outgoing operator has the right to a consideration determined on the basis of the value of reconstruction as new, less normal wear. Consequently, for purposes of legal consistency, the depreciation schedule of the Wet works concerning the expired concessions was redetermined, considering the possible reassignment dates thereof, which, on the basis of the previous law, was interrupted starting from the 2012 financial statements.

While acknowledging that the new regulations introduce significant changes regarding the transfer of ownership of the business unit required for the operation of the hydroelectric concession, the difficulties associated with the practical application of the aforementioned principles are evident owing to their uncertainties, which do not allow a reliable estimate to be formulated of the amount that can be recovered at the end of the existing concession (residual value).
Accordingly, management has decided that it is not able to arrive at a reasonable and reliable estimate of residual value. Given that the law in question nevertheless requires the incoming concessionaire to award a consideration to the outgoing concessionaire, management reconsidered the depreciation schedules of assets to be relinquished free of charge prior to Law 134/2012 (until the year ended on 31 December 2011, as the assets were to be relinquished free of charge, the depreciation schedule corresponded to the closest period between that of the concession or the useful life of the individual asset), no longer as proportional to the duration of the concession but, if longer, to the useful life of the individual asset: for this reason, in 2021, the management started a valuation process aimed at assessing the plants held by the Group in order to identify their residual life, which concerned the plants of San Mauro and Valle Orco. This path was continued in the years 2022 and 2023 with regard to the other hydroelectric plants, and the carrying amounts of the assets involved were changed prospectively.

- the determination of the fair value of derivative instruments and certain financial assets. The fair value of financial instruments is determined on the basis of prices directly observable on the market, where available, or, for unlisted financial instruments, using specific valuation techniques (mainly based on present value) that maximise the use of inputs observable on the market. In the rare circumstances where this is not possible, the inputs are estimated by management taking into account the characteristics of the instruments being valued. For further details on financial instruments measured at fair value, please refer to chapter VI Group Financial Risk Management. Changes in the assumptions made in estimating input data could affect the fair value recognised for these instruments, especially in the current context in which markets are volatile and the economic outlook highly uncertain and subject to rapid changes. When valuations are subject to significant measurement uncertainty due to the current environment and there is a wide range of possible fair value estimates, the Group is required to apply judgement in determining the point within that range that is most representative of fair value under the circumstances.
- Hedge accounting. Hedge accounting is applied to derivatives in order to reflect the effects of risk management strategies in the financial statements. To this end, the Group documents at the inception of the transaction, the relationship between the hedging instrument and the hedged item, as well as the risk management objectives and strategy. In addition, the Group assesses, both at the inception of the relationship and on a systematic basis, whether hedging instruments are highly effective in offsetting changes in the fair value or cash flows of hedged items. Based on the opinion of the Directors, the assessment of effectiveness based on the existence of an economic relationship between hedging instruments and hedged items, the dominance of credit risk in changes in value and the hedge ratio, as well as the measurement of ineffectiveness, are evaluated by means of a qualitative assessment or a quantitative calculation, depending on the specific facts and circumstances and the characteristics of the hedging instruments and hedged items. With respect to cash flow hedges of future transactions, management assesses and documents that they are highly probable and present an exposure to changes in cash flows that impacts profit or loss. For more details about the key assumptions on assessing effectiveness and measuring ineffectiveness, please refer to Section VI Group Financial Risk Management.
- The determination of the amount of provisions for future risks and charges. The Group is a party to various civil, administrative and tax proceedings connected with the normal course of its business, which could give rise to liabilities of a significant amount, for which it is not always objectively possible to predict the final outcome. The assessment of the risks connected with the above proceedings is based on complex elements that by their nature entail recourse to the judgement of the Directors, also taking account of elements acquired from external consultants assisting the Group, with reference to their classification among contingent liabilities or among liabilities. Provisions have been established to cover all significant liabilities for cases where attorneys have noted the likelihood of an adverse outcome and a reasonable estimate of the amount of the expense. The Group determines whether to consider each uncertain tax treatment separately or jointly with one or more uncertain tax treatments, as well as whether to report the effect of uncertainty using the most probable amount method or the expected value method, choosing the one that, according to its projections, best provides for the resolution of the uncertainty, taking into account tax regulations. The Group makes significant use of professional judgement in identifying uncertainties about income tax treatments and reviews opinions and estimates made when there is a change in facts and circumstances that could change the conclusion about the acceptability of a particular tax treatment or the estimated effects of the uncertainty, or both. Refer to Note 45 Income Taxes for further details regarding income taxes.
- Onerous Contracts. In order to identify an onerous contract, the Group estimates the non-discretionary costs required to perform the obligations assumed (including any penalties) under the contract and the economic benefits expected to be obtained from the same contract.
- Evaluation of the existence of significant influence over an associate. Associates are those in which the Group exercises significant influence, i.e., the power to participate in determining decisions about the financial and operating policies of the investee without exercising control or joint control over those policies. As a general rule, the Group is presumed to have significant influence when it holds an interest of at least 20%. In order to determine the existence of significant influence, management's judgement is required to evaluate all facts and circumstances. The Group reviews the existence of significant influence when facts and circumstances indicate that there has been a change in one or more of the elements considered for the test of the existence of significant influence. For further details of the Group's equity investments in associates, reference should be made to Note 5 "Equity-accounted investments".
- Application of IFRIC 12 "Service Concession Arrangements" to concessions. IFRIC 12 applies to "public-to-private" service concession arrangements, which can be defined as contracts that oblige a concessionaire to provide public services, i.e., to provide access to key economic and social services, for a specified period of time on behalf of the public authority (i.e.

the grantor). In these contracts, the grantor transfers to the concessionaire the right to operate the infrastructure used to provide these public services.

The estimates and assumptions are regularly revised. Any changes deriving from the revision of accounting estimates are recognised in the period in which they are revised, if the revision refers only to the period under evaluation. Should the revision involve both current and future periods, the variation is recognised in both the year in which the revision occurs and in the related future periods.

The criticality inherent in these valuations refers to the use of assumptions and judgements relating to issues that are by their very nature uncertain, and is amplified by the peculiarity and variety of the businesses in which the Group operates. In addition, any changes in the conditions underlying the assumptions and judgements could have a significant impact on the results of subsequent years.

II. Basis of consolidation

The consolidation scope includes subsidiaries, joint ventures and associates.

Subsidiaries

Entities controlled by the Group are considered subsidiaries, as defined by IFRS 10 – *Consolidated Financial Statements*. Control exists when the Parent has all of the following:

- power over the investee, i.e. the current ability to direct the relevant activities of the investee that significantly affect the investee's returns;
- exposure, or rights, to variable returns from its involvement with the investee;
- the ability to use its power over the investee to affect the amount of the investor's returns.

The financial statements of subsidiaries are included in the consolidated financial statements beginning on the date when control is acquired until the time when control ceases.

Equity and the profit/loss attributable to non-controlling interests are identified separately in the consolidated statement of financial position and income statement.

Subsidiaries are consolidated on a line-by-line basis, where intra-group balances, transactions, unrealised income and expenses are eliminated in full.

Furthermore: a) all changes in the equity interest that do not constitute a loss of control are treated as equity transactions and, therefore, have a balancing entry in equity; b) when a parent transfers control to an investee, but retains an interest in the company, it measures the retained equity investment at fair value and recognises any gains or losses deriving from loss of control in profit or loss.

Joint ventures

These are companies over which the Group has joint control, in virtue of contractual agreements. Joint control, as defined by IFRS 11 – *Joint Arrangements, is the "contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require the unanimous consent of the parties sharing control".*

With reference to entities jointly owned by mixed public and private companies, given the objective possibility for the public shareholder to influence the company not only by means of governance agreements, but also because of its nature as public entity, the existence of joint control is ascertained on the basis of contractual agreements, assessing the actual possibility for the private partner to jointly control strategic decisions regarding the joint venture.

Joint arrangements are divided into 2 types:

- a Joint Venture (JV) is an arrangement whereby the parties have rights to the net assets of the arrangement. Joint Ventures are measured using the equity method;
- a Joint Operation (JO) is an arrangement whereby the parties are not limited exclusively to participating in the company's profit or loss, but have rights to its assets and obligations for its liabilities. In this case the assets/revenue on which the joint operator exercises such rights and the liabilities/costs of which the joint operator assumes the obligations are fully consolidated.

Associates (accounted for using the equity method)

An associate is a company over which the Group has significant influence, but not control or joint control over its financial and operating policies. The consolidated financial statements include the Group's share of the associates' profit or loss recognised using the equity method from the date that significant influence commences until the date that significant influence ceases.

Equity investments measured at equity are accounted for an amount equal to the corresponding portion of equity resulting from the latest available financial statements, adjusted to take into account the differences between the price paid and equity at the date of purchase and for any intra-group transactions, if significant.

The investor's share of profit or loss arising from application of the equity method is recognised as a "Share of profit or loss of equity-accounted associates and joint ventures", while the share of other comprehensive income is recognised in the statement of comprehensive income.

The difference between the purchase cost and the present value, attributable to the owners of the Parent, of the identifiable current and contingent assets and liabilities of the associate or joint venture at the acquisition date, is recognised as goodwill,

included in the carrying amount of the investment, and tested for impairment using the same procedures described in the section above.
The risk deriving from losses which exceed the investor's share of equity is provided for in provisions for risks to the extent that the company has a legal or constructive obligation with the investee or is committed to covering its losses.

Dividends on equity investments are recognised when the right to receive payment is established. This usually coincides with the resolution passed by the Shareholders' Meeting.

Business combinations

The Group accounts for business combinations by applying the acquisition method when the group of assets and property acquired meets the definition of a business and the Group obtains control. In determining whether a particular group of activities and assets constitutes a business, the Group assesses whether that group includes, at a minimum, a substantial input and process and whether it has the capacity to create output.
The Group has the option to carry out a 'concentration test', which enables it to ascertain through a simplified procedure that the acquired group of activities and assets is not a business. The optional concentration test is positive if almost all of the fair value of the gross assets acquired is concentrated in a single identifiable asset or a group of identifiable assets with similar characteristics.
The consideration transferred and the net identifiable assets acquired are usually recognised at fair value. The carrying amount of any goodwill that arises is tested annually for impairment. Any gain from a bargain purchase is recognised immediately in the Income Statement under gains or losses on equity Investments, while costs related to the combination, other than those related to the issuance of debt or equity instruments, are recognised as an expense in profit/(loss) for the year when incurred.

The consideration transferred does not include amounts related to the settlement of pre-existing relationships. Normally, these amounts are recognised in profit/(loss) for the year.

The contingent consideration is booked at fair value on the acquisition date. If an obligation to pay contingent consideration that meets the definition of a financial instrument is classified as equity, then it is not remeasured and settlement is accounted for within equity. Otherwise, other contingent consideration is remeasured at fair value at each reporting date and subsequent changes in the fair value of the contingent consideration are recognised in profit or loss.

If share-based payment awards (replacement awards) are required to be exchanged for awards held by the acquiree's employees (acquiree's awards), then all or a portion of the amount of the acquirer's replacement awards is included in measuring the consideration transferred in the business combination. This determination is based on the market-based measure of the replacement awards compared with the market-based measure of the acquiree's awards and the extent to which the replacement awards relate to pre-combination service.

Loss of control

When the Group loses control over a subsidiary, it derecognises the assets and liabilities of the subsidiary, and any related non-controlling interests and other components of equity related to the subsidiary. Any profit or loss deriving from the loss of control is recognised in profit/(loss) for the year. Any interest retained in the former subsidiary is measured at fair value when control has been lost.

Transactions eliminated on consolidation

Intra-group balances and significant transactions and any unrealised gains and losses arising from intra-group transactions are all eliminated in preparing the consolidated financial statements. Unrealised gains and losses arising from transactions with jointly controlled entities are eliminated to the extent of the Group's interest in the entity. The related tax effect is calculated for all consolidation adjustments.

III. Consolidation scope

The consolidation scope includes companies directly or indirectly controlled by the Parent, in addition to joint ventures and associates.

Parent:
Iren S.p.A.

Companies consolidated on a line-by-line basis
The four companies responsible for the single business lines and their direct and indirect subsidiaries are consolidated on a line-by-line basis.

1) Iren Ambiente and its subsidiaries:
   - ACAM Ambiente
   - AMIAT V and the subsidiary:
     - AMIAT
   - Bonifiche Servizi Ambientali
   - Bonifica Autocisterne
   - I.Blu
   - Iren Ambiente Parma
   - Iren Ambiente Piacenza
   - Iren Ambiente Toscana and its subsidiaries:
     - Futura
     - Scarlino Energia
     - SEI Toscana and its subsidiary:
       - Ekovision
     - Semia Green
     - Siena Ambiente
     - Valdarno Ambiente and its subsidiaries:
       - CRCM
       - TB
   - Manduriambiente
   - ReCos
   - ReMat
   - Rigenera Materiali
   - San Germano
   - Territorio e Risorse
   - TRM
   - Uniproject

2) Iren Energia and its subsidiaries:
   - Asti Energia e Calore
   - Dogliani Energia
   - Iren Smart Solutions and its subsidiary:
     - Alfa Solutions
   - Maira and its subsidiary:
     - Formaira
   - Iren Green Generation and its subsidiaries:
     - Agrovoltaica
     - Iren Green Generation Tech
     - Limes 1
     - Limes 2
     - Limes 20
   - Valle Dora Energia

3) Iren Mercato and its subsidiaries:
   - Alegas
   - Atena Trading
   - Salerno Energia Vendite

4) IRETI and its subsidiaries:
- ACAM Acque
- Acquaenna
- Amter
- ASM Vercelli
- Consorzio GPO
- Iren Laboratori
- Iren Acqua Piacenza
- Iren Acqua Reggio
- Iren Acqua and its subsidiary:
  - Iren Acqua Tigullio
- IRETI Gas
- Nord Ovest Servizi

The change in the consolidation scope for 2024 is due to the acquisition of control of Siena Ambiente and Agrovoltaica. Further details on these transactions are provided in Chapter IV below. Business combinations
In addition, the shares held in the company Valdisieve were sold during 2024.

From the point of view of ownership structures, it should be noted that the following interests have changed:
- On 1 January 2024, Siena Ambiente S.p.A. entered the line-by-line consolidation scope of Iren Group and as a result of this consolidation, the percentages of equity interest within the Group changed with reference to the companies Sei Toscana (from 51.031% to 59.295%), Semia Green (from 50.909% to 70.545%), CRCM (from 42.606% to 50.838%), Ekovision (from 51.031% to 59.295%), and Futura (from 90.206% to 91.859%) in which Siena Ambiente holds, directly or indirectly, investments.
- On 30 May 2024, the share capital of the subsidiary REMAT was reduced to zero and reconstituted, with a consequent increase in the investment from 88.426% to 94.77%;
- on 2 August 2024, IRETI acquired 49% of Amter from Iren Acqua, with a consequent increase in its investment from 80.40% to 100%;
- on 30 October 2024, the share capital of the subsidiary Alegas was reduced to zero and reconstituted, with a consequent increase in the investment from 98% to 100%.

In 2024, some corporate transactions became effective, while not involving changes in the consolidation scope, and resulted in a modification of the Group's ownership structure:
- The merger of Romeo 2 into IRETI Gas, of Lab 231 into Alfa Solutions and of Mara Solar, Omnia Power, WFL into Iren Green Generation Tech took effect on 1 January 2024;
- the establishment of the company Iren Acqua Piacenza on 20 June 2024.

For details of the subsidiaries, joint ventures and associates please see the lists included in the Annexes.

IV. Business combinations

BUSINESS COMBINATIONS IN 2024

The business combination carried out by the Group during 2024 involved the acquisition of control of Siena Ambiente.

Business combinations definitively accounted for

Siena Ambiente
On 31 October 2023, Shareholders' Agreements were signed between Iren Ambiente Toscana S.p.A. the Province of Siena and the Siena municipalities concerning the governance of the company Siena Ambiente S.p.A. Said Shareholders' Agreements, by virtue of the amendments to the Articles of Association, approved by the Shareholders' Meeting in extraordinary session held on 31 October 2023 and effective as of 1 January 2024, allow Iren Group to exercise control over the company as of the same date. The Iren Ambiente Toscana S.p.A. 40% investment in Siena Ambiente S.p.A. remains unchanged.
The company operates a municipal waste sorting and valorisation plant, two composting plants, a waste-to-energy plant and a landfill for a total waste treated of about 200,000 tonnes per year.

In the year ended 31 December 2024, the businesses acquired generated revenue of 37,323 thousand euro and a profit of 2,259 thousand euro.
The following table shows the value of identifiable assets acquired and liabilities assumed.

thousands of euro

	Nominal values	FV Adjustment	Fair value
Property, plant and equipment	21,576	-	21,576
Intangible assets with a finite useful life	52,386	18,607	70,993
Equity-accounted investments	1,052	-	1,052
Non-current financial assets	2,586	-	2,586
Other non-current assets	489	-	489
Deferred tax assets	679	-	679
Inventories	160	-	160
Trade receivables	11,713	-	11,713
Sundry assets and other current assets	2,014	-	2,014
Current financial assets	2,025	-	2,025
Cash and cash equivalents	12,880	-	12,880
Employee benefits	(250)	-	(250)
Provisions for risks and charges	(16,019)	-	(16,019)
Deferred tax liabilities	(2,204)	(5,415)	(7,619)
Sundry liabilities and other non-current liabilities	(3,416)	-	(3,416)
Financial liabilities	(36,617)	-	(36,617)
Trade payables	(19,602)	-	(19,602)
Sundry liabilities and other current liabilities	(3,832)	-	(3,832)
Current tax liabilities	(404)	-	(404)
Non-controlling interests held in Group companies	11,254	4,688	15,942
Total net identifiable assets	36,470	17,880	54,350

Trade receivables include gross contractual amounts of 11,883 thousand euro, of which 170 thousand euro considered non-collectable at the date of acquisition.

The analysis carried out for the purpose of allocating the purchase price identified the intangible asset deriving from the concessions relating to three waste treatment plants for which the company is the concessionaire.
The valuation of the concession, amounting to 18,607 thousand euro, was carried out on the basis of the *Multi Period Excess Earning method (MEEM)*, which is based on the principle that the entire current income of a company must be allocated to the assets identified at the time of purchase price allocation. The income attributable to the identified intangible asset can then be derived by difference by deducting the normal remuneration of all other assets (property, plant and equipment and

intangible assets) from total income. The fair value of the intangible asset is thus obtained by discounting the expected residual income over the years of the useful life of the asset.

For the purpose of measuring the goodwill or a gain from a bargain purchase, since this was a business combination achieved without the transfer of consideration, the fair value at the acquisition date of the consideration transferred was considered to be the fair value at the date of acquisition of the prior interest in Siena Ambiente. The latter was determined using the company's discounted cash flow (DCF) prospective method.

Goodwill arising from the acquisition has been recognised as shown in the table below.

	thousands of euro
Fair value at the date of acquisition of the prior interest	24,037
Carrying amount of interest held before acquisition of control	20,767
Restatement of interests at fair value through profit or loss	3,270
Fair value of net identifiable assets	54,352
Non-controlling interests in net identifiable assets	(32,611)
Goodwill	2,296

The goodwill deriving from the acquisition mainly refers to the synergies that are expected to be obtained from the integration of the acquired company in the waste treatment sector. Goodwill recognised in the financial statements will not be deductible for income tax purposes.

OTHER CHANGES IN THE CONSOLIDATION SCOPE IN THE FINANCIAL YEAR 2024

During 2024, the Group acquired control of Agrovoltaica.
This acquisition does not have the characteristics to be defined as a business and is therefore excluded from the scope of IFRS 3 - *Business Combinations*.
At the date of acquisition, the company was in fact substantially the holder of the authorisation to build a photovoltaic plant in Rovigo. Consequently, this transaction represents an acquisition of individual assets/liabilities.
The consideration transferred amounted to 4,793 thousand euro, the carrying amount of the individual assets/liabilities acquired amounted to 2,458 thousand euro, and the carrying amount of the assets to which the price differential was attributed amounted to 2,361 thousand euro.
The surplus of the consideration transferred represents the value of the authorisation held by the special purpose entity acquired (3,288 thousand euro), net of the tax effect (927 thousand euro).

FINAL ACCOUNTING OF THE BUSINESS COMBINATIONS OCCURRING IN 2023 ACCOUNTED FOR PROVISIONALLY AT 31 DECEMBER 2023

Acquaenna

On 31 May 2023, IRETI, through the acquisition from its shareholder COGEN of a 2.367% investment in the share capital, completed the acquisition of control of the company Acquaenna, in which it already held 48.5%, bringing its investment to 50.867%. The total consideration transferred amounted to 8,338 thousand euro.
Acquaenna, has managed the water service in all the municipalities of the Province of Enna since 2004 following the award of a tender procedure that ensured the entrusting of the service to the company set up for this purpose, until 2034. With reference to these territories, the company serves a total of approximately 177 thousand inhabitants.
In the 7-month period ended 31 December 2023, the subsidiary generated revenue of 37,103 thousand euro and a profit of 458 thousand euro. Management believes that if the acquisition had occurred on 1 January 2023, the impact on consolidated revenue would have amounted to 53,562 thousand euro and on consolidated profit for the year would have amounted to a loss of 1,672 thousand euro. In calculating the above amounts, Company Management assumed that the fair value adjustments provisionally determined at the acquisition date would have been the same even if the acquisition had occurred on 1 January 2023.

The following table shows the value of identifiable assets acquired and liabilities assumed.

thousands of euro

	Provisional fair value	FV Adjustment	Registration rights of use	Final fair value
Property, plant and equipment	455	-	-	455
Intangible assets with a finite useful life	65,108	8,566	1,340	75,014
Other non-current assets	10	-	-	10
Inventories	510	-	-	510
Trade receivables	35,284	-	-	35,284
Sundry assets and other current assets	5,123	-	-	5,123
Current financial assets	1,316	-	-	1,316
Cash and cash equivalents	2,518	-	-	2,518
Non-current financial liabilities	(22,237)	-	(1,340)	(23,577)
Employee benefits	(1,295)	-	-	(1,295)
Provisions for risks and charges	(895)	-	-	(895)
Deferred tax liabilities	(335)	(2,416)		(2,751)
Sundry liabilities and other non-current liabilities	(41,335)	-	-	(41,335)
Current financial liabilities	(11,968)	-	-	(11,968)
Trade payables	(14,649)	-	-	(14,649)
Sundry liabilities and other current liabilities	(8,121)	-	-	(8,121)
Current tax liabilities	(189)	-	-	(189)
Total net identifiable assets	9,300	6,150	-	15,450

Trade receivables include gross contractual amounts of 39,550 thousand euro, of which 4,266 thousand euro considered non-collectable at the date of acquisition.

From the analysis performed for the purpose of allocating the purchase price of the company, the carrying amount of the assets of the integrated water service infrastructure was adjusted by 8,566 thousand euro in order to adjust it to the Regulatory Asset Base (RAB). The RAB represents the value of assets for regulatory purposes, calculated on the basis of the rules defined by the Regulatory Authority for Energy Networks and the Environment (ARERA) in order to determine the reference revenue for regulated businesses. In particular, the value of the RAB is determined starting from the historical cost of acquisition or realisation of the assets at the time of their first use, net of any economic and monetary revaluations that may have occurred, revaluing it on the basis of the deflation indices established by ARERA and published every two years when the Water Tariff Method is updated. Assets are depreciated on the basis of the regulatory useful life of each category of non-current asset defined in the above method.

Goodwill arising from the acquisition has been recognised as shown in the table below.

thousands of euro

Cash and cash equivalents	579
Fair value of interest held before acquisition of control	4,510
Restatement of interests at fair value through profit or loss	3,249
Fair value of net identifiable assets	15,450
Non-controlling interests in net identifiable assets	(7,591)
Goodwill	479

The goodwill deriving from the acquisition mainly refers to the development of the business in Sicily and the synergies that are expected to be obtained from the integration of the acquired company in the Integrated Water Service sector. Goodwill recognised in the financial statements will not be deductible for income tax purposes.

ReMat

On 13 June 2023, Iren Ambiente S.p.A. finalised the acquisition, partly through a capital increase and partly through the purchase of shares, of the majority of the share capital of ReMat S.r.l., a start-up active in the recovery of polyurethane foam

(in particular from mattresses, seat padding and furniture), in which Iren Ambiente S.p.A. already owned a non-controlling interest of 9.09%. The new ownership structure sees Iren Ambiente owning 88.43% of the ReMat share capital with a total consideration transferred of 2,189 thousand euro.
In the 6-month period ended 31 December 2023, the subsidiary generated revenue of 1,261 thousand euro and a loss of 368 thousand euro. Management believes that if the acquisition had occurred on 1 January 2023, the impact on consolidated revenue would have amounted to 2,607 thousand euro and on consolidated profit for the year would have amounted to a loss of 846 thousand euro.
As at 31 December 2023, the business combination had been provisionally accounted for by recognising net assets of 437 thousand euro and goodwill of 1,752 thousand euro.
During 2024, the fair value of the identifiable assets acquired and liabilities assumed relating to the acquisition of control of ReMat was definitively determined, and the carrying amounts provisionally recognised in the 2023 financial statements were not changed.

WFL

On 3 October 2023, Iren Green Generation acquired from Granda Energie #3 S.r.l. 100% of the special purpose entity WFL S.r.l., owner of the recently built wind farm in the municipality of Cairo Montenotte (SV), already in operation with a total capacity of 6 MW and for which procedures are underway to authorise an increase in capacity to 7 MW.
The provisional price of the transaction was 12,428 thousand euro. The acquisition represents the entry of Iren into the wind power sector: the expected output of the plant is approximately 18 GWh per year.
In the 3-month period ended 31 December 2023, the subsidiary generated revenue of 450 thousand euro and a profit of 81 thousand euro. Management believes that if the acquisition had occurred on 1 January 2023, the impact on consolidated revenue would have amounted to 1,116 thousand euro and on consolidated profit for the year would have amounted to a profit of 341 thousand euro.
As at 31 December 2023, the business combination had been provisionally accounted for by recognising net assets of 10,959 thousand euro and goodwill of 1,469 thousand euro.
During the year 2024, the fair value of the consideration transferred and the identifiable assets acquired and liabilities assumed related to the acquisition of control of WFL was finally determined. Based on new information learned about facts and circumstances existing at the acquisition date, the fair value of the contingent consideration was increased by 686 thousand euro, while the fair value of the identifiable assets acquired and liabilities assumed recognised provisionally in the 2023 financial statements was not changed. Goodwill definitively recognised amounted to 2,154 thousand euro.

Semia Green

On 11 October 2023, Iren Ambiente Toscana finalised the acquisition of control of Semia Green S.r.l., active in the capture of biogas from landfills. The consideration for the transaction, which was implemented through the purchase of quotas and a quota capital increase, amounted to 1,680 thousand euro. The remaining portion of the capital is held by Siena Ambiente, in which the Group moreover, already has a 40% investment.
In the 3-month period ended 31 December 2023, the subsidiary generated revenue of 516 thousand euro and a loss of 100 thousand euro. Management believes that if the acquisition had occurred on 1 January 2023, the impact on consolidated revenue would have amounted to 2,265 thousand euro and on consolidated profit for the year would have amounted to a loss of 68 thousand euro.
As at 31 December 2023, the business combination had been provisionally accounted for by recognising net assets, including non-controlling interests, of 1,233 thousand euro and goodwill of 447 thousand euro.
During 2024, the fair value of the identifiable assets acquired and liabilities assumed relating to the acquisition of control of Semia Green was definitively determined, and the carrying amounts provisionally recognised in the 2023 financial statements were not changed.

RESTATEMENT OF AMOUNTS AT 31 DECEMBER 2023

In 2023, the Group acquired control of the companies Acquaenna and WFL. For these acquisitions, the final fair value of the consideration transferred, of the identifiable assets acquired and liabilities assumed was determined during the FY 2024, reflecting the best knowledge gained in the interim. In the consolidated financial statements at 31 December 2023, they had therefore been recorded on a provisional basis as permitted by IFRS 3.
In accordance with the provisions of the standard, the update of the fair value occurred with effect from the date of acquisition and, therefore, all changes were made to the financial position of the company acquired at that date. The resulting balances in the consolidated financial statements at 31 December 2023 have been restated to reflect the new amounts. The following are the changes that occurred with reference to the statement of financial position, income statement and statement of cash flows balances for 2023.

Statement of financial position

thousands of euro

	31.12.2023 Published	Fair Value Restatement Acquaenna	Fair Value Restatement WFL	31.12.2023 Restated
ASSETS				
Property, plant and equipment	4,459,512	1,340	-	4,460,852
Investment property	2,031	-	-	2,031
Intangible assets with a finite useful life	3,132,043	8,316	-	3,140,359
Goodwill	247,420	(3,129)	686	244,977
Equity-accounted investments	212,798	-	-	212,798
Other equity investments	10,914	-	-	10,914
Non-current contract assets	232,384	-	-	232,384
Non-current trade receivables	29,416	-	-	29,416
Non-current financial assets	128,937	-	-	128,937
Other non-current assets	163,992	-	-	163,992
Deferred tax assets	400,092	-	-	400,092
Total non-current assets	9,019,539	6,527	686	9,026,752
Inventories	73,877	-	-	73,877
Current contract assets	29,830	-	-	29,830
Trade receivables	1,288,107	-	-	1,288,107
Current tax assets	18,894	-	-	18,894
Sundry assets and other current assets	576,516	-	-	576,516
Current financial assets	242,184	-	-	242,184
Cash and cash equivalents	436,134	-	-	436,134
Assets held for sale	1,144	-	-	1,144
Total current assets	2,666,686	-	-	2,666,686
TOTAL ASSETS	11,686,225	6,527	686	11,693,438

thousands of euro

	31.12.2023 Published	Fair Value Restatement Acquaenna	Fair Value Restatement WFL	31.12.2023 Restated
EQUITY				
Equity attributable to the owners of the parent				
Share capital	1,300,931	-	-	1,300,931
Reserves and Retained Earnings	1,250,525	-	-	1,250,525
Profit for the year	254,845	(93)	-	254,752
Total equity attributable to the owners of the parent	2,806,301	(93)	-	2,806,208
Equity attributable to non-controlling interests	435,152	2,934	-	438,086
TOTAL EQUITY	3,241,453	2,841	-	3,244,294
LIABILITIES				-
Non-current financial liabilities	4,046,976	1,340	-	4,048,316
Employee benefits	87,329	-	-	87,329
Provisions for risks and charges	404,882	-	-	404,882
Deferred tax liabilities	128,186	2,346	-	130,532
Sundry liabilities and other non-current liabilities	581,844	-	-	581,844
Total non-current liabilities	5,249,217	3,686	-	5,252,903
Current financial liabilities	735,693	-	686	736,379
Trade payables	1,634,720	-	-	1,634,720
Current contract liabilities	79,642	-	-	79,642
Sundry liabilities and other current liabilities	333,182	-	-	333,182
Current tax liabilities	80,437	-	-	80,437
Provisions for risks and charges - current portion	331,881	-	-	331,881
Liabilities associated with assets held for sale	-	-	-	-
Total current liabilities	3,195,555	-	686	3,196,241
TOTAL LIABILITIES	8,444,772	3,686	686	8,449,144
TOTAL EQUITY AND LIABILITIES	11,686,225	6,527	686	11,693,438

Income Statement

thousands of euro

	FY 2023 Published	Fair Value Restatement Acquaenna	FY 2023 Restated
Revenue			
Revenue from goods and services	6,301,581	-	6,301,581
Other income	188,800	-	188,800
Total revenue	6,490,381	-	6,490,381
Operating expenses			
Raw materials, consumables, supplies and goods	(2,763,473)	-	(2,763,473)
Services and use of third-party assets	(1,876,663)	-	(1,876,663)
Other operating expenses	(113,865)	-	(113,865)
Capitalised costs for internal work	56,907	-	56,907
Personnel expense	(596,391)	-	(596,391)
Total operating expenses	(5,293,485)	-	(5,293,485)
GROSS OPERATING PROFIT	1,196,896	-	1,196,896
Depreciation, amortisation, provisions and impairment losses			
Amortisation and Depreciation	(600,677)	(252)	(600,929)
Impairment losses on loans and receivables	(71,471)	-	(71,471)
Other provisions and impairment losses	(60,108)	-	(60,108)
Total depreciation, amortisation, provisions and impairment losses	(732,256)	(252)	(732,508)
OPERATING PROFIT	464,640	(252)	464,388
Financial management			
Financial income	37,148	-	37,148
Financial expense	(135,781)	-	(135,781)
Net financial expense	(98,633)	-	(98,633)
Gains on equity investments	6,263	-	6,263
Share of profit or loss of equity-accounted investees, net of tax effects	6,836	-	6,836
Pre-tax profit	379,106	(252)	378,854
Income taxes	(97,095)	70	(97,025)
Profit from continuing operations	282,011	(182)	281,829
Profit (loss) from discontinued operations	-	-	-
Profit for the year	282,011	(182)	281,829
attributable to:			
- the owners of the parent	254,845	(93)	254,752
- non-controlling interests	27,166	(89)	27,077
Earnings per ordinary and savings share			
- basis (euro)	0.20	(0.00)	0.20
- diluted (euro)	0.20	(0.00)	0.20

Statement of cash flows

thousands of euro

	FY 2023 Published	Fair Value Restatement Acquaenna	FY 2023 Restated
A. Opening cash and cash equivalents	788,402	-	788,402
Cash flows from operating activities			
Profit for the year	282,011	(182)	281,829
Adjustments:			
Income taxes for the year	97,095	(70)	97,025
Share of profit (loss) of associates and joint ventures	(6,836)	-	(6,836)
Net financial expense	98,633	-	98,633
Amortisation and depreciation	600,677	252	600,929
Net impairment losses (reversals of impairment losses) on assets	(6,263)	-	(6,263)
Impairment losses on loans and receivables	71,471	-	71,471
Net provisions for risks and other charges	331,537	-	331,537
Capital (gains) losses	5,653	-	5,653
Payment of employee benefits	(9,526)	-	(9,526)
Utilisations of provisions for risks and other charges	(183,755)	-	(183,755)
Change in other non-current assets	(9,518)	-	(9,518)
Change in other liabilities and other non-current liabilities	33,340	-	33,340
Taxes paid	(72,371)	-	(72,371)
ETS Purchase	-	-	-
Other changes in equity	48	-	48
Change in inventories	65,516	-	65,516
Change in contract assets	(85,765)	-	(85,765)
Change in trade receivables	114,247	-	114,247
Change in current tax assets and other current assets	(70,144)	-	(70,144)
Change in trade payables	(664,683)	-	(664,683)
Change in current liabilities	40,433	-	40,433
Change in current tax liabilities and other current liabilities	63,508	-	63,508
Change in market exposure for commodity derivatives	(15,013)	-	(15,013)
B. Net cash and cash equivalents generated by operating activities	680,295	-	680,295
Cash flows from/(used in) investing activities			
Investments in property, plant and equipment and intangible assets	(866,605)	-	(866,605)
Investments in financial assets	(3,309)	-	(3,309)
Investment realisation	18,317	-	18,317
Acquisition of subsidiaries net of cash acquired	(39,565)	-	(39,565)
Dividends collected	4,545	-	4,545
C. Net cash and cash equivalents used in investing activities	(886,617)	-	(886,617)
Cash flows from/(used in) financing activities			
Capital increase	-	-	-
Repurchase of treasury shares	-	-	-
Dividends paid	(176,580)	-	(176,580)
Purchase of investments in consolidated companies	(633)	-	(633)
New non-current loans	330,000	-	330,000
Repayment of non-current loans	(83,467)	-	(83,467)
Repayment of lease liabilities	(17,522)	-	(17,522)
Change in other financial liabilities	12,453	-	12,453
Change in loan assets	(118,281)	-	(118,281)
Interest paid	(95,850)	-	(95,850)
Interest received	3,934	-	3,934
D. Net cash and cash equivalents used in financing activities	(145,946)	-	(145,946)
E. Cash flow for the year (B+C+D)	(352,268)	-	(352,268)
F. Closing cash and cash equivalents (A+E)	436,134	-	436,134

V. Accounting policies

The accounting policies adopted in drawing up these Consolidated Financial Statements of Iren Group at 31 December 2024 are indicated below; the accounting policies described were applied consistently by all the Group entities and have not changed with respect to those adopted as at 31 December 2023.

Property, plant and equipment

- Property, plant and equipment owned

Property, plant and equipment are recognised at contribution, purchase or internal construction cost. This cost includes all directly attributable costs necessary to make the asset available for use (including, when relevant and where a real obligation exists, the present value of the estimated costs of dismantling and removing the asset and reclaiming the site on which it is located), net of trade discounts and rebates.

Financial expense related to the purchase or internal construction of items of property, plant and equipment is capitalised for the part of the cost of the asset until it becomes operative.

If significant items of property, plant and equipment have different useful lives, these components are accounted for separately.

In particular, under this policy, land and buildings located on the land are to be recognised separately; only the buildings are depreciated, while the carrying amount of land is subject to impairment, as described in the section “Impairment losses on non-financial assets” below.

Ordinary maintenance expenses are fully recognised in profit or loss. Other costs of an incremental nature are allocated to the assets to which they refer, in accordance with IAS 16, and depreciated in relation to the residual useful life of the assets to which they refer. Costs that reasonably expect an increase in future economic benefits, such as an increase in useful life, an increase in production capacity, an improvement in product quality or the adoption of production processes that result in a substantial reduction in production costs, are considered to be incremental.

Assets under construction include costs related to the construction of plants incurred until the reporting date. These investments are depreciated once the asset becomes operative.

Property, plant and equipment are depreciated systematically on a straight-line basis annually using economic-technical rates determined in line with their residual useful lives. Landfills are depreciated based on the filling percentage.

The rates applied are provided for in the following table:

	Min. rate	Max. rate
Buildings	1.11%	28.60%
Light constructions	1.50%	25.00%
Vehicles	5.00%	25.00%
Sundry equipment	5.00%	50.00%
Furniture and office machines	5.00%	20.00%
Hardware	6.00%	50.00%
Plants	1.25%	50.00%

The changes in rates compared to 2023 are due to the new companies that came into the full consolidation scope, the updating of the economic and technical useful lives of individual assets and the outcome of the inspections carried out on them by the technicians responsible for the plants.

The table below shows the residual term of the lease contracts on the basis of which the rights of use recognised among property, plant and equipment are depreciated:

	Years	
	from	to
Land	2	93
Buildings	2	57
Plant and machinery	3	14
Industrial and commercial equipment	2	13
Other assets (motor vehicles)	2	9

Grants related to assets are recognised as deferred revenue and taken to profit or loss over the depreciation period of the related item of property, plant and equipment.

- Leased assets

Lessee
IFRS 16 establishes a criterion based on the control (right of use) of an asset to distinguish leases from contracts for services, regardless of the contractual form adopted (lease, rental or hire). The discriminants are: the identification of the asset, the right to replace the same, the right to obtain substantially all the economic benefits deriving from use of the asset and the right to direct the use of the asset underlying the contract.
As lessee, the Group applies the practical expedient of IFRS 16, which requires the recognition of financial assets and related liabilities in the statement of financial position for all lease contracts with a term of more than 12 months, unless the underlying asset has a unit replacement value of less than five thousand euro.
The lease liability is initially measured at the present value of the payments due for the lease, primarily the fixed and/or variable payments contractually provided for and the price to exercise the option if there is a reasonable certainty of exercising it; with regard to the rate used for discounting, reference is made to the marginal financing rate inferred from the market value of the listed debt instruments issued by Iren. Subsequently, the liability is reduced by the principal repaid and, if necessary, restated to take account of new valuations or changes. The residual debt must be accounted for by separating the current portion (within 12 months) from the non-current portion.
The right of use of the asset underlying the lease contract is recognised under property, plant and equipment at cost, consisting of the initial measurement of the financial liability increased by any initial costs incurred. The asset is depreciated over the duration of the lease or, if the transfer of ownership at the end of the lease is provided for, over the expected useful life of the underlying asset. The asset may also be reduced as the result of any impairment losses, and adjusted to take into account any redetermination of the lease liability.

In the statement of financial position, the Group shows right-of-use assets that do not meet the definition of investment property under ‘property, plant and equipment’ and lease liabilities under ‘financial liabilities’.

In the income statement interest on the debt and depreciation are recognised separately, as is any impairment loss on the right-of-use asset.

Lessor
At the inception of a contract or upon amendment of a contract that contains a lease component, the Group allocates the contract consideration to each lease component based on its stand-alone price.
At the inception of the lease, the Group, in its role as lessor, classifies each of its leases as either a finance lease or an operating lease.
For this purpose, the Group generally assesses whether the lease transfers substantially all the risks and rewards associated with ownership of the underlying asset. In this case, the lease is classified as a finance lease, otherwise as an operating lease. As part of this assessment, the Group considers, among other indicators, whether the lease term covers most of the economic life of the underlying asset.
With respect to sub-leases, the Group, as an intermediate lessor, classifies its share in the head lease separately from the sub-lease. For this purpose, it classifies the sub-lease by reference to the right-of-use asset arising from the head lease, rather than by reference to the underlying asset. If the head lease is a short-term lease that the Group has accounted for by applying the above exemption, the sub-lease is classified as an operating lease.
For contracts containing a lease component and one or more lease and non-lease components, the Group allocates the contract consideration by applying IFRS 15.
The Group applies the derecognition and impairment provisions of IFRS 9 to the net investment in leases. The Group periodically reviews estimates of non-guaranteed residual values used in the calculation of gross investment in leases.
The Group recognises payments received for operating leases as income on a straight-line basis over the lease term in ‘other income’.

Investment property

Investment property is initially measured at purchase or construction cost. This cost includes the purchase price and any directly attributable costs. The related transaction costs are recognised among the property costs, when purchase is recognised. Investment property is subsequently measured at cost.
Costs incurred subsequent to the purchase or completion of an investment property are charged to the initial cost of the asset if it is probable that, as a result of such costs, the company will obtain future economic benefits greater than those previously estimated. Otherwise, these costs are charged to profit or loss.
Investment property is systematically depreciated each year on a straight-line basis at rates deemed representative of the residual useful life of the asset.

Intangible assets

Intangible assets are recognised as assets in the statement of financial position when it is probable that the use of the asset will generate future economic benefits and when the cost of the asset can be measured reliably. They are recognised at contribution, acquisition or production cost, including any directly attributable costs.
Development costs are capitalised if all of the following features can be demonstrated:
- the technical feasibility of completing the asset so that it will be available for use or sale;
- the intention to complete the intangible asset and use or sell it;
- the ability to use or sell the intangible asset;
- the ability to reliably measure the expenditure attributable to the asset during its development;
- the availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset;
- it is clear how the asset will generate future economic benefits.

If only one of these requirements is not met, the costs in question are fully expensed in the period in which they are incurred.

Intangible assets with a finite useful life are amortised systematically over their expected future useful life, such that their carrying amount at the end of the reporting period corresponds to their residual useful life or the amount that can be recovered based on the company's business plans. Amortisation begins when the asset is available for use.
Amortisation of intangible assets is calculated on a straight-line basis over the following useful lives:

	Years	
	from	to
Industrial patents and intellectual property rights	3	20
Concessions, licences, trademarks and similar rights	3	80
Software	2	20
Other intangible assets with a finite useful life	2	50

Amortisation begins when the asset is available for use, in other words, when it is able to operate as intended by the company's management. Amortisation ceases at the later of the effective date the asset is classified as held for sale (or included in a disposal group classified as held for sale) in accordance with IFRS 5 and the date when the asset derecognised.

Assets under development and payments on account relate to internal and external costs associated with intangible assets for which ownership of the right has not yet been acquired and have not started to be used in production. These investments are amortised from the date they begin to be used in production.
In accordance with IAS 36, at each reporting date or whenever there is evidence that an intangible asset is impaired, assets under development undergo an impairment test to verify the correspondence between their carrying amount and recoverable amount.

Goodwill

Goodwill is initially recognised at cost. It represents the difference between the purchase cost and the portion of fair value attributable to non-controlling interests and the net fair value referred to the identifiable assets, and current and contingent liabilities acquired. If, after this restatement, the fair value of current and contingent assets and liabilities exceeds the purchase cost, the excess is immediately recognised in profit or loss.
Any goodwill deriving from the acquisition of an associate or joint venture is included in the carrying amount of the investment.
Goodwill is allocated to one or more cash-generating units and is not amortised, but is annually tested for impairment or more frequently if specific events or changes in circumstances indicate that impairment may have taken place (see section on "Impairment losses on non-financial assets").

Non-current assets held for sale - Discontinued operations

A non-current asset (or group of assets and liabilities held for disposal) is classified as available for sale if its carrying amount will be recovered mainly through a sale transaction rather than through its continued use. Immediately prior to the initial classification of the asset (or disposal group) as held for sale, the carrying amounts of the asset are measured in accordance with the Group's accounting policies. The asset (or disposal group) is then recognised at the lower between its carrying amount and its fair value less costs to sell. Impairment loss on a disposal group is initially taken to goodwill, then to the residual assets and liabilities on a proportional basis, except for inventories, financial assets, deferred tax assets, employee benefits, investment property and biological assets, which continue to be measured in accordance with Group accounting policies. Impairment losses on the initial classification of an asset as held for sale compared to subsequent measurements are recognised in the income statement. Reversals of impairment losses are recognised only to the extent of any accumulated impairment loss.

Discontinued operations represent a part of the group that has been discontinued or classified as held for sale, and:

a. represents an important business unit or geographical segment;
b. is part of a single coordinated disposal plan or an important autonomous business unit or geographical segment;
c. is a subsidiary acquired solely with a view to resale.

If a single non-current asset is involved (e.g. a property or an investment in an associate), the recognition of profit or loss from the disposal or valuation depends on the nature of the asset.
If it is a discontinued operation and is a material component of the item "Profit/loss from discontinued operations", a single amount is recorded represented by the total of:

i. profit or loss on the discontinued operation, net of tax effects; and
ii. the capital gain or loss, net of tax effects, recognised after the fair value measurement, net of costs to sell or actual disposal of the asset.

The income statement of the comparative period is restated in order to guarantee consistent comparison.
If the asset is immaterial, revenue and costs from the discontinued operation continue to be recognised on a line-by-line basis under the related income statement items, whilst the profit/loss from discontinued operations includes only the capital gain or loss referred to under point ii) above.

Service concession arrangements

IREN Group is subject to application of IFRIC 12, which defines the recognition and measurement criteria to be adopted in agreements between public and private sectors related to development, financing, management and maintenance of concession-based infrastructures. In particular, should the grantor control the infrastructure by regulating and controlling the characteristics of the services supplied and the applicable prices, as well as by maintaining a residual interest in the activity, the operator will acquire either the right to use said infrastructure, or the financial asset, or both, based on the agreements made. Therefore, the operators that are included in the above cases cannot recognise the assets assigned as property, plant and equipment in the statement of financial position, regardless of the acknowledgement of ownership in favour of the same operators included in the service concession arrangements.
In particular, the operator purchases a financial asset to the extent that it has an unconditioned contractual right to payment or another financial asset from, or upon instruction of, the grantor with reference to the building services. The financial asset recognised is subject to the provisions of IAS 32, IFRS 9 and IFRS 7.
The operator purchases an intangible asset to the extent that it has a right (licence) to receive payment from users of the public utility. The right to receive payments from users is not an unconditional right to receive payments since the amounts depend on the extent to which the public uses the service. The intangible asset recognised is subject to the provisions of IAS 38.
If the operator is paid for the construction services partly with a financial asset and partly with an intangible asset, the two amounts composing the payment to the operator shall be recognised separately. The payment received or to be received for both items is initially recognised at the fair value of the amount received or to be received and disclosed in the relevant revenue item.
With reference to the grants received on non-current assets, included in the application of IFRIC 12, these grants are classified under Other liabilities, divided between current and non-current, while the related disbursement is included in Other revenue.

Impairment losses on non-financial assets

The IFRS require a company to assess whether there are any specific indications of impairment. An impairment test is performed, which consists of estimating the recoverable amount of the asset and comparing it to its carrying amount.
The recoverable amount is the higher of fair value less costs to sell (if an active market exists) and the value in use of the asset. Value in use is the present value of the future cash flows expected to be derived from an asset or Cash-Generating Unit, inclusive of taxes, by applying a discount rate, before taxes, which reflects the current market assessments of the time value of money and risks specific to the asset. If the recoverable amount of an asset is less than its carrying amount, an impairment loss is recognised. If the impairment loss recognised in prior periods no longer exists or has decreased, the carrying amount of the asset or cash-generating unit is increased, with a balancing item in profit or loss, up to the estimated new recoverable amount. The latter amount shall not exceed the carrying amount that would have been determined if no impairment loss had been recognised. The reversal of an impairment loss is not applicable to goodwill.
The value in use is generally defined by discounting the cash flows expected from use of the asset or Cash Generating Units and from the amount expected from its disposal at the end of its useful life.
The Cash Generating Units were identified in keeping with the Group's organisational and business structure, as assets that generate independent incoming cash flows deriving from continuous use of the same.
Assets that are not subject to amortisation (goodwill and other intangible assets with an indefinite useful life) and intangible assets that are not yet available for use are tested for impairment annually, even if no indication of impairment exists.

Financial instruments

All financial instruments, including derivatives, are recognised in the statement of financial position when the group becomes a party to the agreement and therefore acquires a right to receive cash flows or an obligation to pay.

- Financial assets and liabilities

At the moment of initial recognition the financial asset or liability is measured at fair value plus or minus, in the case of a financial asset or liability not measured at fair value recognised in the income statement, the transaction costs directly attributable to the acquisition or issue of the financial asset or liability. After initial recognition the financial asset or liability is measured as described below.

Financial assets are classified in three categories: a) financial assets measured at amortised cost; b) financial assets measured at fair value through other comprehensive income (FVOCI); c) financial assets measured at fair value through profit or loss (FVTPL).
The classification under the categories indicated above is made on the basis of the entity's business model and in relation to the characteristics of the cash flows generated by the said assets:

a. a financial asset is measured at amortised cost if the entity's business model envisages that the financial asset is held to collect the related cash flows (therefore, substantially, not to make a profit also from sale of the instrument) and the characteristics of the cash flows of the asset correspond only to payment of principal and interest;
b. a financial asset is measured at Fair Value with a balancing item in Other Comprehensive Income if it is held with the objective both of collecting the contractual cash flows, and of being sold (Hold to Collect and Sell model);
c. finally if it is a financial asset held for trading and in any case does not come within the cases indicated in points a) and b) it is measured at fair value through profit or loss.

At each reporting date all financial assets, with the exception of those measured at fair value recognised in profit (loss) for the year, are subjected to an impairment test to determine whether there is objective evidence that can lead to the belief that the value of the asset is not fully recoverable. In accordance with what is provided for in IFRS 9, the impairment model adopted by Iren Group is based on expected credit losses, where "loss" means the present value of all cash shortfalls considering forward-looking information. According to the general approach concerning all financial assets, the expected credit loss is a function of probability of default (PD) of the loss given default (LGD) and exposure at default (EAD): the PD represents the probability that an asset will not be repaid and will go into default; the LGD is the amount of money lost when a borrower defaults on a loan; the EAD represents the exposure claimed against the counterparty, including any guarantees, collateral, etc. The estimate is made initially on the expected credit losses in the subsequent 12 months; in view of any gradual deterioration of the financial asset, the estimate is adjusted to cover the expected credit losses along the entire life of the financial asset.

Financial liabilities are generally classified as measured at amortised cost, with the exception of derivatives which are measured at fair value through profit or loss. Changes in the fair value of a financial liability designated as measured at fair value through profit or loss, if these are due to a change in the creditworthiness of the liability itself are recognised under other comprehensive income.

- Other equity investments

Other equity investments, consisting of non-controlling interests in unlisted companies that the Group intends to keep in its portfolio in the near future, are measured at FVTPL – fair value through profit and loss.

- Hedging instruments

The Group holds hedging instruments, acquired for non-speculative purposes, solely to hedge its exposure to currency, interest rate and commodity risks.
A hedging relationship qualifies for hedge accounting if all of the following conditions are met:

- at the inception of the hedge there is formal designation and documentation of the hedging relationship and the group's risk management objective and strategy for undertaking the hedge;
- the hedge is expected to be highly effective in offsetting changes in fair value (fair value hedges) or cash flows (cash flow hedges) attributable to the hedged risk;
- for cash flow hedges, an expected future transaction that is hedged must be highly probable and must present an exposure to changes in cash flows that might ultimately affect profit or loss;
- the effectiveness of the hedge can be reliably measured, i.e. the fair value or cash flows of the hedged item and the fair value of the hedging instrument can be reliably measured;
- the hedge is assessed on an ongoing basis and is considered highly effective throughout the entire life of the derivative.

Hedging instruments are recognised at fair value, determined with measurement models appropriate to each type of financial instrument using, where available, the forward curves of both regulated and unregulated markets (intrinsic value); for options, the fair value is supplemented with the time value component, which is based on their residual life and the volatility of the hedged item.
At each reporting date, hedging instruments are tested for effectiveness to check whether the hedge still meets the requirements for designation as effective and can be recognised using hedge accounting. A hedging relationship is effective if:

- there is an economic relationship between the hedged instrument and hedging instrument;
- the credit risk effect does not dominate the change in value that results from the economic relationship;
- the ratio between the quantity of the hedging instrument and the quantity of the hedged instrument in terms of relative weight does not determine an imbalance in terms of the hedge ratio.

If the requirements for the application of hedge accounting are met:

- for a cash flow hedge, changes in the fair value of the hedging instrument are recognised in equity for the effective portion of the hedge (intrinsic value), and in profit or loss for the time value component and any ineffective portion (over-hedging);
- for fair value hedges, changes in the fair value of both the hedging instrument and the hedged item are recognised in profit or loss.

If the hedge does not meet the criteria for hedge accounting, the gains or losses deriving from measurement at fair value of only the hedging instrument are fully recognised in profit or loss.

Considering the provisions of IFRS 7 on the fair value hierarchy, as extended by IFRS 13, for each category of financial instrument measured at fair value the fair value hierarchy is as follows:

- Level 1: quoted prices (unadjusted) on active markets for identical assets or liabilities;
- Level 2: Inputs other than Level 1 quoted prices which are observable for the asset or liability, either directly (as in the case of prices), or indirectly (i.e. derived from prices);
- Level 3: Inputs for the asset or liability which are not based on observable market data (.

- Trade receivables and payables

Trade receivables and payables, with repayment dates that are in line with normal commercial practices, are not discounted as the time value of money is not material for their measurement, and are recognised at fair value (equal to their nominal value). After initial recognition they are measured at amortised cost.
Trade receivables are shown net of loss allowances determined, in accordance with IFRS 9, by applying, instead of the general approach, valid for all financial assets with the exception of those measured at fair value through profit or loss, the simplified approach and, more specifically, the provision matrix model, which is based on identifying the default rates by maturity bands observed on a historical basis, applied for the entire expected life of the receivable and updated on the basis of significant future scenario elements.

- Cash and cash equivalents

Cash and cash equivalents include cash on hand, demand deposits and short-term, highly liquid investments (maturities of three months or less from the date of acquisition) that are readily convertible into known amounts of cash and that are subject to an insignificant risk of changes in value.
Cash and cash equivalents, including ancillary charges, are measured at fair value.
Cash on hand and equivalents in hand are measured at their nominal value.

- Derecognition of financial assets and liabilities

Financial assets are derecognised whenever one of the following conditions occurs:

- the contractual right to receive the cash flows associated with the asset has expired;
- the Group has substantially transferred all the risks and rewards associated with the asset, either by transferring its rights to receive the cash flows from the asset or assuming a contractual obligation to remit the cash flows to one or more beneficiaries under a contract that meets the requirements under IFRS 9 (pass through test);
- the Group has transferred the control of the financial asset but has neither transferred nor retained the risks and rewards associated with the financial asset.

Financial liabilities are derecognised when they are settled, i.e. when the contractual obligation is fulfilled, cancelled or prescribed. When an existing financial liability is replaced by another to the same creditor on substantially different terms, or the terms of an existing liability are substantially modified, such replacement or modification is treated as derecognition of the original liability and recognition of a new liability.
The difference between the respective carrying amounts is taken to profit or loss.

- Contracts for the purchase or sale of non-financial items

Contracts for the purchase or sale of non-financial items, entered into and held on an ongoing basis for the purpose of collection or delivery in accordance with the Group's normal purchase, sale or usage requirements, do not fall within the scope of IFRS 9 and are accordingly recognised as executive contracts, with effect in profit or loss at the time of the physical exchange ('own use exemption').

Inventories

Inventories, mainly made up of materials and supplies for the maintenance and construction of plants, raw materials, i.e. fuel oil and diesel, and gas in relation to the marketing activity, are measured at the lower of cost (purchase cost, transformation and other costs incurred to bring the inventories to their current place and condition) and their expected net realisable or replacement value.
Cost is determined using the weighted average cost method.
If the cost of inventories cannot be recovered because they are damaged, have become entirely or partly obsolete or their sales prices have decreased, they are written down to their net realisable value. If the circumstances leading to the write-down no longer exist, the write-down is reversed.

Equity

Share capital, including the various categories of shares, is stated at its nominal value less share capital proceeds to be received.
The purchase cost of treasury shares is recognised as a reduction in equity.
Costs directly attributable to share capital transactions of the parent, for new subscriptions, are offset against equity.
Dividends are recognised as liabilities when they are approved by the shareholders.

Employee benefits

Post-employment benefits are defined according to plans which, based on their characteristics, are separated into "defined contribution" and "defined benefit" plans.
In defined contribution plans, the company obligation, limited to the payment of State contributions or to a separate fund, is calculated on the basis of contributions due. For the Group, this category includes the post-employment benefits accrued since 1 January 2007, payable to the INPS (the Italian Social Security Institution) fund and the share paid to the supplementary pension funds.
The liability relating to defined benefit plans, net of any plan assets, is calculated according to actuarial assumptions. For the Group, this category includes post-employment benefits accrued up to 31 December 2006 (or the date chosen by the employee if opting for allocation to supplementary funds), the tariff discounts for employees and former employees, additional monthly salary payments, the loyalty bonus paid to employees, and contributions paid to the Premungas fund.
The present value of the liability is calculated for each employee using the projected unit credit method. The total liability is calculated by estimating the amount payable on termination of the employment relations, considering economic, financial and demographic factors. This amount is recognised on a proportional basis over the period of service matured. For post-employment benefits accrued as at 31 December 2006 (or the date chosen by the employee if opting for allocation to supplementary funds), the proportional basis is not applied because at the reporting date the benefits can be considered accrued in full.
The demographic, economic and financial variables are validated annually by an independent actuary.
As regards presentation in the financial statements, the changes in liabilities connected with the obligation related to a defined benefit plan are broken down into three components:
1) operating (service costs), personnel expense;
2) financial (financial expense), net interest income/expense;
3) measurement (remeasurement costs), actuarial gains/losses.

Gains and losses resulting from actuarial calculations for post-employment benefits are immediately recognised in Other comprehensive income, except for the loyalty bonus which is entirely recognised in profit or loss.
With regard to disclosures, information is provided on the characteristics of the plans and the amounts recognised in the financial statements, as well as on the risk resulting from the plans and including a sensitivity analysis of fluctuations in demographic risk.

Provisions for risks and charges

Provisions for risks and charges are set aside to cover liabilities of uncertain amount or maturity that must be recognised when, and only when, the following conditions are met:
- the group has a present obligation (legal or constructive) as a result of a past event at the reporting date;
- it is likely that an outflow of resources embodying economic benefits will be required to settle the obligation;
- a reliable estimate can be made of the amount of the obligation.

Risks for which the related liability is only potential are disclosed in the notes to the financial statements, and no provision is made.
No additional information is provided for events that are remote, i.e. where it is very unlikely they will arise, and no provision is made.
The provisions are recognised at the amount representing the best estimate of the total that the group would pay to settle the obligation, or transfer it to third parties at year end. If the discounting effect on the value of money is significant, the provisions are calculated by discounting expected future cash flows at a pre-tax discount rate that reflects the current market assessment of the time value of money.
On discounting, the time-related increase in the provision is recognised as financial expense.
The post-closure provisions are discounted according to the cash flows indicated in the report prepared by an independent expert.

Revenue from goods and services

Revenue is measured at fair value with respect to the amount received or due, taking account of any trade discounts and reductions connected with quantity. A distinction is made between revenue from operating activities and any financial income accruing up to the date of collection.
For correct recognition of revenue from contracts with customers, reference is made to IFRS 15 which provides for a revenue recognition model based on 5 steps:

1. identify the contract with the customer. Contract means a commercial agreement approved by two or more parties that creates enforceable rights and obligations. A contract is valid when the following conditions are jointly met: a) the parties have approved the contract (in writing or according to usual commercial practices); b) it is possible to identify the customer’s rights as regards the goods or services that must be transferred; c) the payment terms are identifiable; d) the contract has commercial substance; e) it is probable that the price will be collected (only the customer’s ability and intention to pay are considered);
2. identify the “Performance Obligations” contained in the contract. Where a contract provides for the supply/provision of multiple goods and services, it is assessed whether these should be recognised separately or together, considering their individual characteristics.
   Activities carried out to execute the contract, such as administrative formalities for preparing the contract itself, do not transfer separate goods and services to the customer, and therefore do not represent performance obligations. Non-refundable initial expenses charged to the customer are not revenue unless they refer to separate goods and services.
   If under a contract an entity grants the customer an option to purchase future goods or services, that option is a separate performance obligation only if it provides the customer with a benefit that it could not otherwise obtain, such as a greater discount than is typically given for those particular goods or services. An option to purchase goods or services at a price that reflects its stand-alone selling price, is not a separate performance obligation even if it can be obtained only by signing the contract in question.
   In this context, it is determined whether the entity is acting as “principal” or “agent,” depending on whether or not, respectively, it controls the promised good or service before control thereof is transferred to the customer. When the entity acts as an “agent,” particularly with respect to gas and electric grid connection services, revenue is recognised on a net basis;
3. determine the “Transaction Price”. The following elements must be considered in determining the transaction price: a) any amounts collected on behalf of third parties, which must be excluded from the price; b) variable components of the price (such as performance bonuses, penalties, discounts, refunds, incentives, etc.); c) financial component, if the payment terms grant the customer a significant extension;
4. allocate the price to the Performance Obligations on the basis of the “Relative Stand Alone Selling Price”. For any bundled supplies, the selling price is generally allocated on the basis of the stand-alone price of each good or service, i.e., the price at which the Group would sell such good or service separately to the customer;
5. recognise revenue when the Performance Obligation is satisfied. The asset or service is transferred when the customer obtains control over the asset or service and that is when it has the ability to decide and/or direct its use and obtain substantially all its benefits. The transfer of control, and consequently the recognition of revenue may occur at a certain point in time or over time.

For each obligation fulfilled over time, revenue is recognised by evaluating progress toward complete fulfilment of the obligation. On the asset side, contract assets, specifically identified in the financial statements, represent the right to the price for goods and services transferred to the customer when said right is subject to a condition other than the passage of time.
When said right is unconditional, i.e. collection of the price depends solely on the passage of time, an asset is recognised.
If the customer pays the price before the transfer of goods or services occurs, a contract liability is recognised at the time payment is made (or payment is due); this liability is recognised as revenue when the obligation under the contract is fulfilled.

With reference to the Group's operating segments, it should also be noted that:

- revenue from the sale of electricity, gas and heat to customers is recognised at the time of supply and includes the estimated amount relating to supplies made but not yet invoiced. This estimate is based on the customer's historical consumption profile, adjusted to reflect weather conditions or other factors that may affect the estimated consumption;
- revenue from network businesses (electricity, gas and water distribution) is entered on the basis of the tariffs determined by the competent Authorities to reflect the remuneration paid for the investments made;
- revenue relating to contracts for the energy efficiency upgrading of buildings or plants is recognised on the basis of the stage of completion of the contract work, deduced from the total estimated costs incurred, by means of the recognition of a contract asset until the obligation has been fully met.

In the event of contractual amendment, that is a change in the subject and/or the price of the contract approved by the parties, if the amendment introduces new separate goods and/or services and the increase in the contractual price is equal to the stand-alone selling price of the new goods and/or services, the contractual amendment is accounted for as a new contract. If the two aforementioned conditions are not met and the goods and/or services still to be delivered are separate with respect to what has already been transferred to the customer before the amendment, the change is treated as cancellation of the old contract and introduction of a new contract with prospective effect on revenue; otherwise the amendment is treated as continuation of the original contract with retrospective effect on revenue.

The costs of obtaining contracts with customers are capitalised in accordance with the provisions of IFRS 15 and are amortised over the duration of the relationship with the customer. In order to determine this expected period, reference is made to historical experience with churn rates.

Grants related to assets and grants related to income

Grants related to assets are recognised, when they become payable, as deferred revenue and systematically recognised as income over the useful life of the asset to which they refer. The deferred revenue relating to the grants themselves is reflected in the statement of financial position as other liabilities, with appropriate separation between the current portion and the non-current portion.
Grants related to income are recognised in profit or loss when the recognition criteria are met, i.e. when their recognition as a balancing entry of supply costs related to the grants is certain.
Connection grants invoiced by companies that provide the distribution service as reimbursement of the costs incurred for the connection/meter installation under the terms of IFRS 15 cannot be considered part of the price of the distribution service because there is no transfer of control over the asset. They are therefore deferred and released along the life of the asset of reference in line with what is envisaged for tariff purposes.

Other income

Other income includes all kinds of revenue not included in the previous types and not of a financial nature.
Income is measured at the fair value of the consideration received or receivable and is recognised when the amount of revenue can be reliably estimated and it is probable that the economic benefits of the transaction will flow to the group.

Costs for the purchase of goods and services

Costs are measured at the fair value of the amount paid or to be paid. Costs for the acquisition of goods and services are recognised when their amount can be reliably determined. Costs for the purchase of assets are recognised upon delivery which, based on outstanding agreements, identifies the moment of transfer of the related risks and rewards. Costs for services are recognised on an accruals basis upon receipt.

Financial income and expense

Financial income and expense are recognised when they accrue on the basis of the interest earned on the net amount of the related financial assets and liabilities using the effective interest rate.
Borrowing costs that are directly attributable to the acquisition, construction or production of a plant are capitalised since it is probable that they will result in future economic benefits for the group and are reliably determined.

Income taxes

Income taxes include all the taxes calculated on the Group's taxable income.
Current and deferred taxes are recognised as income or expense and included in the profit or loss for the year, except to the extent that the tax arises from a transaction or event that is recognised, in the same or a different year, directly in equity.
Current tax is the expected tax payable on the taxable income for the year, applying the tax legislation enacted or substantially enacted at the reporting date. Deferred tax liabilities are calculated based on the temporary differences between the carrying amounts of assets and liabilities in the consolidated financial statements and the amounts used for taxation purposes.
Deferred tax assets are recognised only when their recovery is probable.
Deferred tax liabilities have been calculated considering the expected tax rate for the year in which the differences will reverse.

The Group also exercised the option, pursuant to Art. 118 of the new Consolidated Law on Income Tax. This requires that the consolidated companies transfer their IRES debit/credit positions to the Parent IREN S.p.A. The latter then calculates IRES on the algebraic sum of taxable profits/losses of each company taking part in the tax consolidation scheme.
In return for the taxable income earned and transferred to the parent, the consolidated company commits to paying "tax settlements" to the parent equal to the amount of taxes owed on the income transferred, net of the transferred IRES assets.

Uncertainty of income tax treatment

The definition of uncertainty should consider whether a given tax treatment would be acceptable to the Tax Authority. If it is considered probable that the Tax Authority will accept the tax treatment (the term "probable" being understood as "more likely than not"), then the Group recognises and measures its current or deferred tax assets and liabilities by applying the provisions of IAS 12.
Conversely, if the Group believes that it is not likely that the Tax Authority will accept the tax treatment for income tax purposes, the Group reflects the effect of such uncertainty by using the method that best provides for the resolution of the uncertain tax treatment. The Group decides whether to consider each uncertain tax treatment separately or in conjunction with one or more uncertain tax treatments, choosing the approach that best provides for resolution of the uncertainty. In assessing whether and how uncertainty affects tax treatment, the Group assumes that the Tax Authority does or does not accept uncertain tax treatment on the assumption that the Tax Authority, on audit, will check the amounts it is entitled to examine and that it will be fully aware of all relevant information. The Group reflects the effect of uncertainty in determining current and deferred income taxes, using either the expected value method or the most probable amount method, depending on which method best provides for resolution of the uncertainty. Since uncertain tax positions relate to the definition of income taxes, the Group reports uncertain tax assets/liabilities as current taxes or deferred taxes.

Translation criteria for foreign currency items

The functional and reporting currency adopted by the Group is the Euro. When transactions in foreign currency are made, they are initially recognised at the exchange rate in effect on the transaction date. Except for non-current assets, assets and liabilities in foreign currency are recognised at the closing rate and related exchange rate gains and losses are recognised in the income statement. Any net gain that emerges is set aside in a special reserve unavailable until the date of realisation.

Emission Trading Scheme

The Emission Trading Scheme is part of the so-called 'flexible mechanisms' allowed under the Kyoto Protocol to reduce greenhouse gas emissions. In this context, the Group actively participates in the emissions trading scheme, contributing to the achievement of the reduction targets set by the national reduction plan.
The emission quotas purchased as part of the activities related to the achievement of these objectives in excess of the requirements, determined in relation to the obligations accrued at the end of the financial year (so-called "surplus"), are recorded under other intangible assets at cost incurred. Quotas received free of charge are not recognised. Since it is an asset with instantaneous use, this item is not subject to amortisation.
With regard to the obligations relating to the year, if the requirement exceeds the quotas in the portfolio at the reporting date (so-called "deficit"), the charge necessary to meet the residual obligation is allocated in the financial statements, estimated on the basis of any purchase contracts, including forward contracts, already entered into at the reporting date and, residually, market prices.
Any emission quotas held for trading which are still unsold at year end are recognised in the statement of financial position under Inventories. These quotas are measured at the lower of cost and market value.

Other energy certificates

Closely related to the activities carried out, the Group is interested in certain types of incentives or energy certificates strictly related to the performance of specific activities aimed at energy saving and the introduction into the electricity system of energy produced from renewable sources. In particular, the Group received:

- from the Energy Services Operator ("Gestore dei Servizi Energetici" - GSE) the ex-green certificate incentive, as established by the Ministerial Decree of 6 July 2012, valid for the production of plants that already benefited from green certificates;
- from the Energy Services Operator (GSE), tradable certificates that certify that energy-saving work has been carried out (Energy Efficiency Certificates – "EECs"- the so-called "white certificates").

For accounting purposes, these cases are treated as follows:
- the incentive tariff (formerly referred to as green certificates) deriving from the annual production of electricity from renewable sources is recognised on the basis of the accruals concept when the right matures;
- white certificates are accounted for in a slightly different way according to whether the entity is obliged or not obliged to return the EECs.

In fact, entities that are obliged to return EECs recognise among other income the grant received related to the obligation for the year and among cost for raw materials the cost of EECs purchased to meet this obligation in the year of accrual. If the EECs purchased exceed the compulsory amount, the cost of the exceeding purchased certificates is discounted; conversely, if the certificates purchased are not enough to meet obligations, the cost of certificates to be purchased will be allocated to meet the compulsory amount for the year.
Entities not obliged to return the EECs:
- if they operate in trading activities, recognise revenue and costs of the certificates bought and sold and suspend among Inventories any unsold certificates, measured at the weighted average cost and at the lower between cost and market;
- if white certificates mature in the context of energy efficiency and energy saving activities, the related revenue is recognised as it accrues.

Power Purchase Agreements

Power Purchase Agreements (PPAs), i.e. long-term contracts, at negotiated prices, between an energy producer/seller and a customer, which:
- involve the physical delivery of the commodity;
- do not meet the requirements of IFRS 10 for the existence of control or joint control over a company or asset and IFRS 16 for the recognition of a lease
- comply with the definition of a derivative in IFRS 9

are accounted for by applying the own use exemption when the relevant conditions are met.
With reference to Virtual PPAs (bilateral contracts without physical delivery, which provide for a consideration ‘for difference’ with respect to market prices against a strike price), which meet the definition of a derivative under IFRS 9, please refer to the section ‘Recognition of derivatives’ in the chapter ‘Group Financial Risk Management’.

Earnings per share

- Basic earnings per share

The group calculates basic earnings per share on the basis of the profit or loss attributable to shareholders holding ordinary shares of the parent. Basic earnings per share is calculated by dividing the profit or loss for the year attributable to shareholders holding ordinary shares by the weighted average number of ordinary shares outstanding during the year.

- Diluted earnings per share

The group calculates diluted earnings per share based on the profit or loss attributable to shareholders of the parent.
For the purposes of calculating diluted earnings per share, the number of ordinary shares is the weighted average number of ordinary shares plus the weighted average number of ordinary shares that could be issued on conversion to shares of all potential ordinary shares with dilutive effects. This conversion takes place at the beginning of the year or at the date of issue of the potential ordinary shares.

ACCOUNTING STANDARDS, AMENDMENTS AND INTERPRETATIONS APPLIED AS OF 1 JANUARY 2024

As of 1 January 2024, the following accounting standards and amendments to accounting standards, issued by the IASB and endorsed by the European Union, are obligatorily applicable:

Amendments to IFRS 16 - Leases Lease Liability in a Sale and Leaseback
Issued on 22 September 2022, its purpose is to clarify the impact that a sale or leaseback transaction could have on a financial liability with variable payments that are not index- or rate-related.

Amendments to IAS 1 - Classification of liabilities as current or non-current and Non-current liabilities with covenants
Issued on 23 January 2020 and 31 October 2022, they provide clarifications on the classification of liabilities as current or non-current.

Amendments to IAS 7 and IFRS 7 – Supplier Finance Arrangements
Issued on 25 May 2023, it provides clarification on the correct representation of the effects of reverse factoring.

The application of the amendments to the aforementioned IFRS did not have any consequences or, in any case, significant effects on the Group's financial position and performance.

ACCOUNTING STANDARDS, AMENDMENTS AND INTERPRETATIONS ENDORSED BUT NOT YET APPLICABLE AND NOT ADOPTED IN ADVANCE BY THE GROUP

Amendments to IAS 21 – Lack of exchangeability
Issued on 15 August 2023, it amends IAS 21, which did not contain explicit provisions for determining the exchange rate. The amendments introduce requirements for determining when a currency can be translated into another currency and when it is not. The amendment is applicable as of 1 January 2025.

ACCOUNTING STANDARDS, AMENDMENTS AND INTERPRETATIONS NOT YET ENDORSED BY THE EUROPEAN UNION

Amendments to IFRS 9 and IFRS 7 – Amendments to the classification and measurement of financial instruments
Issued in May 2024, in response to questions on the derecognition of financial liabilities, the classification of financial assets and related disclosures. The amendments are applicable from 1 January 2026.

Amendments to IFRS 9 and IFRS 7 - Contracts referencing nature-dependent electricity
On 18 December 2024, the IASB issued amendments to improve the reporting by companies of the financial effects of contracts referencing nature-dependent electricity, often structured as power purchase agreements (PPA). The amendments are applicable from 1 January 2026.

IFRS 18 - Presentation and Disclosure of Financial Statements
Published by the IASB on 9 April 2024, it supersedes IAS 1 Presentation of Financial Statements and establishes significant new requirements for the presentation of financial statements, with the intention of improving the comparability and transparency of companies' performance reporting. It is effective for annual reporting periods beginning on or after 1 January 2027.

IFRS 19 Subsidiaries without Public Accountability: Disclosures
Issued on 9 May 2024, it allows eligible subsidiaries (i.e. reporting to a parent that prepares consolidated financial statements in accordance with the IFRS) to apply reduced disclosure requirements when complying with the recognition, measurement and presentation requirements of the IFRS. It is effective for annual reporting periods beginning on or after 1 January 2027.

VI. Group Financial Risk Management

A summary of the risk management and control methods is shown below with respect to financial instruments (liquidity risk, currency risk, interest rate risk, credit risk) and *commodity* price risk related to fluctuations in the prices of energy *commodities*.

1. FINANCIAL RISKS
Iren Group's business is exposed to various types of financial risks, including: liquidity risk, currency risk and interest rate risk. As part of its Risk Management activities, the Group uses non-speculative hedging contracts to limit currency risk and interest rate risk.

a) Liquidity risk
Liquidity risk is the risk that financial resources available to the group will be insufficient to cover financial and trade commitments in accordance with the agreed terms and deadlines. The procurement of financial resources has been centralised in order to optimise their use. In particular, centralised management of cash flows at Iren makes it possible to allocate the funds available at the Group level according to the needs that from time to time arise among the individual Companies. Cash movements are recognised in intra-group accounts along with intra-group interest income and expense. A number of investees have an independent financial management structure in compliance with the guidelines provided by the parent.
The current and forecast financial position and the availability of adequate credit facilities are constantly monitored, and no critical points have emerged regarding the coverage of short-term financial commitments. At the end of the year, short-term bank credit facilities used by the Parent were nil.

In addition, having assessed the convenience and advisability from time to time in the context of optimising available financial resources, the Group carries out non-recourse factoring of trade receivables and tax assets, benefiting from the liquidity advance arising therefrom.
In this context, to support the Group's liquidity profile and rating level, in addition to current cash and cash equivalents, Iren has a total of 695 million euro, including medium/long-term credit lines agreed and available but not used (495 million euro) and the committed Sustainability-Linked revolving credit facilities (RCF), agreed in December 2023 with Unicredit and BPER (200 million euro).

The table below illustrates the nominal cash flows required to settle financial liabilities:

Financial liabilities at 31 December 2024:

thousands of euro

	Carrying amount	Contractual cash flows	within 12 months	1-5 years	Over 5 years
Loan and bond liabilities (*)	4,931,344	(5,552,053)	(664,097)	(2,382,942)	(2,505,014)
Hedging of interest rate risk (**)	(478)	478	2,727	(2,316)	67
Lease liabilities	69,542	(75,407)	(18,566)	(44,339)	(12,502)

(*) The carrying amount of "Loan and bond liabilities" includes both current and non-current portions.

(**) The carrying amount of "Hedging of interest rate risk" includes the positive and negative fair value of the hedging contracts.

Financial liabilities at 31 December 2023:

thousands of euro

	Carrying amount	Contractual cash flows	within 12 months	1-5 years	Over 5 years
Loan and bond liabilities (*)	4,528,978	(4,928,613)	(668,182)	(2,255,013)	(2,005,418)
Hedging of interest rate risk (**)	2,279	(2,279)	18,259	(9,895)	(10,643)
Lease liabilities	62,382	(67,070)	(16,227)	(37,099)	(13,744)

(*) The carrying amount of "Loan and bond liabilities" includes both current and non-current portions.

(**) The carrying amount of "Hedging of interest rate risk" includes the positive and negative fair value of the hedging contracts.

Cash flows required to settle other financial liabilities, other than those to lenders and those related to the application of IFRS 16 on the subject of *leases*, do not differ significantly from the recognised carrying amount.

Among the factors that define the risk perceived by the market, the creditworthiness, assigned to Iren by the rating agencies, plays a decisive role since it influences its ability to access sources of financing and the related economic conditions. A substantial worsening of this credit rating could constitute a limitation to access to the capital market and/or an increase in the cost of financing sources, with possible negative effects on the Group's financial position and performance.
As detailed in the "Financial Management" section of the Directors' Report, Iren Group has a "BBB" rating with a "Stable" Outlook for long-term creditworthiness with the agency Standard & Poor's Global Ratings (S&P), confirmed on 23 July 2024, following the update of the business plan to 2030, and the "BBB" rating with "Stable" Outlook for long-term creditworthiness with the agency Fitch Ratings, with confirmation of the "BBB" rating and revision of the Outlook to "Stable" on 26 July 2024, following the update of the business plan to 2030.

Iren has relations with the leading Italian and international banks, for the purpose of searching for the types of loans most suited to its needs, and the best market conditions.
Details of the activities performed in this area and of the individual transactions are shown in the "Financial Management" section of the Directors' Report.

Financial debt at the reporting date consisted of 30% loans and 70% bonds; it is also noted that:
- 89% of total debt is financed by sustainable funds, consistent with the Iren Sustainable Finance Framework, such as Green Bonds and loans whose interest rate is linked to ESG Key Performance Indicators - see also Note 21 "Non-current financial liabilities" of these Notes;
- 70% of the residual debt for loans is contracted at a fixed rate and 30% at a variable rate.

With regard to the liquidity risk potentially deriving from contractual clauses allowing counterparties to withdraw financing should certain events occur (*default* risk and *covenants*), it is noted that the clauses in Iren's loan agreements are complied with. Specifically, for certain medium/long-term loan agreements Iren is committed to observing financial *covenants* (such as Debt/gross operating profit, gross operating profit/borrowing costs) verified on a yearly basis. Moreover, other covenants have been provided for the Change of Control clause, which states that Iren Group should be kept under the direct and indirect control of public shareholders. In addition, Negative Pledge clauses exist whereby the group undertakes not to grant collateral beyond a specific limit, and the *Pari Passu* clause, which reserves an equal treatment for lending banks with respect to the treatment related to other unsecured creditors. The medium/long-term loan agreements of certain companies which contribute to the Group's Net Financial Debt, specifically the Project Finance contract with TRM, envisage the observance of financial covenants which have been complied with.

b) Currency risk
Except as indicated in the section on energy risk, IREN Group is not significantly exposed to currency risk.

c) Interest rate risk
Iren Group is exposed to fluctuations in interest rates, especially with regard to borrowing costs. Iren Group's strategy is to limit exposure to the risk of interest rate volatility, maintaining at the same time a low cost of funding.
For non-speculative purposes, the risks associated with the increase in interest rates are monitored and, if necessary, reduced or eliminated by *swap* and *collar* contracts with financial high credit *standing* counterparties, for the sole purpose of hedging. At the end of the year, all contracts entered into meet the requirement to limit exposure to interest rate risk and also meet the formal requirements for hedge accounting.

The fair value of the aforementioned interest rate hedging contracts as at 31 December 2024 relates to the position of the parent (positive 8,449 thousand euro), of TRM (negative for 8,743 thousand euro) and of Siena Ambiente (positive for 772 thousand euro).
The hedging contracts entered into, together with fixed-rate loans, hedge 94% of loans against interest rate risk, in line with Iren Group's target of maintaining adequate protection against significant increases in the interest rate.

For a more complete understanding of the interest rate risks to which the Group is subject, stress testing was performed on the sensitivity of net financial expense and evaluation portions in derivative financial contracts to changes in interest rates.
As regards financial expense, this analysis was performed on the basis of reasonable assumptions as follows:
- a theoretical increase and decrease of 100 basis points in the Euribor interest rates over the year was applied to net financial debt;
- if there was any existing hedge, interest rate shock was applied to both the debt position and related hedging derivative with an extremely limited net effect on the income statement;
- the change in interest rates is also applied to any portion of interest expense capitalised in the year.

With regard to hedging derivatives at year end, a 100 basis points theoretical increase and decrease was applied to the forward curve of interest rates used to measure the fair value of the hedges.
The table below illustrates the results of the above sensitivity analysis performed with reference to 31 December 2024.

thousands of euro

	increase of 100 bps	decrease of 100 bps
Increase (decrease) in net financial expense	(220)	162
Increase (decrease) in derivative fair value charges	299	(213)
Increase (decrease) in hedging reserve	44,497	(47,069)

2. CREDIT RISK
The Group's credit risk is mainly related to trade receivables deriving from the sale of electricity, district heating, gas and the provision of energy, water and waste management services. The receivables are spread across a large number of counterparties, belonging to non-uniform customer categories (retail and business customers and public bodies); some exposures are of a high amount and are constantly monitored. Iren Group's Credit Management units devoted to credit recovery are responsible for this activity.

In carrying on its business, the Group is exposed to the risk that assets may not be honoured on maturity with a consequent increase in their age and in insolvency up to an increase in assets subject to arrangement procedures or unenforceable. This risk reflects, among other factors, also the current economic and financial situation.
To limit exposure to credit risk, various tools are adopted. These include analysing the solvency of customers at the acquisition stage through careful assessment of their creditworthiness, transferring the receivables of discontinued and/or active customers to external credit recovery companies and introducing new recovery methods for managing legal disputes. In addition, numerous payment methods are offered to customers through channels, including digital channels, and appropriately monitored payment plans are proposed.
Furthermore, starting from June 2023, a revolving without recourse project has been launched with reference to trade receivables relating to invoices of retail customers who do not use direct debit for their payments.

The credit management policy and creditworthiness assessment tools, as well as monitoring and recovery activities, are managed through automated processes and integrated with company applications and differ in relation to the various categories of customers and types of service provided.
Credit risk is hedged, for some types of business customers, with opportune forms of first-demand bank or insurance guarantees issued by subjects of leading credit standing. An interest-bearing guarantee deposit is required for some types of services (water, natural gas, highly- protected electricity sectors) in compliance with regulations governing these activities. This deposit is reimbursed if the customer uses payment by direct debit from a current account.
The payment terms generally applied to customers are related to the legislation or regulations in force or in line with the standards of the free market; in the event of non-payment, default interest is charged for the amount indicated in the contracts or by the legislation.

The control of credit risks is also strengthened by the monitoring and reporting procedures, in order to identify promptly possible countermeasures. Furthermore, on a quarterly basis, a Group report is produced with the evolution of the trade receivables of the Group companies, in terms of customer type, contract status, business chain and ageing range. The assessment of credit risk is carried out both at consolidated level and at the level of Business Units and companies. Some of the above assessments are carried out at intervals of less than three months or when there is a specific need.

With reference to Trade Receivables and their breakdown by Business Unit and ageing bracket, please refer to the contents of Note 14 "Trade Receivables" in chapter X "Notes to the Statement of financial position".

Impairment losses on loans and receivables reflect, carefully and in accordance with the current legislation (applying the IFRS 9 method), the effective credit risks, and are determined on the basis of the extraction from databases of the amounts making up the receivable and, in general, assessing any changes in the said risk compared to the initial measurement and, estimating the related expected credit losses determined on a prospective basis, taking into due consideration the historical data.
In this regard, a breakdown by financial statements item of the estimated expected credit losses recognised in the year is provided.

	thousands of euro
Trade receivables	74,482
Total to IS impairment losses on loans and receivables	**74,482**
Non-current financial assets	20
Total - to IS under Financial expense	**20**
Total	**74,502**

Also with reference to "Trade Receivables", in the related Note to the Statement of Financial Position, the specific loss allowance is reported by segment, with evidence of the average loss percentages by ageing bracket.

There is credit concentration we in the transactions between the subsidiaries Iren Smart Solutions and AMIAT and the municipality of Turin. For further details, see in particular Note "Non-current financial assets" of the Notes to the statement of financial position.

3. ENERGY RISK

Iren Group is exposed to price risk, on the energy commodities traded, these being electricity, natural gas, CO_2 emission quotas, etc., as both purchases and sales are impacted by fluctuations in the price of such commodities directly or through indexing formulae. Currently no exposure to currency risk, typical of oil-based commodities, is present, thanks to the development of the European organised markets that trade the gas commodity in the euro currency and no longer indexed to oil products.

The Group has a formal procedure that provides for the measurement of residual risk, the definition of a maximum acceptable risk limit and the implementation of hedging transactions through the use of derivative contracts on regulated markets (e.g. European Energy Exchange - EEX) and on Over The Counter (OTC) markets involved in bilateral exchanges. The commodity risk control process makes it possible to limit the impact of unforeseen changes in market prices on margins and, at the same time, provides an adequate margin of flexibility to seize opportunities in the short term.

In this context, the Group's policy is in fact oriented to a strategy of active management of the positions to stabilise the margin taking the opportunities offered by the markets; it is implemented by aligning the indexing of commodities purchased and sold, through vertical and horizontal use of the various business chains, and operating on the financial markets.

For this purpose, the Group plans the production of its plants and purchases and sales of energy and natural gas, in relation to both volumes and price formulae. The objective is to achieve sufficient margin stability through a policy of indexed purchases and sales that achieves a high degree of natural hedging, with adequate recourse to futures and spot markets.

In relation to the energy sold, the Group may use fixed-price contracts, through physical bilateral agreements (e.g. Power Purchase Agreements -PPA-, etc.) or financial contracts (e.g. Contracts for Difference, Virtual Power Purchase Agreements -VPP-, etc.).

In addition to normal activity with physical contracts, derivative transactions are in place to hedge the energy portfolio:

- Over the Counter (OTC) on commodities (commodity swaps on TTF, PSV, PFOR and PUN indices) totalling 7.2 TWh. The fair value of these instruments as at 31 December 2024 was negative overall by 7,534 thousand euro (depending on the different positions, of which 34,839 thousand euro of positive fair value and 42,373 thousand euro of negative fair value);
- on the regulated platform European Energy Exchange - EEX, on PUN for a total net notional equal to 3.4 TWh. The Fair Value of these instruments (the so-called "Variation Margin") as at 31 December 2024 is negative overall for 35,721 thousand euro, with daily settlement on a specific current account: these instruments are not in fact specifically valued in the financial statements as they are already expressed in terms of "higher/lower" liquidity.

During the year, Block Deals were performed for a volume of 260 MW (120 MW maturing by 31 December 2024, 30 MW maturing by 31 March 2025 and 110 MW maturing on 31 December 2025) aimed at neutralising the position on EEX, with simultaneous reopening of the OTC position. This strategy made it possible, with a view to containing liquidity risk and for low fees, to eliminate the Initial Margin and to freeze the Variation Margin at the execution date for neutralised EEX transactions.

In addition, under the Emission Trading Scheme, Iren Group purchases Emission Unit Allowances (EUA) to meet its obligations arising from CO2 emissions caused by the production of electricity and heat.

Purchases of EUA take place either Spot (with immediate payment and physical delivery) or forward via Future/Forward (with deferred payment and physical delivery); in addition, they may be concluded either on the OTC market (bilateral contracts with third parties) or directly on the regulated EEX market. The annual domestic requirement to be covered is approximately 2.9-3 million CO2 allowances/tonnes.

As at 31 December 2024, there were outstanding Future/Forward transactions:

- Over the Counter (OTC) for a total of 2,444 thousand tonnes. The Fair Value of these instruments totalled a positive 4,801 thousand euro;
- on the regulated platform European Energy Exchange - EEX for a total net notional amount equal to 894 thousand tonnes. The Fair Value of these instruments is positive overall for 1,930 thousand euro, with daily settlement on a specific current account: these instruments are not specifically valued in the financial statements as they are already expressed in terms of "higher/lower" liquidity.

RECOGNITION OF DERIVATIVES

Financial derivatives are measured at fair value, determined on the basis of market values or, if unavailable, according to an internal measurement technique.
In order to recognise derivatives, it is necessary to distinguish between transactions that meet all of the IFRS 9 requirements in order to account for them in compliance with the hedge accounting rules and transactions that do not fulfil all of the aforesaid requirements.

Transactions recognised in compliance with hedge accounting rules
These transactions may include:

- fair value hedges: the derivative and the hedged item are recognised at fair value in the statement of financial position and the change in their fair values is recognised directly in the income statement;
- cash flow hedges: the derivative is recognised at fair value with a balancing entry in a specific equity reserve for the effective portion of the hedge and in the income statement for the ineffective portion; when the hedged item arises, the amount suspended in equity is reversed to the income statement.

Classification in the income statement of the ineffective portion and the deferred amount transferred from equity is based on the nature of the underlying instrument; in the case of commodity derivatives, this amount is accounted for in the gross operating profit, while in the case of interest rate risk hedges it is recognised in financial income and expense.

Transactions not recognised in compliance with hedge accounting rules
The derivative is recognised at fair value in the statement of financial position. The change in the fair value of the derivative and the realised portion are recognised in the income statement according to the following classification:

- in the case of derivative instruments on commodities for which there is a relationship with a cost or revenue component, in the gross operating profit; in particular, the realised portion is accounted for as an adjustment to the cost or revenue component to which it refers;
- in the case of interest rate risk hedges, in financial income or expense.

Finally, in the case of derivative instruments for which there is no longer a relationship with a cost or revenue component, the change in the fair value of the derivative is recognised in financial income and expense, as they are considered instruments with purely financial characteristics and do not have the characteristics to manage exposures arising from particular risks that could affect the profit for the year.

With regard to the valuation of the derivative among statement of financial position items, it should be noted that the fair value of the derivative is recorded under non-current financial assets/liabilities if the underlying is a non-current item, vice versa it is recorded under current financial assets/liabilities if the underlying is settled within the reporting period.
In the case of derivative instruments for which there is no relationship to a cost or revenue component, the fair value of the derivative is recorded under current or non-current financial assets/liabilities depending on whether the portion is due within or beyond twelve months of the reporting date.

FAIR VALUE

The following table shows, for each financial asset and liability:
- the carrying amount, including the method of accounting;
- the fair value, including the Level in the relative hierarchy.

In this regard, the various levels were defined as shown below:
- Level 1: Quoted prices (unadjusted) on active markets for identical assets or liabilities;
- Level 2: Inputs other than Level 1 quoted prices which are observable for the asset or liability, either directly (as in the case of prices), or indirectly (i.e. derived from prices);
- Level 3: Inputs for the asset or liability which are not based on observable market data.

Loans and bonds
The fair value of loans, level 2, is determined as the sum of estimated future cash flows associated with assets or liabilities, including the related component of financial income or expense, discounted with reference to the reporting date. This present value is determined by applying the forward interest rate curve at the reporting date.
With regard to bonds, the relative fair value (level 1) is derived from the quotation on the regulated markets of the Irish Stock Exchange (Euronext Dublin) and on the ExtraMOT Pro market of Borsa Italiana.

Derivative hedging contracts (rate and commodities)
All the Group's hedging instruments have a fair value which can be classified at level 2, thus measured through valuation techniques, that take, as a reference, parameters that can be observed on the market (e.g. interest rates, commodity prices) and are different from the price of the financial instrument, or in any case that do not require a significant adjustment based on data which cannot be observed on the market. Their fair value is equal to the present value of estimated future cash flows.
In particular:
- with regard to financial instruments hedging interest rate risk, estimates of variable-rate future cash flows are based on quoted swap rates, futures prices and interbank rates, from which the yield curve used to discount the estimated cash flows is also obtained. The fair value thus obtained is subject to Credit Risk Adjusted (CRA) to incorporate the Group's and counterparty's credit risk, with calculation parameters (probability of default and percentage of loss in the event of default) valued in accordance with best market practice;
- with regard to financial instruments hedging commodity risk, estimates of variable future cash flows are based on electricity, gas and EUA price quotations extracted from the main market platforms. Cash flows are discounted and adjusted for the credit risk component, similar to interest rate risk hedging instruments.

Put Options
Financial liabilities for put options relate to the fair value measurement of put options granted to non-controlling investors of I.Blu, Nord Ovest Servizi and ReMat.
With reference to I. Blu and Nord Ovest Servizi, their nominal value, contractually defined between the parties and discounted to take into account the time component with respect to the exercise date, is the directly observable input for the Level 2 fair value measurement.
With regard to ReMat, the fair value of the put option, which is also subject to discounting, is calculated according to the contractual terms based on the best estimate of the company's expected profitability in a given timeframe: the relative fair value is therefore hierarchically entered in level 3.

Finally, it should be noted that there have been no transfers between the various levels of the fair value hierarchy and that information on the fair value of financial assets and liabilities not measured at fair value is excluded when their carrying amount is reasonably representative of their fair value.

The following tables do not include assets and liabilities relating to derivatives stipulated on the EEX market (used for Cash Flow Hedges), which have a daily adjustment of their fair value on a specific current account: they are not specifically valued in the financial statements as they are already expressed in "higher/lower" cash balances.

In order to provide a disclosure as complete as possible, the corresponding figure from the previous year is also indicated.

thousands of euro	Carrying amount				
31.12.2024	Fair value of hedging instruments	Fair Value Through Profit or Loss	Financial assets measured at amortised cost	Other financial liabilities	TOTAL
Financial assets measured at fair value					
Derivative hedging contracts (rate)	21,957				21,957
Derivative hedging contracts (commodities)	39,640				39,640
Assets for variable portion of transfer price OLT Offshore LNG Toscana		21,744			21,744
Other equity investments		8,723			8,723
Total Financial assets measured at fair value	61,597	30,467	-	-	92,064
Financial assets not measured at fair value					
Trade receivables			1,476,294		1,476,294
Loan assets			622,061		622,061
Sundry assets and other assets (*)			409,047		409,047
Cash and cash equivalents			326,568		326,568
Total Financial assets not measured at fair value	-	-	2,833,970	-	2,833,970
Financial liabilities measured at fair value					
Derivative hedging contracts (rate)	(21,479)				(21,479)
Derivative hedging contracts (commodities)	(42,373)				(42,373)
Put options		(7,192)			(7,192)
Total Financial liabilities measured at fair value	(63,852)	(7,192)	-	-	(71,044)
Financial liabilities not measured at fair value					
Bonds				(3,468,196)	(3,468,196)
Loans				(1,463,148)	(1,463,148)
Other financial liabilities (**)				(45,516)	(45,516)
Trade payables				(1,787,198)	(1,787,198)
Sundry liabilities and other liabilities (*)				(384,619)	(384,619)
Total Financial liabilities not measured at fair value	-	-	-	(7,148,677)	(7,148,677)
TOTAL	(2,255)	23,275	2,833,970	(7,148,677)	(4,293,687)

(*) Prepaid expenses and deferred income are excluded

(**) Lease liabilities recognised in accordance with IFRS 16 are excluded

thousands of euro	Fair value			
31.12.2024	Level 1	Level 2	Level 3	TOTAL
Financial assets measured at fair value				
Derivative hedging contracts (rate)		21,957		21,957
Derivative hedging contracts (commodities)		39,640		39,640
Assets for variable portion of transfer price OLT Offshore LNG Toscana			21,744	21,744
Other equity investments				-
Total Financial assets measured at fair value	-	61,597	21,744	83,341
Financial assets not measured at fair value				
Trade receivables				-
Loan assets				-
Sundry assets and other assets (*)				-
Cash and cash equivalents				-
Total Financial assets not measured at fair value	-	-	-	-
Financial liabilities measured at fair value				
Derivative hedging contracts (rate)		(21,479)		(21,479)
Derivative hedging contracts (commodities)		(42,373)		(42,373)
Put options		(6,909)	(283)	(7,192)
Total Financial liabilities measured at fair value	-	(70,761)	(283)	(71,044)
Financial liabilities not measured at fair value				
Bonds	(3,352,358)			(3,352,358)
Loans		(1,468,538)		(1,468,538)
Other financial liabilities (**)				-
Trade payables				-
Sundry liabilities and other liabilities (*)				-
Total Financial liabilities not measured at fair value	(3,352,358)	(1,468,538)	-	(4,820,896)
TOTAL	(3,352,358)	(1,477,702)	21,461	(4,808,599)

The non-current portion of “Financial assets measured at fair value” includes at Level 3 the asset relating to the variable portion of the sale price of OLT Offshore LNG Toscana, amounting to 21,744 thousand euro as at 31 December 2024, the fair value of which is determined on the basis of the application of the price formula provided for in the contract, taking into account the expected profitability of the company and the discount rate inferred from its financial statements. In this regard, a sensitivity on the fair value of this item is reported, expressing the change in it when the expected profitability and discount rate increase/decrease by one percentage point.

		thousands of euro
	+1%	-1%
Profitability (flows)	972	(972)
Discount rate	(695)	728

The fair value level of “Other equity investments” (which refer to companies not listed on regulated markets) is not reported, since the related carrying amount is a reasonable approximation.

thousands of euro	Carrying amount				
31.12.2023 Restated	Fair value of hedging instruments	Fair Value Through Profit or Loss	Financial assets measured at amortised cost	Other financial liabilities	TOTAL
Financial assets measured at fair value					
Derivative hedging contracts (rate)	30,611				30,611
Derivative hedging contracts (commodities)	39,039				39,039
Assets for variable portion of transfer price OLT Offshore LNG Toscana		21,599			21,599
Other equity investments		10,914			10,914
Total Financial assets measured at fair value	69,650	32,513	-	-	102,163
Financial assets not measured at fair value					
Trade receivables			1,317,523		1,317,523
Loan assets			279,872		279,872
Sundry assets and other assets (*)			683,249		683,249
Cash and cash equivalents			436,134		436,134
Total Financial assets not measured at fair value	-	-	2,716,778	-	2,716,778
Financial liabilities measured at fair value					
Derivative hedging contracts (rate)	(32,891)				(32,891)
Derivative hedging contracts (commodities)	(82,674)				(82,674)
Put options		(8,315)			(8,315)
Total Financial liabilities measured at fair value	(115,565)	(8,315)	-	-	(123,880)
Financial liabilities not measured at fair value					
Bonds				(3,021,690)	(3,021,690)
Loans				(1,507,288)	(1,507,288)
Other financial liabilities (**)				(69,455)	(69,455)
Trade payables				(1,634,720)	(1,634,720)
Sundry liabilities and other liabilities (*)				(364,170)	(364,170)
Total Financial liabilities not measured at fair value	-	-	-	(6,597,323)	(6,597,323)
TOTAL	(45,915)	24,198	2,716,778	(6,597,323)	(3,902,262)

(*) Prepaid expenses and deferred income are excluded

(**) Lease liabilities recognised in accordance with IFRS 16 are excluded

thousands of euro 31.12.2023 Restated	Fair value Level 1	Level 2	Level 3	TOTAL
Financial assets measured at fair value				
Derivative hedging contracts (rate)		30,611		30,611
Derivative hedging contracts (commodities)		39,039		39,039
Assets for variable portion of transfer price OLT Offshore LNG Toscana			21,599	21,599
Other equity investments				-
Total Financial assets measured at fair value	-	69,650	21,599	91,249
Financial assets not measured at fair value				
Trade receivables				-
Loan assets				-
Sundry assets and other assets (*)				-
Cash and cash equivalents				-
Total Financial assets not measured at fair value	-	-	-	-
Financial liabilities measured at fair value				
Derivative hedging contracts (rate)		(32,891)		(32,891)
Derivative hedging contracts (commodities)		(82,674)		(82,674)
Put options		(7,238)	(1,077)	(8,315)
Total Financial liabilities measured at fair value	-	(122,803)	(1,077)	(123,880)
Financial liabilities not measured at fair value				
Bonds	(2,769,706)			(2,769,706)
Loans		(1,514,000)		(1,514,000)
Other financial liabilities (**)				-
Trade payables				-
Sundry liabilities and other liabilities (*)				-
Total Financial liabilities not measured at fair value	(2,769,706)	(1,514,000)	-	(4,283,706)
TOTAL	(2,769,706)	(1,567,153)	20,522	(4,316,337)

VII. Information on transactions with related parties

As indicated in the Directors' Report, the information on transactions with related parties is provided below.

Transactions with owners
We present, for the Group's subsidiaries, the main transactions directly carried out with the owner Municipalities which have been classified as related parties (Municipality of Turin, Municipality of Reggio Emilia, Municipality of Parma, Municipality of Piacenza and Municipality of Genoa) where the Group operates.

Through Iren Smart Solutions, the Group operates services awarded by the municipality of Turin, i.e. public street lighting and traffic light services, management of heating and electrical systems of buildings used as administrative offices or to provide services to the community. The services rendered by Iren Smart Solutions are governed by specific long- term agreements. In this context, on 30 June 2022, an agreement was signed between the Municipality of Turin and Iren Smart Solutions for the plant and building upgrading aimed at improving the energy efficiency of 800 buildings in the Municipality of Turin, which is added to the work carried out in recent years on the city's public lighting systems and the heating systems of numerous municipal-owned buildings.
In this regard, an onerous current account contract is in place between the City of Turin and Iren Smart Solutions for management of the past-due amounts related to the above activities.

The Group, through Iren Mercato, supplies district heating heat to the municipalities of Parma, Piacenza and Turin at conditions normally applied to the remaining customers.

Iren Acqua and IRETI provide water services respectively to the municipality of Genoa and to the municipalities of Parma and Piacenza, based on supply contracts similar to those signed with all other customers.

Iren Ambiente, Iren Ambiente Parma and Iren Ambiente Piacenza are in charge of the waste collection and disposal service in the municipalities of Reggio Emilia, Parma and Piacenza, respectively, according to the conditions set out in the existing awards.

Again in the context of the sector, for the Municipality of Turin the waste management and snow clearing services, and post-operative management of the "Basse di Stura" landfill site are provided by AMIAT in accordance with the Service Contract in being. In this regard, an onerous current account contract is in place between the Municipality of Turin and AMIAT for management of the past-due amounts related to the above activities.

Transactions with associates
Among the main transactions carried out by the Group with joint ventures and associates, the following are noted:
- the operational management services of the Integrated Water Service of the Province of Reggio Emilia provided by Iren Acqua Reggio to ARCA, holder of the relevant concession;
- sale of electricity and gas to Asti Servizi Pubblici, electricity to CSAI and gas to GAIA;
- waste collection and disposal services, including special waste, for GAIA and SETA, which operate in the waste management services sector;
- services provided to CSAI concerning full service maintenance and operation of electricity generation plants fuelled by landfill biogas;
- delivery of waste to the plants of GAIA, Barricalla and CSAI and the purchase of sorted fractions from GAIA and SETA for treatment;
- maintenance services to ASA S.c.p.a. and the delivery of waste to its landfill;
- corporate and technical-administrative services (management, financial, IT, administrative and control, energy management) and the sale of gas and electricity to the EGEA Holding group.

Transactions with other related parties
On the basis of the RPT Procedure, companies controlled, directly or indirectly, by one of the following Municipalities have been identified as related parties: Parma, Piacenza, Reggio Emilia, Turin and Genoa.
Transactions with these companies are mainly of a commercial nature and pertain to services provided to the generality of customers and concern gas, electricity and, in particular, district heating.
In addition, the Group provides waste treatment services to AMIU, a subsidiary of the Municipality of Genoa, and waste disposal services to SMAT, a subsidiary of the Municipality of Turin (the latter also supplies, for some companies of the Group, services relating to the water service).

Lastly, it should be noted that, in order to provide the integrated water service in the provinces of Parma and Piacenza and in the province of Reggio Emilia, IRETI and Iren Acqua Reggio respectively, in exchange for the payment of an annual fee, use the assets owned by the companies Parma Infrastrutture, Piacenza Infrastrutture and AGAC Infrastrutture, controlled by the relevant Municipalities.
Quantitative information on financial transactions with related parties is provided in chapter "XIV. Annexes to the Consolidated Financial Statements", considered an integral part of these notes.

Lastly and as regards the Directors and Statutory Auditors of Iren, with the exception of payment of the fees envisaged for the performance of duties in the management or control bodies of the Parent or of other Group companies, it should be noted that there are no transactions between them and the Group itself.
Transactions that consist of assigning remuneration and economic benefits, in any form, to members of the management and control bodies of Iren and Executives with Strategic Responsibilities of the Group are also subject to the provisions of the RPT Procedure.
The remuneration of key management (members of the Board of Directors - including members that ceased to hold office in 2024 - and Executives with Strategic Responsibilities) totals 6,164 thousand euro, and refers to fixed remuneration (3,146 thousand euro), remuneration for participation in committees (146 thousand euro), bonuses and other incentives (2,864 thousand euro), non-cash benefits (26 thousand euro).

Disclosure pursuant to Art. 5.8 and 5.9 CONSOB Regulation

For ease of reading, this disclosure is provided considering the first and second half of the financial year 2024 separately.

As for the first half of the financial year 2024

During said period, there was only one related-party transaction of "major significance", falling within the category of those referred to in Articles 5.8 and 5.9 of the Consob Regulation, between the company Ringenera Materiali ("Ri.Ma"), indirectly controlled by Iren, and AMIU Genova ("AMIU"), an in-house providing company of the Municipality of Genoa ("Transaction"). The purpose of the transaction was to amend, by means of a specific supplementary deed ("Supplementary Deed"), the agreement entered into between the parties ("Agreement"), on 30 December 2019, concerning the concession for the design, construction, management and operation of the mechanical-biological treatment (MBT) plant serving the Genoa area at the Scarpino plant hub ("Plant"). More in detail, the Supplementary Deed, with the related technical annexes, envisages the construction of the Plant on the basis of an alternative solution - of dimensional, structural and operational simplification - with respect to the one on which the Agreement was based, by means of reprofiling thereof with lower costs and construction times than those originally envisaged.
The Transaction, as already mentioned, was included among those of "*major significance*" given that its countervalue - calculated according to the terms of Article 5.2, letter (a) of the RPT Procedure, which incorporates the contents of Article 3, paragraph 1.1, of the Consob Regulation - was higher than the threshold (5%) provided for by the same provision of the RPT Procedure. In light of this "objective" qualification, the Transaction was submitted to the relevant preliminary and approval process, most recently by the Board of Directors of Iren and by the Sole Director of Ri.Ma., on the basis of the analysis that involved, for the profiles of their respective competences, both the Control, Risk and Sustainability Committee ("CRSC") and the Related Party Transactions Committee ("RPTC") of Iren, both of which, we anticipate, have rendered a favourable opinion. In detail, this process took place as follows:

- in the meeting of 18 January 2024, the RPTC - having positively ascertained the "*independence*" and "*non-relatedness*" requirements (pursuant to article 7, paragraph 3, of the RPT Procedure, which, on this point, incorporates the requirements of article 8, paragraph 1, letter b), of the Consob Regulation) of all its members in respect of the Transaction - started its own preliminary investigation, based on the documentation and information provided by the competent corporate Structures, supported by the legal advisor who, for the initiative in question, assisted the Company;
- in the meeting of 25 January 2024, the RPTC – on the basis of the documentation and information received up to that date, also updated with respect to that examined in the previous meeting – expressed a favourable opinion preparatory to the Transaction, pursuant to art. 10, letter (d), of the RPT Procedure, on the interest for the Group (and, in this case, for Ri.Ma) in completing the Transaction itself as well as on the convenience and substantial correctness of the related conditions. These determinations, it is added, followed the positive opinion expressed by the CRSC on 24 January 2024;
- on 30 January 2024, the Board of Directors of Iren - taking into account, inter alia, the positive opinions of the CRSC and the RPTC mentioned above - approved the text of the Supplementary Deed, adopting the further measures within its competence so that Ri.Ma. could proceed with the Transaction;
- on 28 February 2024, the RPTC received a report from the competent corporate Structures concerning certain amendments, of a "non-substantial" nature, made, as a result of further negotiations between the parties, to the Supplementary Deed, together with a note of the aforementioned legal advisor, who, although in the face of such amendments, reaffirmed the conclusions made in the previous opinion;
- in view of the above, at its meeting of 29 February 2024, the RPTC, having examined the updated documentation concerning the Transaction and received details and clarifications from management, confirmed the opinion expressed on 25 January 2024;
- on the same date of 29 February 2024, the Iren Board of Directors, having received a similar update, confirmed, to the extent necessary, the resolutions passed at its meeting of 30 January 2024;
- lastly, the Transaction was approved by the Sole Director of Ri.Ma with resolution dated 1 March 2024, having regard to the positive opinion expressed by the RPTC and the resolutions passed by the Iren administrative body as mentioned above.

Lastly, it should be noted that, since the Transaction is of "major significance", Iren - in accordance with the provisions of Article 14.5 of the RPT Procedure, which reproduce the contents of Article 5 of the Consob Regulation - has prepared a specific information document on the Transaction itself, drafted in accordance with Annex 4 of the same Regulation. This information document - accompanied by the opinions of the RPTC (dated 25 January 2024 and 29 February 2024, which confirmed the previous one) - was made available to the public at the company's registered office, on the Iren website (www.gruppoien.it) and on the authorised storage mechanism "1Info Sdir Storage" (https://www.1info.it/PORTALE1INFO). For further details, please refer to said documentation.

It should also be noted that at its meeting of 18 April 2024, the RPTC commenced its preliminary investigation into a potential transaction between AMIAT, which is indirectly controlled by Iren, and the Municipality of Turin (which, indirectly, participates in the share capital of AMIAT) concerning the revision of the *inter partes* service contract and the revision of the fees envisaged, in favour of the company, for the years 2024 and 2025. At that meeting, the RPTC received from the management, also on the basis of specific documentation, a description and a general framework of the transaction, postponing to a later meeting making any relevant determination. To date, this transaction has had no further follow-up.

At the same meeting of 18 April 2024, the RPTC received a preliminary report on a further transaction between the aforementioned AMIAT and the Municipality of Turin concerning the construction by the company of a new urban waste collection centre located in the north-west area of the city, which is the subject of a contribution from the financial resources of the PNRR. The transaction - falling within the category of those of "minor significance" - was examined at the subsequent meeting of 7 May 2024, after which the RPTC expressed a favourable opinion pursuant to Article 9 of the RPT Procedure as to the interest for the Group (and, in particular, for AMIAT) in carrying out the transaction, as well as the "convenience" and substantial "correctness" of the related conditions.

<u>As for the second half of the financial year 2024</u>

As highlighted in the section "*Transactions with owners*", the relations between AMIAT (indirectly controlled by Iren) and the Municipality of Turin (which, indirectly, participates in the share capital of AMIAT, in addition to being a shareholder, again indirectly, of Iren), have long been regulated through a specific service contract ("Service Contract"). During the second half of 2024, the parties had to adjust this Service Agreement with reference to the provisions of Resolution No. 385/2023/r/rif of the Regulatory Authority for Energy Networks and the Environment - ARERA of 3 August 2023, containing the "*Standard service contract outline for the regulation of relations between entrusting Entities and urban waste service managers*" ("Adjustment").
Taking into account the peculiarities of the case (illustrated in the document, the contents of which will be referred to shortly for the sake of brevity), in relation to the Adjustment:
- timely (and prior) information was provided to the RPTC, including at the RPTC meeting held on 10 September 2024;
- on a voluntary basis, Iren has published - on its website and on the authorised storage mechanism "1Info Sdir Storage" - a document updating the information provided, over time, with reference to transactions of "major significance" occurred between AMIAT and the Municipality of Turin, pertaining to the Service Contract. In order to ensure greater clarity, this document has been prepared on the basis of the outline in Annex 4 of the Consob Regulation, insofar as applicable in the present case.

Paying further attention to the procedure involved in the case at hand, it is noted that:
- the Municipality of Turin (in its capacity as Consorzio di Area Vasta di Torino), by resolution of the Municipal Council No. 433 of 23 July 2024, approved the Adjustment;
- the Adjustment was submitted, within the scope of their respective competences, to the governing bodies of Iren and AMIAT, pursuant to their respective articles of association, which resolved to approve it at their meetings held on 10 September 2024 and 17 September 2024, respectively.

The text of the Service Contract resulting from the Adjustment was therefore signed between AMIAT and the Municipality of Turin through an exchange of correspondence concluded on 3 January 2025.

Also with regard to the second half of the financial year 2024, the following related-party transactions, falling within the category of 'minor' transactions, were submitted to the RPTC at the meeting held on 5 November 2024, for the profiles of its competence:
- between Iren Ambiente (a wholly-owned subsidiary of Iren) and the Municipality of Parma (and Parma Gestione Entrate, a subsidiary of the local authority) concerning the stipulation of a settlement aimed at the out-of-court settlement of the dispute arising between the parties;
- between Iren Acqua (indirectly controlled by Iren) and AMIU Genova (controlled by the Municipality of Genoa) concerning the granting of a repayment plan to allow the latter to pay an unpaid invoice when due;
- between Iren Smart Solutions (indirectly controlled by Iren) and the Municipality of Reggio Emilia concerning the execution of a shareholders' agreement aimed at regulating the mutual relationships as shareholders of STU Reggiane.

During the meeting, the RPTC, on the basis of the preliminary investigation carried out with the support of the competent Structures, expressed a favourable opinion on the existence of the interest for the Group and, more generally, for the companies involved in the individual transactions (i.e. Iren Ambiente, Iren Acqua and Iren Smart Solution) in the completion thereof, as well as on the convenience and substantial fairness of the related conditions, as provided for by Article 9 of the Procedure.

In the meeting held on 12 December 2024, a transaction, qualified as between related parties, between Iren Smart Solutions (indirectly controlled by Iren) and the aforementioned Municipality of Turin, was submitted to the RPTC, for the profiles of their respective competences, concerning the annual adjustment based on the percentage change in the ISTAT index, of the REMbaseMAN fee relating to the agreement for the concession of the plant and energy requalification activity aimed at improving the efficiency of the buildings of the Municipality of Turin, including management and maintenance, in force, for some time, between the parties. In this regard, account was taken of the fact that the process functional to this concession had been treated, at the time, as a transaction of '*major significance*', given that the relative countervalue exceeded, precisely, the significance threshold (of 5%) laid down in the RPT Procedure. For these reasons, it was deemed necessary to apply the one provided for transactions of '*major significance*' also with regard to the transaction at hand. For this reason, the RPTC was promptly involved in the negotiation phase and, at the meeting of 12 December 2024 - having completed its own preliminary investigation, on the basis of the documentation prepared by the competent corporate structures, which also attended the meeting to report - it expressed, pursuant to Article 10 of the RPT Procedure, a favourable opinion on the transaction in question, specifically with regard to the Company's interest in the completion of the transaction and the appropriateness and fairness of the related conditions. The transaction, again in compliance with the provisions of Article 10 of the RPT Procedure, was also submitted for approval to the board of directors of Iren and its subsidiary Iren Smart Solutions.

It should be noted that, within the information flows provided for by the RPT Procedure, in 2024, the RPTC received information regarding transactions falling within the exclusion categories pursuant to the RPT Procedure itself.
With regard to the Remuneration and Appointments Committee ("RAC"), it should be noted that the Committee met:

- on 22 March 2024, for the examination of the proposal to grant the Chairperson and Executive Deputy Chairperson and Strategic Directors, respectively, a supplementary indemnity pursuant to Article 2389, paragraph 3, of the Civil Code, for the exercise of proxies in the so-called "emergency" phase between 12 June 2023 (the date on which Mr. Armani ceased to hold the offices of Director, Chief Executive Officer and General Manager of Iren S.p.A.) and 30 August 2023 (the date on which the Company's new Chief Executive Officer and General Manager was appointed by co-option).
  The two transactions were quantified, with regard to the amount of the supplementary fee, as "minor" and "of low amount" respectively.
  Following discussion, the RAC expressed a positive opinion - also pursuant to the regulations on related party transactions, to the extent applicable to the case at hand - on the submission of the aforementioned proposal to the Shareholders' Meeting; the proposal - following approval by the Board of Directors - was subsequently approved by the Shareholders' Meeting of Iren S.p.A. held on 27 June 2024 and - on the basis of the decisions made on that occasion - the Board of Directors' meeting held on 4 July 2024 formally granted such supplementary fee, pursuant to Article 2389, paragraph 3, of the Civil Code;
- on 27 May 2024, to examine the criteria underlying the proposal to award, respectively to the Executive Chairperson and Deputy Chairperson and Strategic Directors, a one-off indemnity for the responsibilities assumed by the aforementioned delegates starting from 7 May 2024: on that date, in fact, the Board of Directors met urgently following the publication of press reports relating to an order for the application of precautionary measures issued against the then Chief Executive Officer, Paolo Signorini, by the Judicial Authority of Genoa for facts pertaining to his previous job; in acknowledging the objective temporary impossibility for the then Chief Executive Officer to exercise his powers and with the aim of ensuring stability and continuity in the company management, on that occasion, the Board activated the provisions of the Group's internal contingency plan and resolved to temporarily revoke the powers of Mr. Signorini as Chief Executive Officer, assigning them to the other two Delegated Bodies.
  The two transactions have been quantified, on the basis of the amounts that can be hypothesised, as "of minor significance": following discussion, the RAC expressed a positive opinion - also in accordance with the regulations on related party transactions - on the criteria underlying the recognition of the aforementioned indemnities; in this regard, it should be noted that the remuneration policy for 2024 described in Section One of the Report on the 2024 Remuneration policy and on fees paid in 2023 - approved by the Shareholders' Meeting of Iren S.p.A. of 27 June 2024 - provided for the possibility of recognising to Executives with Strategic Responsibilities (including the Chairperson and Executive Deputy Chairperson and Strategic Directors) one-off forms of bonus in the event of extraordinary and very selective situations (including the *"coverage of positions that have significantly increased the scope of responsibility or coverage of additional roles, even on a transitional basis, of significant importance")* and within a maximum amount established not exceeding the envisaged variable remuneration target for the year/period of reference.
  On 10 September 2024, the contingent situation ended on the same date with the establishment of Gianluca Bufo as new Chief Executive Officer and General Manager of Iren S.p.A., the RAC met to examine the implementation of the criteria underlying the recognition of the indemnities to the Chairperson and Executive Deputy Chairperson and Strategic Directors, respectively, for the responsibilities assumed by them in the period between 7 May and 10 September 2024, indemnities that were quantified below the limit set forth in the remuneration policy approved by the Shareholders' Meeting; therefore, given the consistency with the approved remuneration policy, in both cases, the hypothesis of exclusion from the application of the RPT Procedure pursuant to paragraph 6, letter (f) of the Procedure and Article 13, paragraph 3, letter b), nos. (i), (ii) and (iv) of the Consob Regulation on Related Party Transactions is applicable;
- on 25 June 2024, for the preliminary examination of the termination, by the Company, of the fixed-term executive employment relationship existing with Mr. Signorini for objective just cause, as a result of the objective incompatibility of his work performance, as Senior Manager of Iren S.p.A., with the contingent situation arising from 7 May 2024 - mentioned above: the transaction was quantified as "of minor importance".
  Following discussion, the RAC expressed a positive opinion - also pursuant to the regulations on related party transactions - on the termination. For further information, please refer to the press release published on the same date.

- on 6 and 10 September 2024, for the prior examination of the amendments to the economic-contractual conditions of the open-ended executive employment relationship already existing between the Company and Gianluca Bufo as a result of the latter's co-option as Director and Chief Executive Officer and his appointment as General Manager of Iren S.p.A. by the Company's Board of Directors on 10 September 2024; the transaction was quantified, on the basis of the amounts, as "of minor significance": following discussion, the RAC expressed its favourable opinion pursuant to Article 9 of the RPT Procedure, on the aforementioned adjustment, having, moreover, noted that the same is substantially consistent with the remuneration policy for 2024 described in Section One of the Report on the 2024 Remuneration Policy and fees paid in 2023 approved by the Shareholders' Meeting of 27 June 2024.

VIII. Significant events after the reporting date

Integrated Water Service of the Province of Piacenza

Following the signing of the agreement for the management of the Integrated Water Service of the Piacenza provincial area, which took place on 16 December 2024, as of 1 January 2025 Iren Acqua Piacenza S.r.l. is the new manager of the service for the duration of 16 years, taking over from the previous manager IRETI.

Iren Acqua Piacenza is the newly established territorial operating company, 100% controlled by the same IRETI that won the tender.

For users, the start of the new entrustment does not entail any fulfilment or formality: the existing supply contracts pass to the new management maintaining the same conditions applied by IRETI and defined by the current regulation in force and, starting from 2025, the bills are issued by Iren Acqua Piacenza in continuity with respect to the last issue of the outgoing operator.

In its business plan, Iren Acqua Piacenza envisages significant investments on the networks and plants of the integrated water cycle (mainly aimed at reducing water losses and energy consumption), including the restructuring, upgrading and construction of works and plants of the sewerage network.

Full consolidation of EGEA Holding

As reported in “Significant events of the year”, on 12 November 2024, the Board of Directors of Iren S.p.A. resolved to exercise, as from 1 January 2025, the right to subscribe and pay up the capital increase in EGEA Holding reserved for the same, up to a maximum of 20 million euro (5.882 euro of share capital plus share premium of 19,994,118 euro), to be exercised also in several tranches, for the purpose of financing the development of the PNRR project relating to district heating in Alessandria, to be implemented through Telenergia, a subsidiary of EGEA Holding itself.

Following the acquisition of the Antitrust and Golden Power clearances, on 10 January 2025, Iren S.p.A. subscribed and paid in the capital increase in the amount of 10 million euro (2,941 euro of share capital plus 9,997,059 euro of share premium), coming to hold a total of 52.77%. On the same date, EGEA Holding’s Shareholders’ Meeting was held, which resolved to appoint a new board member upon nomination by Iren, which now appoints four members of the B.o.D. out of the total seven, thus achieving control and consequent full consolidation of EGEA Holding and its subsidiaries.

Hybrid Bond issue

On 16 January 2025, Iren S.p.A. placed its first ‘Hybrid Bond’ issue, with a nominal value of 500 million euro, issued in a single tranche for the full amount: the settlement date is 23 January 2025. As set forth in the relevant terms and conditions, it is a non-convertible, subordinated, perpetual financial instrument payable only in the event of dissolution or liquidation of the Company.

The fixed annual coupon, payable annually in arrears in April starting in April 2025, is 4.5% and will be paid until the first reset date of 23 April 2030. From that date, unless fully redeemed, the security will accrue interest equal to the five-year Euro Mid Swap rate, increased by an initial margin of 221.2 basis points. The margin will increase by 25 basis points from 2035 and by a further 75 basis points from 2050, for a cumulative amount of 100 basis points.

The issue price was set at 99.448% and, therefore, the effective yield at the first reset date is 4.625% per annum.

The securities, which are intended for qualified investors, are listed on the regulated market of the Irish Stock Exchange (Euronext Dublin) and have been assigned a BB+ rating by the agencies Standard & Poor’s Global Ratings and Fitch Ratings as well as an equity content of 50%.

The transaction, which received almost eight times more requests for subscription than the amount offered, totalling orders for 4 billion euro, is aimed at further strengthening the capital structure and sustaining the Group’s financial flexibility, and is consistent with the Iren growth strategy aimed at the integration of EGEA, new potential development opportunities for external lines and the realisation of the investments envisaged in the Business Plan, confirming the commitment of Iren to maintaining its current investment grade rating.

Acquisition of the minority investment in Iren Acqua

On 20 February 2025 IRETI finalised the acquisition of the remaining 40% of the share capital of Iren Acqua (manager of the Integrated Water Service in 39 municipalities of the Genoa ATO) held by F2i SGR through its own funds.

The disbursement related to the transaction totalled 282.5 million euro, of which 100 million euro was paid at the closing. The remainder is deferred to 4 years and three months, and bears interest at a compound annual rate of 4.5%.

From a financial point of view, the transaction makes it possible to reduce the outlay for third-party dividends and to increase the group’s profit for the year, with positive economic/financial impacts related to the lower cost of the group’s debt compared to the dividends paid to the non-controlling investor and, ultimately, to the increase in earnings per share to the benefit of Iren shareholders. By achieving full control, the transaction will also allow the merger of the company into IRETI itself.

Capacity Market Auction for 2027

At the beginning of March 2025, the result of the Capacity Market's parent auction for 2027 confirmed, as it did for 2022 to 2026, the allocation of 100% of the capacity offered by the Group: 2.055 MW in the Northern area at a price of 47,000 €/MW/year.

IX. Other information

CONSOB COMMUNICATION NO. DEM/6064293 OF 28 JULY 2006

Significant non-recurring events and transactions

During 2024, Iren Group was not affected by "non-recurring" events and did not carry out significant transactions identified as such on the basis of the definitions contained in the Communication. In particular, it was not affected by events which do not reoccur frequently during the normal performance of the business.

Positions or transactions deriving from atypical and/or unusual transactions

It is noted that during 2024, the Group did not engage in any atypical and/or unusual transactions, as defined in the Communication. Atypical and/or unusual transactions are transactions that, due to their significance/materiality, nature of the counterparties, the purpose of the transaction, the method by which the sales price is calculated and the timing of the event (proximity to the reporting date) may give rise to doubts as to the correctness/completeness of the information given in the financial statements, conflict of interest and safeguarding the group's assets or the protection of non-controlling investors.

DISCLOSURE ON PUBLIC DISBURSEMENTS

With reference to what is provided for on the subject of transparency in the system of public disbursements pursuant to article 35 of Italian Law Decree no. 34/2019 ('growth decree') we can specify what follows:

- the National State Aid Registry includes aid, in favour of Iren Group companies, which must be disclosed. For the related details please see the aforementioned Registry, under the terms of article 35, paragraph 125-quinquies;
- pursuant to Article 35, paragraphs 125 and 125-bis, subsidies, benefits, contributions or aids, in cash or in kind, of a general nature and which are of a consideration, retributive or compensatory nature, such as, for example, amounts deriving from former green certificates, white certificates, all-inclusive tariffs, energy account and, in general, all incentives connected to consideration for supplies and services rendered, are not considered in the disclosure;
- during 2024 grants were received that fall under the relevant legislation; these are listed in the table presented in paragraph "XIV. Annexes to the Consolidated Financial Statements", with the exclusion of those less than 10 thousand euro per disbursing Body.

X. Notes to the statement of financial position

Unless otherwise stated, the tables below are in thousands of euro.

Assets

NON-CURRENT ASSETS

NOTE 1_PROPERTY, PLANT AND EQUIPMENT

The breakdown of property, plant and equipment, including right-of-use assets and divided between historical cost, accumulated depreciation and carrying amount, is shown in the following table:

thousands of euro

	Cost as at 31/12/2024	Accumulated depreciation as at 31/12/2024	Carrying amount as at 31/12/2024	Cost as at 31/12/2023	Accumulated depreciation as at 31/12/2023	Carrying amount as at 31/12/2023
Land	174,213	(10,165)	164,048	162,528	(9,265)	153,263
Buildings	1,023,999	(413,814)	610,185	967,434	(379,733)	587,701
Plant and machinery	6,953,671	(3,729,896)	3,223,775	6,724,696	(3,482,574)	3,242,122
Industrial and commercial equipment	299,090	(185,184)	113,906	272,584	(169,715)	102,869
Other assets	484,884	(311,552)	173,332	442,536	(278,910)	163,626
Assets under construction and payments on account	231,109	-	231,109	211,271	-	211,271
Total	9,166,966	(4,650,611)	4,516,355	8,781,049	(4,320,197)	4,460,852

The variation in the historical cost of property, plant and equipment, including right-of-use assets, is as follows:

thousands of euro

	31/12/2023	Increases	Decreases	Changes in consolidation scope	Impairment losses of the year	Reclassifica-tions	31/12/2024
Land	162,528	9,928	(476)	2,233	-	-	174,213
Buildings	967,434	27,927	(7,904)	10,666	(719)	26,595	1,023,999
Plant and machinery	6,724,696	202,425	(35,641)	10,434	(7,346)	59,103	6,953,671
Industrial and commercial equipment	272,584	26,752	(8,045)	2,089	(156)	5,866	299,090
Other assets	442,536	52,236	(17,255)	4,756	-	2,611	484,884
Assets under construction and payments on account	211,271	107,281	(1,522)	9,812	(2,085)	(93,648)	231,109
Total	8,781,049	426,549	(70,843)	39,990	(10,306)	527	9,166,966

The change in accumulated depreciation of property, plant and equipment, including right-of-use assets, is as follows:

thousands of euro

	31/12/2023	Depreciation for the year	Decreases	Changes in consolidation scope	Reclassifications	31/12/2024
Land	(9,265)	(909)	3	-	6	(10,165)
Buildings	(379,733)	(37,231)	6,967	(3,743)	(74)	(413,814)
Plant and machinery	(3,482,574)	(270,647)	33,270	(9,985)	40	(3,729,896)
Industrial and commercial equipment	(169,715)	(21,217)	6,331	(581)	(2)	(185,184)
Other assets	(278,910)	(46,646)	15,840	(1,836)	-	(311,552)
Total	(4,320,197)	(376,650)	62,411	(16,145)	(30)	(4,650,611)

The column "Changes in consolidation scope" refers to the assets acquired during the year relating to the companies Siena Ambiente and Agrovoltaica.

The balance of the "reclassifications" column refers mainly to net transfers from intangible assets to property, plant and equipment of items that do not fall within the scope of application of IFRIC 12.

Land and buildings
This item primarily includes industrial buildings connected with Group plants and related land.

Plant and machinery
This item refers to costs for electricity production plants, heat production plants, electricity distribution networks, gas distribution networks, heat distribution networks and plants related to waste disposal services not operated under concessions as per IFRIC 12. Freely transferable assets are included in the assets of electricity production plants.

Industrial and commercial equipment
This item includes costs related to the purchase of supplementary or auxiliary assets for plants and machinery, such as rubbish bins, laboratory and other equipment.

Other assets
This item refers to costs for the purchase of office furniture and machines and vehicles.

Assets under construction and payments on account
The item Assets under construction includes all the charges incurred for investments in progress and not yet in operation. This mainly refers to the photovoltaic parks in the provinces of Siracusa and Rovigo (23,581 thousand euro), the building redevelopment of the property in Piazza Raggi (GE) (46,817 thousand euro), the expansion of the plant for the treatment of the organic fraction in Santhià (VC) (17,662 thousand euro), to containers for waste collection in the ATO Toscana Sud area not yet placed (7,256 thousand euro), to the expansion of the PAI sludge treatment plant in Parma (4,209 thousand euro), to the extension of the district heating transport network (18,870 thousand euro), to the thermoelectric production plants (12,336 thousand euro), to hydroelectric production plants (7,398 thousand euro), to the electricity distribution and metering network (23,905 thousand euro), to the gas distribution and metering network not under concession (2,932 thousand euro), energy efficiency (6,417 thousand euro) and waste collection and disposal (40,525 thousand euro).

Increases
The increases in the year, of 426,549 thousand euro, mainly refer to:
- investments in thermoelectric and hydroelectric plants and photovoltaic plants for 91,982 thousand euro;
- development of the district-heating network and new connections to the network, including heat exchange substations, meters and remote reading appliances, for 42,021 thousand euro;
- investments in the electricity distribution grids, including primary substations, of 80,346 thousand euro;
- investments in the gas networks not in a concession arrangement in accordance with the provisions of IFRIC 12 of 14,025 thousand euro;
- investments for collection and disposal in the waste management sector for 122,266 thousand euro;
- investments in corporate, e-mobility and energy efficiency activities for 50,593 thousand euro.

Depreciation
Ordinary depreciation for 2024, totalling 376,650 thousand euro, was calculated on the basis of the rates previously indicated in paragraph "IV. Accounting policies" and considered representative of the residual useful life of the assets.

Finally, no assets are pledged against liabilities.

Right-of-use assets - IFRS 16

IFRS 16 provides for recognition in the statement of financial position of the assets and related financial liabilities for all lease contracts with a term of more than 12 months unless the underlying asset is of low value. The contracts in which Iren Group plays the role of lessee refer mainly to property leases and long-term hires of cars and other motor vehicles.

The breakdown of right-of-use assets, divided between historical cost, accumulated depreciation and carrying amount, is as follows:

thousands of euro

	Cost as at 31/12/2024	Accumulated depreciation as at 31/12/2024	Carrying amount as at 31/12/2024	Cost as at 31/12/2023	Accumulated depreciation as at 31/12/2023	Carrying amount as at 31/12/2023
Land	12,502	(4,108)	8,394	11,818	(3,240)	8,578
Buildings	57,469	(19,366)	38,103	49,842	(13,870)	35,972
Plant and machinery	3,824	(1,569)	2,255	3,569	(1,014)	2,555
Industrial and commercial equipment	1,408	(245)	1,163	38	(28)	10
Other assets	36,567	(15,553)	21,014	28,843	(12,686)	16,157
Total	111,770	(40,841)	70,929	94,110	(30,838)	63,272

The variation in the historical cost of right-of-use assets, is as follows:

thousands of euro

	31/12/2023	Increases	Decreases	Changes in consolidation scope	Impairment losses of the year	31/12/2024
Land	11,818	720	(48)	12	-	12,502
Buildings	49,842	4,896	(1,922)	5,149	(496)	57,469
Plant and machinery	3,569	464	(209)	-	-	3,824
Industrial and commercial equipment	38	-	-	1,370	-	1,408
Other assets	28,843	12,828	(5,962)	858	-	36,567
Total	94,110	18,908	(8,141)	7,389	(496)	111,770

The change in accumulated depreciation of right-of-use assets is as follows:

thousands of euro

	31/12/2023	Depreciation of the year	Decreases	31/12/2024
Land	(3,240)	(871)	3	(4,108)
Buildings	(13,870)	(7,010)	1,514	(19,366)
Plant and machinery	(1,014)	(723)	168	(1,569)
Industrial and commercial equipment	(28)	(217)	-	(245)
Other assets	(12,686)	(8,038)	5,171	(15,553)
Total	(30,838)	(16,859)	6,856	(40,841)

NOTE 2_INVESTMENT PROPERTY

The following table highlights the breakdown of the item:

thousands of euro

	Cost as at 31/12/2024	Accumulated depreciation as at 31/12/2024	Carrying amount as at 31/12/2024	Cost as at 31/12/2023	Accumulated depreciation as at 31/12/2023	Carrying amount as at 31/12/2023
Land	565	-	565	565	-	565
Buildings	3,462	(2,053)	1,409	3,462	(1,996)	1,466
Total	4,027	(2,053)	1,974	4,027	(1,996)	2,031

This item consists mainly of properties whose fair value is not lower than their carrying amount.

NOTE 3_ INTANGIBLE ASSETS WITH A FINITE USEFUL LIFE

The breakdown of intangible assets, divided between historical cost, accumulated amortisation and carrying amount is as follows:

thousands of euro

	Cost as at 31/12/2024	Accumulated amortisation as at 31/12/2024	Carrying amount as at 31/12/2024	Cost as at 31/12/2023	Accumulated amortisation as at 31/12/2023	Carrying amount as at 31/12/2023
Development costs	35,721	(21,337)	14,384	30,637	(15,740)	14,897
Industrial patents and intellectual property rights	450,046	(296,605)	153,441	384,499	(234,849)	149,650
Concessions, licences, trademarks and similar rights	4,409,634	(1,846,094)	2,563,540	3,992,881	(1,666,302)	2,326,579
Other intangible assets	862,560	(486,353)	376,207	787,146	(385,915)	401,231
Assets under development and payments on account	249,951	-	249,951	248,002	-	248,002
Total	6,007,912	(2,650,389)	3,357,523	5,443,165	(2,302,806)	3,140,359

The change in the historical cost of intangible assets is as follows:

thousands of euro

	31/12/2023	Increases	Decreases	Changes in consolida-tion scope	Impairment losses for the year	Reclassifica-tions	31/12/2024
Development costs	30,637	3,420	(12)	-	-	1,676	35,721
Industrial patents and intellectual property rights	384,499	50,387	(128)	1,656	-	13,632	450,046
Concessions, licences, trademarks and similar rights	3,992,881	192,152	(7,842)	77,952	-	154,491	4,409,634
Other intangible assets	787,146	73,239	(219)	3,905	(2,220)	709	862,560
Assets under development and payments on account	248,002	114,392	(1,473)	26,043	-	(137,013)	249,951
Total	5,443,165	433,590	(9,674)	109,556	(2,220)	33,495	6,007,912

Changes in accumulated amortisation of intangible assets are shown in the following table:

thousands of euro

	31/12/2023	Amortisation for the year	Decreases	Changes in consolidation scope	Reclassifica-tions	31/12/2024
Accumulated amortisation of development costs	(15,740)	(5,598)	1	-	-	(21,337)
Accumulated amortisation of ind. patents and intellectual property rights	(234,849)	(59,951)	75	(1,524)	(356)	(296,605)
Accumulated amortisation of concessions, licences, trademarks and similar rights	(1,666,302)	(134,331)	5,059	(37,978)	(12,542)	(1,846,094)
Accumulated amortisation of other intangible assets	(385,915)	(78,888)	13	(470)	(21,093)	(486,353)
Total	(2,302,806)	(278,768)	5,148	(39,972)	(33,991)	(2,650,389)

The column "Changes in consolidation scope" refers to the assets acquired during the year of the companies Siena Ambiente and Agrovoltaica.

The balance of the "reclassifications" column refers mainly to net transfers from intangible assets to property, plant and equipment of items that do not fall within the scope of application of IFRIC 12.
The increases in other intangible assets mainly refer to the capitalisation of costs for the commercial development of customers.
The carrying amount of other intangible assets at the end of the year includes 165,927 thousand euro in assets recognised in relation to costs incurred for the commercial development of customers.

Industrial patents and intellectual property rights
This item mainly relates to the total costs borne for the purchase and internal production of company software and the acquisition of rights for the exclusive use of technical studies on the statistical trend of network losses, amortised over three to five years.

Concessions, licences, trademarks and similar rights
This item consists mainly of:
- assets recognised in application of IFRIC 12, related to natural gas distribution, the Integrated Water Service, district heating and waste treatment and disposal;
- the right of use of pipeline networks by virtue of the concessions granted by the municipality of Genoa and other neighbouring municipalities;
- the right of use of penstocks, not owned, of hydroelectric plants;
- concessions for the operation and management of photovoltaic systems.

Other intangible assets
This item consists mainly of:
- rights to use telecommunication infrastructure owned by third parties;
- costs for the commercial development of customers;
- from the valuation of the customer list that took place during the purchase price allocation for the acquisition of control of Atena Trading, Salerno Energia Vendite, Alfa Solutions, Spezia Energy Trading, Sidiren and Alegas;
- the valuation of the environmental authorisations for the operation of the biodigester and recovery plants which took place when the purchase price was allocated for the acquisition of control of Ferrania Ecologia, Territorio e Risorse, I.Blu, Manduriambiente and TB.
- the valuation of the single authorisation for photovoltaic plants and the value of the incentive tariff recognised for the energy produced and fed into the grid that took place during the purchase price allocation for the acquisition of control of Iren Green Generation Group (formerly Puglia Holding);
- the valuation of the concession for the derivation of water for hydroelectric plants that took place during the purchase price allocation for the acquisition of control of Valle Dora Energia;
- the valuation of the ATO Toscana Sud integrated urban waste management service concession that took place during the allocation of the acquisition price of control of SEI Toscana.
- the valuation of the concessions relating to waste management plants, which occurred purchase price allocation for the acquisition of control of Siena Ambiente.

Assets under development and payments on account
This item mainly consists of investments for concession services governed by IFRIC 12, in addition to software licences and related implementation costs.

NOTE 4_GOODWILL

Goodwill, equal to 247,273 thousand euro (244,977 thousand euro at 31 December 2023), during 2024, shows an increase of 2,296 thousand euro following the definitively accounted acquisition (business combinations) of Siena Ambiente carried out by the Group during the financial year.

It should be noted that during 2024, the fair value of the consideration transferred, of the identifiable assets acquired and of the identifiable liabilities assumed relating to the acquisition carried out in 2023 of the control of Acquaenna, Remat, WFL and Semia Green was definitively determined. For the acquisitions of Acquaenna and WFL, the amounts recognised on a provisional basis in the 2023 financial statements have been restated and for more details, see chapter IV. Business combinations. For the acquisition of Remat and Semia Green, the amounts provisionally accounted for in the 2023 financial statements were not changed.

Goodwill is considered an intangible asset with an indefinite useful life and, therefore, is not amortised, but is subjected to an impairment test at least once a year to verify the recoverability of its carrying amount. Since goodwill does not generate independent cash flows and cannot be sold on its own, the impairment test on the goodwill recognised in the financial statements is carried out making reference to the Cash Generating Unit to which the same can be allocated.

The table below shows the allocation of goodwill to the Cash Generating Units.

thousands of euro

	31/12/2023	Increases Business Combinations	31/12/2024
Waste management	26,496	2,296	28,792
Electricity distribution	67,631	-	67,631
Gas distribution	1,638	-	1,638
Integrated Water Service	44,405	-	44,405
Power and Heat Generation	7,331	-	7,331
Photovoltaic and Wind Generation	31,411	-	31,411
Market	66,065	-	66,065
Total	244,977	2,296	247,273

At 31 December 2024, the impairment test was carried out using the same methods used at 31 December 2023.
The impairment test consists of verifying that the carrying amount of an asset recognised in the financial statements is not more than the recoverable amount of that asset.
The recoverable amount of an asset is the higher between fair value, less costs to sell, and the value in use.
The fair value is defined as the amount at which an asset could be exchanged between knowledgeable, willing parties in an arm's length transaction, less costs to sell.
The value in use is the present value of the estimate of future outgoing and incoming cash flows that will derive from continuous use of the asset and from its final disposal. To measure the value in use, the pre-tax operating cash flows were used, which derive from the most recent economic and financial projections on the basis of the plan approved on 25 June 2024, adjusted to consider the macroeconomic changes that occurred during the second half of 2024, with an explicit time horizon up to 2027, and the pre-tax terminal value calculated with the perpetual yield method, if applicable, following an industrial logic of continuity across all businesses. The investments contained in the economic flows of the plan include investments for maintaining the plants and infrastructures, in keeping with the going concern assumption. As a control method for the CGUs Electricity Distribution, Gas Distribution and Integrated Water Service, it was assumed that the tariff value of the assets (Regulated Asset Base) would be collected at the end of the explicit period. For the other CGUs, the average of the perpetual yield and net invested capital was used instead at the end of the explicit period. This is based on the reasonable assumption that, if the business is discontinued, the value recognised will be at least equal to the value of the net invested capital.
The discount rate to be applied to the flows related to the explicit time horizon and terminal value, defined starting from the pre-tax weighted average cost of capital (WACC), is calculated specifically for each CGU.
The following table shows for each Cash Generating Unit the discount rates used (WACC) to calculate the value in use in the explicit time horizon and the terminal value.

	Explicit period	Terminal value
Waste management	6.70%	6.80%
Electricity distribution	6.00%	6.10%
Gas distribution	6.30%	6.40%
Integrated Water Service	6.20%	6.30%
Power and Heat Generation	7.30%	7.40%
Photovoltaic and Wind Generation	7.40%	7.50%
Market	6.80%	6.90%

The recoverable amount of the goodwill attributed to the Cash Generating Units was determined making reference to the value in use of the same.
In general, and prudentially, the "g" growth rate was used to calculate the terminal value equal to zero at real values. In the event of standalone plans used at nominal values, the "g" growth rate used was equal to inflation estimated at 2027 (1.8%).

Waste Management Cash Generating Unit
Goodwill, of 28,792 thousand euro refers mainly to the:
- acquisition of control over Siena Ambiente in January 2024 (2,296 thousand euro);
- acquisition of control over Semia Green in October 2023 (447 thousand euro);
- acquisition of control over ReMat in May 2023 (1,752 thousand euro);
- acquisition of control over CRCM in April 2022 (277 thousand euro);
- acquisition of control over Futura in March 2021 (4,115 thousand euro);
- acquisition of control over the companies operating in the waste management sector acquired from Unieco in November 2020 (9,385 thousand euro);
- acquisition of control over Ferrania Ecologia s.r.l. in July 2019 (7,048 thousand euro).
- acquisition of control over a business unit from SMC S.p.A. consisting of a 48.85% investment in the share capital of Società Ecologica Territorio Ambiente (SETA) S.p.A. and the activities of closure and post-closure management of the Chivasso 0 landfill site in October 2018 (894 thousand euro);
- acquisition of control of ACAM Ambiente (ACAM group) in April 2018 (2,572 thousand euro).

No further loss of value was detected when the impairment test was performed, in that the recoverable amount of the Waste Management Cash Generating Unit exceeds the net invested capital of the same including the goodwill recognised.

Electricity Distribution Cash Generating Unit
Goodwill, of 67,631 thousand euro refers mainly to the:
- acquisition in 2000 from ENEL of the business unit related to the distribution and sale of electrical energy to non-eligible customers in the municipality of Turin, in which the positive difference between the purchase cost and the fair value of acquired and identifiable assets and liabilities was recognised as goodwill for 64,608 thousand euro;
- acquisition in 2000 by ENEL of the BU related to electricity users of the city of Parma, for an amount of 3,023 thousand euro.

No further loss of value was detected when the impairment test was performed, in that the recoverable amount of the Electricity Distribution Cash Generating Unit exceeds the net invested capital of the same including the goodwill recognised.

Gas Distribution Cash Generating Unit
Goodwill of 1,638 thousand euro refers to the acquisition of control of Busseto Servizi in January 2019.

No further loss of value was detected when the impairment test was performed, in that the recoverable amount of the Gas Distribution Cash Generating Unit exceeds the net invested capital of the same including the value of goodwill recognised.

Integrated Water Service Cash Generating Unit
Goodwill, of 44,405 thousand euro refers mainly to the:
- acquisition of control of Acquaenna in May 2023 (479 thousand euro);
- acquisition of control of Amter in March 2023 (2,179 thousand euro);
- acquisition of control of Società dell'Acqua Potabile in July 2022 (880 thousand euro);
- acquisition of control over ACAM Acque (ACAM group) in April 2018 (15,442 thousand euro);
- acquisition of control over Acquedotto di Savona in July 2015 (1,907 thousand euro);
- the acquisition of control of Acqua Italia S.p.A in 2005 (now Iren Acqua S.p.A.), where the positive difference between the purchase cost and the fair value of acquired and identifiable assets and liabilities was recognised as goodwill of 23,202 thousand euro.

No further loss of value was detected when the impairment test was performed, in that the recoverable amount of the Integrated Water Service Cash Generating Unit exceeds the net invested capital of the same including the value of goodwill recognised.

Power and Heat Generation Cash Generating Unit
Goodwill, of 7,331 thousand euro refers mainly to the:

- acquisition of control in May 2020 of a business unit called "SEI Energia" which includes the district heating network in the municipalities of Rivoli and Collegno, and 49% of the company NOVE, then operator of the district heating network in the municipality of Grugliasco (2,068 thousand euro);
- acquisition of control over Iren Rinnovabili in 2017 following the expiry of the governance agreements entered into with the other shareholder CCPL S.p.A. which made Iren Rinnovabili a joint venture (3,544 thousand euro);
- the Heat Service Management business unit transferred in 2017 from the Market Cash Generating Unit to the Energy Cash Generating Unit (948 thousand euro).

No further loss of value was detected when the impairment test was performed, in that the recoverable amount of the Power and Heat Generation Cash Generating Unit exceeds the net invested capital of the same including the goodwill recognised.

Photovoltaic and Wind Cash Generating Unit
Goodwill, of 31,411 thousand euro refers mainly to the:

- acquisition of control over WFL in October 2023 (2,154 thousand euro);
- acquisition of control over the Puglia Holding Group (now Iren Green Generation) in February 2022 (29,257 thousand euro).

No further loss of value was detected when the impairment test was performed, in that the recoverable amount of the Photovoltaic and Wind Cash Generating Unit exceeds the net invested capital of the same including the value of goodwill recognised.

Market Cash Generating Unit
Goodwill, of 66,065 thousand euro refers mainly to the:

- acquisition of control over Alegas in April 2022 (15,072 thousand euro);
- acquisition of control over Sidiren in July 2021 (18,533 thousand euro);
- acquisition of control of Spezia Energy Trading in September 2018 (2,694 thousand euro).
- acquisition in 2012 of the business unit from ERG Power & Gas related to the marketing and sale of electricity (3,401 thousand euro);
- the equity interest in Enìa Energia (now merged into Iren Mercato), acquired from SAT Finanziaria S.p.A. and Edison in 2008 (16,761 thousand euro);
- business unit acquired from ENEL in 2000 and referred to electricity users of the city of Parma (7,421 thousand euro).

No further loss of value was detected when the impairment test was performed, in that the recoverable amount of the Market Cash Generating Unit exceeds the net invested capital of the same including the goodwill recognised.

In light of the considerations set out above, the recoverable amount is higher than the carrying amount of the net invested capital for all the cash-generating units and therefore, no impairment losses were recognised. In the years prior to the year ended 31 December 2024, goodwill was impaired for a total of 9,636 thousand euro, related to the Waste Management CGU. The recoverable amount is particularly sensitive to changes in the pre-tax weighted average cost of capital (WACC) and the definition of the Terminal Value. The definition of these two variables follows a prudential approach in terms of construction logic and absolute value. Appropriate stress tests were therefore performed on the sensitivity of the recoverable amount as the two variables deteriorate, without any significant problems emerging. The table below shows the pre-tax weighted average cost of capital (WACC) that would make the value in use equal to the carrying amount of each Cash Generating Unit.

Waste management	12.80%
Electricity distribution	11.00%
Gas distribution	10.30%
Integrated Water Service	11.80%
Power and Heat Generation	10.30%
Photovoltaic and Wind Generation	8.70%
Market	27.30%

In this regard, it should be noted that ESMA, through several recommendations published since 2020, suggests to issuers that, in estimating the future cash flows of a cash-generating unit (CGU), it is reasonable to expect that entities consider introducing models relating to multiple possible future scenarios, aimed at reflecting the greater level of uncertainty on future economic prospects.
To this end, the Group has developed a 'sensitivity scenario', which takes into account adverse events and specific risks relevant in certain areas (market, arising from technological changes, climate change, related to the macroeconomic scenario and regulation) not otherwise assessed in the base scenario (Business Plan) and identified and defined in the Group's Risk Map perimeter according to specific procedures.
The main specific relevant risks considered in the sensitivity of cash flows concerned, depending on the CGU concerned:

- Electricity Distribution: extreme natural events affecting service delivery;
- Gas Distribution: loss of concessions in the relevant areas;
- Integrated Water Service: leaks along the distribution network, with damage to third-party property;
- Power and Heat Generation: increased competitive pressure on contribution margins, extreme natural events with damage to thermoelectric plants, shortage of water resources with repercussions on the hydroelectric generation margin, loss of concessions in the hydroelectric sector;
- Photovoltaic and Wind Power Generation: extreme natural events with damage to photovoltaic plants and increased competitive pressure on contribution margins;
- Waste Management: increased competitive pressure on the margins of free market activities (special waste) and processing of recycling materials;
- Market: increase in expected churn rates.

Accordingly, the future cash flows for each individual CGU were adjusted for the negative impacts of these risks and adverse events. These analyses did not reveal any critical issues with regard to the recoverable amount of the Group's goodwill, intangible assets and property, plant and equipment.
In light of the current market volatility and uncertainty about future economic prospects, the group believes it appropriate to point out that regulated businesses are subject to specific industry regulations governing their profitability; therefore, these businesses have more stable and predictable profitability even during market turbulence periods. In 2024, non-regulated activities contributed 30.4% to gross operating profit (35.2% at 31 December 2023), regulated activities accounted for 54.3% (48.7% in 2023), and semi-regulated activities contributed 15.3% (16.1% in 2023).
The results of the aforementioned procedures were the subject of specific approval by the Board of Directors of Iren S.p.A., prior to approval of the draft financial statements, as recommended in the rules issued by CONSOB, the Bank of Italy and IVASS.

NOTE 5_EQUITY-ACCOUNTED INVESTMENTS

Equity-accounted investments are investments in companies in which the Group has joint control or exercises a significant influence. It should be noted that measurement at equity is carried out on the basis of the latest available financial statements (consolidated if prepared) of the investees.
The list of Group companies measured using the equity method at 31 December 2024 is annexed.
The item amounted to a total of 282,462 thousand euro (212,798 thousand euro as at 31 December 2023). Changes for the year are shown in the following tables:

Equity investments in joint ventures

thousands of euro

	31/12/2023	Increases (Decreases)	Changes in consolidation scope	Changes in profit or loss	Changes in Equity	Dividend distribution	31/12/2024
Acque Potabili	8,161	-	-	14	-	-	8,175
EGEA Holding	-	86,543	-	(1,455)	232	-	85,320
Nuova Sirio	-	-	81	-	-	-	81
Vaserie Energia	-	-	971	-	-	(109)	862
TOTAL	8,161	86,543	1,052	(1,441)	232	(109)	94,438

The entry of Iren into the capital of Egea Holding was realised through an inseparable capital increase of 85,000 thousand euro, reaching a 50% share of the share capital. The remaining 50% share is held by a single shareholder. In addition, the investment agreement provides for two further transactions:

a) a pre-resolved divisible capital increase in the amount of 42,500 thousand euro that Iren will be able to subscribe from 1 January 2025 until 30 June 2025, with the possibility of extension until 31 December 2025;
b) the granting to Iren of a call option exercisable from 31 March 2025 until 31 March 2029 to purchase the share held by the other shareholder in Egea Holding.

From an analysis of the agreements governing the governance of Egea Holding (articles of association and investment agreement), the investment made by Iren qualifies as a joint venture. In fact, the governance agreements do not give Iren control over Egea Holding, pursuant to IFRS 10, as Iren does not have the power to decide on the relevant activities of the company being invested in. In particular, Iren:

- does not hold the majority of voting rights at the shareholders' meeting (50% of voting rights for Iren, 50% of voting rights for the other shareholder)
- does not appoint the majority of the members of the board of directors, who have the power over the relevant decisions of Egea Holding (3 directors appointed by Iren, 3 directors appointed by the other shareholder);
- has no unilateral power to distribute dividends.

Given the situation of substantially equal governance rights between Iren and the other shareholder, pursuant to IFRS 11, Egea Holding is therefore a joint venture and consequently is measured using the equity method as required by IAS 28.
Finally, it is specified that the right of Iren to subscribe to the capital increase as of 1 January 2025 represents a potential voting right under IFRS 10. However, since this right cannot be exercised before 1 January 2025, it does not represent a substantive voting right, as it could not be exercised in the event of resolutions concerning Egea Holding's relevant activities taken before 31 December 2024. This judgement is in line with the paragraph of IFRS 10, according to which, in order to be substantive, rights must also be exercisable when it is necessary to make decisions on the direction of relevant activities.

The following tables summarise the statement of financial position and income statement figures for Egea Holding, modified to reflect fair value adjustments made at the time of acquisition and adjustments due to differences in accounting standards. In addition, the table includes a reconciliation between the summary financial information and the carrying amount of the investment.

thousands of euro

	31.12.2024
Non-current assets	422,939
of which financial assets	*12,200*
Current assets	189,122
of which financial assets and cash and cash equivalents	*20,364*
Non-current liabilities	(265,537)
of which financial liabilities	*(157,765)*
Current liabilities	(234,365)
of which financial liabilities	*(48,851)*
NET ASSETS (100%)	112,159
Assets attributable to non-controlling interests	(3,151)
Group share of net assets (50%)	54,504
Goodwill implicit in the carrying amount of the investment	30,816
Carrying amount of the investment in the joint venture	85,320

thousands of euro

	5 months 2024
Total revenue	191,003
Total operating expenses	(172,588)
Amortisation and Depreciation	(15,867)
Other provisions and impairment losses	(2,806)
Financial income	4,347
Financial expense	(5,275)
Impairment gains on investments	149
Income taxes	(1,914)
Profit for the period attributable to non-controlling interests	41
Loss for the period	(2,910)
Other comprehensive income	464
Comprehensive expense (100%)	(2,446)
Comprehensive expense attributable to owners of the parent (50%)	(1,223)

As a result of the control exercised over the company Siena Ambiente, which holds shares in the companies Vaserie S.r.l. and Nuova Sirio S.r.l., the latter are consolidated using the equity method as of 1 January 2024.
As at 31 May 2021, the company Acque Potabili was placed into liquidation.

Investments in associates

thousands of euro

	31/12/2023	Increases (Decreases)	Changes in consolidation scope	Changes in profit or loss	Changes in Equity	Dividend distribution	31/12/2024
A2A Alfa	-	-	-	-	-	-	-
Acos	15,372	-	-	960	(143)	(123)	16,066
Acos Energia	1,059	-	-	334	-	(150)	1,243
Aguas de San Pedro	20,156	-	-	2,458	761	(372)	23,003
Aiga	-	-	-	-	-	-	-
Amat	-	-	-	-	-	-	-
Arca	40	-	-	-	-	-	40
Arienes	21	-	-	-	-	-	21
Asa	44,513	-	-	1,607	(534)	-	45,586
Asa scpa	1,197	-	-	-	-	-	1,197
Astea	26,768	-	-	(1,300)	(373)	-	25,095
Asti Servizi Pubblici	20,008	-	-	1,421	-	(497)	20,932
Barricalla	14,638	-	-	506	-	(490)	14,654
Energy BI	102	-	-	64	-	-	166
Centro Corsi S.r.l.	19	-	-	1	-	-	20
CSA	374	-	-	(11)	-	-	363
CSAI	2,051	-	-	60	-	(443)	1,668
E.G.U.A.	682	-	-	226	-	(226)	682
Fingas	-	-	-	-	-	-	-
Fratello Sole Energie Solidali	231	-	-	9	-	-	240
G.A.I.A.	14,865	-	-	63	-	-	14,928
Global Service	6	(6)	-	-	-	-	-
Iniziative Ambientali	66	-	-	(18)	-	-	48
Mondo Acqua	892	(892)	-	-	-	-	-
OMI Rinnovabili	4	-	-	-	-	-	4
Rimateria	-	-	-	-	-	-	-
SETA	12,544	-	-	620	-	-	13,164
Sienambiente	20,766	-	(24,036)	3,270	-	-	-
Sistema Ambiente	3,082	-	-	186	-	(133)	3,135
STU Reggiane	5,181	-	-	3	585	-	5,769
Tirana Acque	-	-	-	-	-	-	-
TOTAL	204,637	(898)	(24,036)	10,459	296	(2,434)	188,024

For Siena Ambiente, the change in the consolidation scope relates to the acquisition of control and the consequent consolidation of the company.
On 29 April 2024, the company Mondo Acqua was sold and the company Global Service was put into liquidation.
The amounts related to the column Change in Equity are due mainly to the exchange difference (Aguas de San Pedro) and to changes in the hedging reserve and actuarial reserve.

NOTE 6_OTHER EQUITY INVESTMENTS

This item relates to equity investments in companies over which the Group has neither control, nor joint control, nor significant influence. These equity investments are measured at *fair value* but, as the most recent information available for measuring the *fair value* is insufficient and the cost represents the best estimate of the *fair value*, they are carried at cost.
The list of other Group equity investments as at 31 December 2024 is provided in the annex.
The breakdown of this item is as follows:

thousands of euro

	31/12/2023	Changes in consolidation scope	Increases	Impairment losses	31/12/2024
AISA Impianti	992	-	-	-	992
Autostrade Centro Padane	1,248	-	-	(367)	881
CIDIU Servizi	2,655	-	-	-	2,655
EGEA	1,000	-	-	(1,000)	-
Enerbrain	1,554	-	-	(1,554)	-
Environment Park	1,243	-	-	-	1,243
Tech4Planet	1,104	-	907	-	2,011
Others	1,118	(633)	456	-	941
TOTAL	10,914	(633)	1,363	(2,921)	8,723

NOTE 7_NON-CURRENT CONTRACT ASSETS

Non-current contract assets, net of the related loss allowance, total 300,238 thousand euro (232,384 thousand euro at 31 December 2023) and refer to:

- assets of the integrated water service for tariff adjustments and for lower volumes supplied with respect to the constraint of revenue due to the operator; the current tariff method provides generally (unless the fee growth limit is reached) for their recovery through fees after two years (280,760 thousand euro as at 31 December 2024, 210,694 thousand euro as at 31 December 2023);
- assets of the electricity transmission, distribution, and metering services deriving from the rules issued in AEEGSI Resolution no. 654/2015 on the subject of tariff regulation for the period 2016-2023 which entailed the recognition of revenue from electricity transport and of the related assets (18,947 thousand euro as at 31 December 2024, 18,704 thousand euro as at 31 December 2023) which will be recovered starting from 2026 until 2030;
- waste management service assets for tariff adjustments relating to activities already carried out that may be invoiced more than twelve months after the reporting date (531 thousand euro as at 31 December 2024, 2,986 thousand euro as at 31 December 2023).

The following table summarises the contract assets (non-current and current) and liabilities in order to provide information on the net position.

thousands of euro

	31/12/2024	31/12/2023
Non-current contract assets	300,238	232,384
Current contract assets	69,291	29,830
Current contract liabilities	(88,983)	(79,642)
Total	280,546	182,572

NOTE 8_NON-CURRENT TRADE RECEIVABLES

Receivables, which are affected by discounting, amounted to 33,840 thousand euro (29,416 thousand euro at 31 December 2023) and mainly refer to receivables from the Municipality of Turin for the waste management service and the technological renewal and efficiency upgrading of the heating systems at some municipal buildings (27,850 thousand euro at 31 December 2024, 27,002 thousand euro at 31 December 2023). For more information on the overall position of Iren Group in relation to the Municipality of Turin please see Note 9 “Non-current financial assets”.

NOTE 9_NON-CURRENT FINANCIAL ASSETS

The item of 124,756 thousand euro (128,937 thousand euro as at 31 December 2023) mainly consists of loan assets and derivatives with positive fair value. These are detailed in the following table.

thousands of euro

	31/12/2024	31/12/2023
Non-current loan assets with associates	5,844	4,721
Non-current loan assets with owners	31,951	33,376
Non-current loan assets with others	42,634	38,556
Fair value of derivatives – non-current portion	22,358	30,611
Securities other than equity investments	225	74
Other financial assets	21,744	21,599
Total	124,756	128,937

Non-current loan assets with associates
They mainly refer to the amounts due from Acos and BI Energia.

Non-current loan assets with owners
Amounting to 31,951 thousand euro (33,376 thousand euro as at 31 December 2023), these refer to amounts due from the Municipality of Turin, and relate to:
- the non-current portion of the amount related to the current account which governs transactions between the subsidiaries AMIAT, Iren Smart Solutions, and the municipality of Turin (167 thousand euro); The current account agreement runs until 31 December 2036 and the interest accruing on the balance is calculated based on the actual average cost incurred by Iren Group for its financial exposure;
- the application of the financial asset model provided for in IFRIC 12 to the energy efficiency project ("Turin LED") associated with the Public Lighting service performed under concession by Iren Smart Solutions in the city of Turin, for the non-current portion (31,784 thousand euro). Recognition of the discounted financial asset is a result of the vesting of the current unconditional right to receive the contractually-agreed cash flows, which coincided with completion of the installation of the related LED devices.

The accounting treatment of the aforementioned current account agreement determines a reduction of trade receivables presented in the statement of cash flows as a generation of operating cash flows, and a corresponding increase in loan assets, presented as a cash absorption in cash flows from financing activities.
These assets form part of an overall position, totalling 116,479 thousand euro, and are divided among various financial statements items according to their classification by type and expiry date: Non-current trade receivables (Note 8), Non-current financial assets (this Note 9), Trade receivables (Note 14) and Current financial assets (Note 17), as shown in the table presented below.
Financial assets were divided by the directors between current portion and non-current portion on the basis of a forecast of their collection times also following the results of the agreement signed by the Municipality of Turin and Iren Group during financial year 2018.

thousands of euro

	31/12/2024	31/12/2023
Non-current trade receivables	27,850	27,002
Invoices issued for services	36,815	6,517
Invoices to be issued for services	15,818	25,470
Supply of heat and other	15	121
Loss allowance – trade receivables	(47)	(23)
Total current trade receivables	52,601	32,085
Non-current portion of current account assets	167	233
Non-current portion of accrued interest income	-	-
Non-current portion of service concession financial assets	31,986	33,325
Loss allowance - non-current financial assets	(202)	(182)
Total non-current financial assets	31,951	33,376
Current portion of current account assets	-	-
Current portion of accrued interest income	11	28
Current portion of service concession financial assets	4,068	5,589
Loss allowance - current financial assets	(2)	(2)
Total current financial assets	4,077	5,615
Total	116,479	98,078

Non-current financial assets with others
Non-current financial assets with others include the non-current portion of:
- assets for finance leases relating to air conditioning systems;
- the asset arising from the sale of the business unit related to the management of the integrated water service of two municipalities of the Veronese ATO Basin in 2019;
- assets arising from the application of the financial asset model provided for by IFRIC 12 to the energy efficiency project connected with the Public Lighting service provided under concession in various cities, including Vercelli, Biella and Fidenza.

Fair value of derivatives – non-current portion
The fair value of derivatives refers to instruments in the portfolio for hedging the risk of changes in rates.

Securities other than equity investments
These amounted to 225 thousand euro (74 thousand euro as at 31 December 2023) and relate to securities given as collateral and measured at amortised cost.

Other financial assets
The item amounted to 21,744 thousand euro and is represented by the variable portion of the sale price of the investment in OLT Offshore LNG Toscana and the related loan. This asset is measured at fair value and any changes are recognised in profit or loss.

NOTE 10_OTHER NON-CURRENT ASSETS
These are as follows:

thousands of euro

	31/12/2024	31/12/2023
Security deposits	7,836	5,958
Non-current tax assets	95,214	130,606
Other non-current assets	24,512	23,322
Non-current accrued income and prepaid expenses	4,106	4,106
Total	131,668	163,992

Non-current tax assets refer mainly to deductions on work done in order to improve the energy efficiency of buildings (ecobonus) and to VAT assets for which claims for refund have been made. Tax assets for deductions on work carried out to improve the energy efficiency of buildings (ecobonus) classified as non-current will be used by the Group to offset taxes due for the next five years.
Prepaid expenses mainly include the non-current portion of prepaid costs for energy service contracts of the subsidiary Iren Smart Solutions.

NOTE 11_DEFERRED TAX ASSETS

They amounted to 389,533 thousand euro (400,092 thousand euro as at 31 December 2023) and refer to deferred tax assets arising from income components deductible in future years.
For further details please see the note to the income statement, "Income taxes" (Note 42) and the annexed table.

CURRENT ASSETS

NOTE 12_INVENTORIES

Inventories, measured at weighted average cost, primarily comprise natural gas and consumables intended for maintenance and construction of the Group plants.
The table below summarises the amounts of the item in the years in question:

thousands of euro

	31/12/2024	31/12/2023
Gas storage	11,690	-
Consumables and spare parts	81,956	80,950
Inventory write-down provision	(9,613)	(7,073)
Total	84,033	73,877

The change in the gas storage results from the stocks in place at 31 December 2024, which were not present at 31 December 2023.
The inventory write-down provision was set aside and is used to take into consideration inventories that are technically obsolete and slow-moving.
At 31 December 2024 no inventories were pledged against liabilities.

NOTE 13_CURRENT CONTRACT ASSETS

Current contract assets amounted to 69,291 thousand euro (29,830 thousand euro as at 31 December 2023) and mainly related to activities performed to improve the energy efficiency of buildings.

NOTE 14_TRADE RECEIVABLES

These are as follows:

thousands of euro

	31/12/2024	31/12/2023
Trade receivables from customers	1,597,034	1,508,293
Trade receivables from joint ventures	24,633	159
Trade receivables from associates	50,964	26,372
Trade receivables from owners	64,500	48,184
Trade receivables from other related parties	7,591	5,631
Total gross trade receivables	1,744,722	1,588,639
Loss allowance	(302,268)	(300,532)
Total	1,442,454	1,288,107

As at 31 December 2024, there are factoring transactions with derecognition of the receivable for a total of 10,522 thousand euro while it amounted to 71,651 thousand euro as at 31 December 2023.

The table below shows the credit risk exposure with reference to trade receivables, together with the related expected credit losses (loss allowance), broken down by due date range:

thousands of euro

	Gross trade receivables	Provisions for impairment of trade receivables	Average credit loss percentage
Not past due	1,185,424	(43,841)	3.7%
Past due from 0 to 3 months	178,616	(23,911)	13.4%
Past due from 3 to 12 months	130,114	(65,599)	50.4%
Past due for more than 12 months	250,568	(168,917)	67.4%
Total	1,744,722	(302,268)	

Trade receivables not past due include invoices to be issued of 863,449 thousand euro (777,522 thousand euro at 31 December 2023) which include the estimate of revenue earned for services supplied between the date of the last reading of effective consumption and the reporting date.

Trade receivables from customers
They mainly relate to amounts due for the supply and distribution of electricity, gas and heat, energy efficiency services, of the waste management sector, and the Integrated Water Service.

Trade receivables from Associates and Joint Ventures
This item includes amounts due from the Group's associates and joint ventures, consolidated using the equity method. These relate to normal trade transactions performed at arm's length and related to the business segments listed above.

Trade receivables from owners
These refer to trade transactions performed at arm's length, related to the segments listed above, with territorial authorities classified as related parties (municipalities of Genoa, Parma, Piacenza, Reggio Emilia and Turin).

Trade receivables from other related parties
These regard amounts due from the companies controlled by the territorial body owners (municipalities of Genoa, Parma, Piacenza, Reggio Emilia and Turin) and refer to normal commercial transactions carried out at arm's length, related to the segments listed above.

For more details on business relations with related parties, please refer to the chapter "Notes to transactions with related parties" and the related table in the annex.

The following table shows gross trade receivables broken down by segment:

thousands of euro

	Networks	Waste Management	Energy	Market	Other services	Total
Not past due	234,451	260,761	200,272	488,069	1,871	1,185,424
Past due from 0 to 3 months	37,162	19,055	10,685	111,631	83	178,616
Past due from 3 to 12 months	21,762	14,924	4,740	88,673	15	130,114
Past due for more than 12 months	67,515	27,315	8,657	146,397	684	250,568
Total gross trade receivables	360,890	322,055	224,354	834,770	2,653	1,744,722

Loss allowance
The table below shows the changes in the loss allowance:

thousands of euro

	31/12/2023	Increases	Decreases	Changes in consolidation scope	31/12/2024
Loss allowance	300,532	74,482	(72,916)	170	302,268

The increases in the year were recognised to adjust the loss allowance to the amount of expected credit losses on the basis of the simplified approach provided for by IFRS 9, where "loss" means the present value of all future cash shortfalls, considering forward-looking information. The decreases in the year refer mostly to utilisations to fully impair non-collectable amounts.

The following table shows the loss allowance broken down by segment:

thousands of euro

	Networks	Waste Management	Energy	Market	Other services	Total
Not past due	(12,309)	(23,620)	(624)	(7,253)	(35)	(43,841)
Past due from 0 to 3 months	(3,944)	(3,725)	(458)	(15,779)	(5)	(23,911)
Past due from 3 to 12 months	(10,426)	(4,798)	(1,019)	(49,355)	(1)	(65,599)
Past due for more than 12 months	(60,721)	(20,061)	(8,657)	(78,794)	(684)	(168,917)
Total loss allowance	(87,400)	(52,204)	(10,758)	(151,181)	(725)	(302,268)

NOTE 15_CURRENT TAX ASSETS

These amounted to 14,474 thousand euro (18,894 thousand euro as at 31 December 2023) and include IRES and IRAP assets.

NOTE 16_SUNDRY ASSETS AND OTHER CURRENT ASSETS

These are as follows:

thousands of euro

	31/12/2024	31/12/2023
Government land tax/UTIF	5,637	30,429
VAT assets	35,193	49,446
Other tax assets	66,109	290,508
Current tax assets	106,939	370,383
Cassa Servizi Energetici e Ambientali (CSEA)	49,451	52,686
Green certificates	12,933	1,719
Advances to suppliers	23,263	23,313
Other current assets	88,848	75,182
Other current assets	174,495	152,900
Accrued income and prepaid expenses	17,283	53,233
Total	298,717	576,516

As at 31 December 2023, factoring transactions had been completed with derecognition of VAT assets for 11,281 thousand euro.

The increase in tax assets for government land tax is due to pre-payments and settlement payments which are influenced by invoicing volumes for the current year and the previous year.
Other tax assets include 42,910 thousand euro for deductions on work carried out to improve the energy efficiency of buildings (ecobonus). Beginning in 2021, these assets are recognised under current assets, as the business model calls for the financial asset to be realised through transfers to financial intermediaries. The decrease compared to 31 December 2023 of 219,071 thousand euro is attributable to the disposals made during 2024.
In September 2019, Iren exercised the option for establishment of Group VAT to which the Revenue Agency attributed a new VAT number with effect from 1 January 2020.
The companies that take part in the VAT Group for 2024, not including the Parent Iren S.p.A., are as follows: Iren Energia S.p.A., IReti S.p.A., Iren Mercato S.p.A., Iren Ambiente S.p.A., Amiat S.p.A, Iren Smart Solutions S.p.A., Iren Acqua Tigullio S.p.A., Iren Acqua S.p.A., Iren Acqua Reggio S.r.l, Iren Laboratori S.p.A., Bonifica Autocisterne S.r.l., ASM Vercelli S.p.A., Atena Trading S.r.l, Acam Ambiente S.p.A., Acam Acque S.p.A., ReCos S.p.A., Alfa Solutions S.p.A., TRM S.p.A, San Germano S.p.A., Maira S.p.A., Formaira S.r.l., Territorio e Risorse S.r.l., Rigenera Materiali S.r.l., Re.Mat SRL, Bonifiche Servizi Ambientali s.r.l., Uniproject S.r.l., Manduriambiente S.p.A., Iren Ambiente Toscana S.p.A., TB S.p.A. (merged into Valdarno Ambiente at 1 January 2025), Futura S.p.A., I Blu S.r.l., Iren Ambiente Parma S.r.l., Iren Ambiente Piacenza S.r.l., Asti Energia e Calore S.p.A, IReti Gas S.p.A., Sei Toscana S.p.A., Valdarno Ambiente S.r.l., Iren Green Generation Tech S.p.A., Valle Dora S.r.l., Dogliani Energia S.r.l., Alegas S.r.l., Ekovision S.r.l., Limes 20 S.r.l., Limes 1 S.r.l., Limes 2 S.r.l., Acquaenna S.c.p.A., Am.ter S.p.A. (merged into IReti at 1 January 2025), Iren Acqua Piacenza S.r.l., Semia Green S.r.l., Agrovoltaica S.r.l., C.R.C.M. S.r.l..

In relation to amounts due from the Cassa Servizi Energetici e Ambientali (CSEA), a portion of the amounts shown may not be collectable within the next 12 months.

NOTE 17_CURRENT FINANCIAL ASSETS

These are as follows:

thousands of euro

	31/12/2024	31/12/2023
Loan assets with joint ventures	240	-
Loan assets with associates	3,931	2,603
Loan assets with owners	4,077	5,615
Loan assets with others	533,159	194,927
Current portion of derivative financial instruments	39,239	39,039
Total	580,646	242,184

All loan assets recognised in this item are due within 12 months. The carrying amount of these assets approximates their *fair value* as the impact of discounting is negligible.

Loan assets with joint ventures
The item refers to loans to the company Nuova Sirio.

Loan assets with associates
This item refers mainly to loans to STU Reggiane (510 thousand euro). The remainder relates mainly to dividends to be collected.
For further details, please see the schedule of related party transactions shown in the annex.

Loan assets with owners
These regard amounts due from the municipality of Turin, on which interest accrues in favour of the Group, and amounted to 4,077 thousand euro (5,615 thousand euro as at 31 December 2023), and are related to the relationship between the subsidiary Iren Smart Solutions and the municipality of Turin.
For details of the overall position of Iren Group with the municipality of Turin please see Note 8 “Non-current financial assets”.

Loan assets with others
This item refers for 450,000 thousand euro to deposits on which interest accrues in April and July 2025. These instruments were finalised with banking counterparties and entered into following the 500 million euro bond issue in September 2024.
The item also contains the deposits paid as security for transactions on commodities futures markets (15,004 thousand euro), and restricted current accounts of the subsidiary TRM S.p.A., deriving from the loan agreement that provides for the linking of amounts to service the instalment due, environmental compensation charges and extraordinary maintenance of the waste-to-energy plant (38,008 thousand euro). The remaining balance consists of assets arising from the implementation of the financial asset model provided by IFRIC 12 for the water purification service acquired in the Marche region, accrued income and deferred charges of a financial nature and finance lease assets.

At 31 December 2023, the item contained amounts due from financial institutions for the transfer of tax credits from ecobonus for 119,274 thousand euro.

Current portion of derivative financial instruments
These relate to the positive *fair value* of derivative contracts on commodities.

NOTE 18_CASH AND CASH EQUIVALENTS

The item Cash and cash equivalents is made up as follows:

thousands of euro

	31/12/2024	31/12/2023
Bank and postal deposits	326,280	435,876
Cash and similar on hand	288	258
Total	326,568	436,134

Cash and cash equivalents consist of available bank and postal deposits. The Group does not hold cash equivalents, intended as short-term and highly liquid investments readily convertible into known amounts of cash and subject to an insignificant risk of changes in value.
Please refer to the Statement of Cash Flows for details of the changes during the year.

NOTE 19_ASSETS HELD FOR SALE

Assets held for sale are measured at the lower of their carrying amount and fair value less costs to sell. They amounted to 790 thousand euro (1,144 thousand euro as at 31 December 2023). This item relates to:
- for 632 thousand euro (986 thousand euro at 31 December 2023), to the net assets related to the concessions of the integrated water service of four municipalities of the province of Alessandria for which the takeover of the new operator is being defined;
- for 158 thousand euro (unchanged compared to 31 December 2023), to the associate Piana Ambiente.

In addition, assets held for sale include the equity investment in Fata Morgana, already fully impaired in previous years.

Liabilities

NOTE 20_EQUITY
Equity may be analysed as follows:

thousands of euro

	31/12/2024	31/12/2023
Share capital	1,300,931	1,300,931
Reserves and Retained Earnings	1,306,622	1,250,525
Profit for the year	268,471	254,752
Total equity attributable to the owners of the parent	2,876,024	2,806,208
Capital and reserves attributable to non-controlling interests	432,562	411,009
Profit attributable to non-controlling interests	35,111	27,077
Total consolidated equity	3,343,697	3,244,294

Share capital
The share capital, unchanged compared to 31 December 2023 amounts to 1,300,931,377 euro, which is fully paid-up and comprises 1,300,931,377 ordinary shares with a nominal value of 1 euro each.
In 2020 and 2021, following the relative shareholders' resolutions, the parent repurchased treasury shares for a total of 17,855,645 shares for a total price of 38,690 thousand euro recognised as a reduction of equity in the item "Reserves and Retained Earnings".

Reserves and Retained Earnings
The breakdown of this item is as follows:

thousands of euro

	31/12/2024	31/12/2023
Treasury shares	(38,691)	(38,691)
Share premium reserve	133,019	133,019
Legal reserve	119,707	111,093
Hedging reserve	(32,301)	12,758
Other reserves and retained earnings	1,124,888	1,032,346
Total reserves	1,306,622	1,250,525

Hedging reserve
Changes in the fair value of effective hedging derivatives are recognised with a corresponding balancing item directly in equity under the hedging reserve. These contracts were entered into to hedge exposure to the risk of interest rate fluctuations on floating rate loans and to the risk of price changes in electricity and gas purchase contracts.

Other reserves and retained earnings
These comprise mainly the goodwill arising on the merger of AMGA into AEM Torino and the subsequent merger of Enìa into Iride, retained earnings, and the actuarial reserve consisting of actuarial gains and losses on the measurement of post-employment benefits.
The increase in 2024 is mainly due to the carrying forward of the profits for 2023 not distributed (102,323 thousand euro).

Dividends
At their Ordinary Meeting on 27 June 2024, the Shareholders of Iren S.p.A. approved the Parent's separate financial statements at 31 December 2023 and the Directors' Report, and resolved to distribute a dividend of 0.1188 euro per ordinary share, confirming the proposal made by the Board of Directors. The dividend was payable as of 24 July 2024, with ex-dividend date on 22 July 2024. At the ex-dividend date, the number of outstanding shares was 1,283,075,732 and, consequently, the total amount of dividends distributed was 152,429,396.96 euro.

For further details, reference should be made to the statement of changes in equity.

CAPITAL MANAGEMENT

The capital management policies of the Board of Directors involve maintaining a high level of capital to uphold relations of trust with investors, creditors and the market, and also allowing future business development.
The Board of Directors monitors the return on capital and the level of dividends for distribution to shareholders, and aims to maintain a balance between achieving extra yield by recourse to indebtedness and the benefits and security offered by a solid financial position.

NON-CURRENT LIABILITIES

NOTE 21_NON-CURRENT FINANCIAL LIABILITIES

The item amounted to a total of 4,460,916 thousand euro (4,048,316 thousand euro as at 31 December 2023).

Bonds

These amounted to 2,992,913 thousand euro due after 12 months (2,522,470 thousand euro as at 31 December 2023). The item consisted of positions of the parent referred to Public and Private Bond issues, accounted for at amortised cost, against a total nominal value outstanding at 31 December 2024 of 3,024,000 thousand euro (2,550,000 thousand at 31 December 2023). The details of Bonds with maturity after 12 months are as follows:

- Green Bonds maturing October 2027, coupon 1.5%, amount 500 million euro, all outstanding (amount at amortised cost 496,993 thousand euro);
- Green Bonds maturing October 2029, coupon 0.875%, amount 500 million euro, all outstanding (amount at amortised cost 497,337 thousand euro);
- Green Bonds maturing January 2031, coupon 0.25%, amount 500 million euro, including TAP issue of October 2021, all outstanding (amount at amortised cost 490,510 thousand euro);
- Green Private Placement maturing August 2028, coupon 2.875%, outstanding amount 40 million euro (50 million euro at 31 December 2023; amount at amortised cost 39,758 thousand euro);
- Green Bonds issued in January 2024, maturing July 2032, coupon 3.875%, amount 500 million euro, all outstanding (amount at amortised cost 495,887 thousand euro);
- Green Bonds issued in September 2024, maturing September 2033, coupon 3.625%, amount 500 million euro, all outstanding (amount at amortised cost 494,391 thousand euro);
- Bonds maturing July 2030, coupon 1%, outstanding amount 484 million euro (500 million euro at 31 December 2023; amount at amortised cost 478,037 thousand euro).

The bonds were subscribed by Italian and foreign institutional investors, are listed on the Irish Stock Exchange and were assigned Fitch and S&P ratings.
The change in the total carrying amount compared to 31 December 2023 is due to:

- two new Green Bond issues in January and September 2024, totalling 1,000 million euro;
- the repurchase, in July 2024, of outstanding Bond units totalling 50 million euro;
- the reclassification within 12 months of the Green Bonds maturing in September 2025, coupon 1.95%, outstanding amount 476 million euro (500 million euro as at 31 December 2023; amount at amortised cost 475,282 thousand euro);
- the allocation of accrued financial expense, calculated on the basis of the amortised cost method.

Non-current bank loans

Non-current bank loans relate exclusively to the non-current portion of loans/credit lines due after 12 months granted by banks, and amounted to 1,387,786 thousand euro (1,438,566 thousand euro as at 31 December 2023). Non-current bank loans can be analysed by interest rate type (with respective indications of minimum and maximum rates applied) and by maturity date (related to the portion after 12 months), as shown in the table below:

thousands of euro

	fixed rate	floating rate	TOTAL
min/max rate	n.a.	2.962% - 4.302%	
maturity	2026-2031	2026-2039	
2026	476	79,197	79,673
2027	476	342,898	343,374
2028	476	502,082	502,558
2029	476	93,781	94,257
Subsequent	702	367,222	367,924
Total after 12 months as at 31/12/2024	2,606	1,385,180	1,387,786
Total after 12 months as at 31/12/2023	-	1,438,566	1,438,566

All loans are denominated in euro.

The changes in non-current loans during the year are summarised as follows:

thousands of euro

	31/12/2023 Total after 12 months	Increases	Changes in consolidation scope	Decreases	Change in amortised cost	31/12/2024 Total after 12 months
- fixed rate	-		3,450	(833)	(12)	2,606
- floating rate	1,438,566		24,955	(79,057)	716	1,385,180
TOTAL	1,438,566		28,405	(79,890)	705	1,387,786

Total non-current loans at 31 December 2024 decreased compared to 31 December 2023, as a combined result of:

- an increase of 28,405 thousand euro in medium/long-term loans held by companies that entered the consolidation scope of the Group;
- reduction of 79,890 thousand euro, owing to the reclassification of the portions of loans maturing within the next 12 months as current;
- increase of 705 thousand euro due to recognition of the loans at amortised cost.

Other financial liabilities

These amount to 80,217 thousand euro (87,280 thousand euro as at 31 December 2023) and refer to:

- for 21,479 thousand euro (32,891 thousand at 31 December 2023) to the fair value of derivative contracts entered into as hedges against the interest rate fluctuation risk on floating rate loans and the price of commodities (please see the paragraph "Group Financial Risk Management" for comments);
- for 53,393 thousand euro (47,696 thousand euro as at 31 December 2023) to lease liabilities;
- for 3,166 thousand euro (1,077 thousand euro as at 31 December 2023) to the liabilities related to the fair value measurement of the put options granted to non-controlling interests on their shares. This item refers to the option to sell the non-controlling interest in ReMat, equal to 5.23%% of the share capital and in Nord Ovest Servizi S.p.A., equal to 25% of the share capital, held partly by SMAT and partly by GTT.
- for 2,171 thousand euro (5,396 thousand euro at 31 December 2023) to minor loans from others, the most significant amounts of which regard loans to certain companies consolidated on a line-by-line basis, but in which the Group does not hold 100% of the shares, granted by the non-controlling investor.

NOTE 22_EMPLOYEE BENEFITS

Changes in this item in 2024 were as follows:

thousands of euro

	31/12/2023	Changes in consolida-tion scope	Disburse-ments during the year	Obligations accrued during the year	Actuarial (gains) losses	Financial expenses	Other changes	31/12/2024
Post-employment benefits	77,691	250	(8,747)	906	(171)	2,265	-	72,194
Additional salary payments (seniority bonus)	3,083	-	(409)	94	189	94	-	3,051
Loyalty bonus	2,099	-	(97)	17	(61)	57	-	2,015
Tariff discounts	3,108	-	(268)	-	(1)	91	-	2,930
Premungas fund	1,348	-	(355)	-	142	39	131	1,305
Total	87,329	250	(9,876)	1,017	98	2,546	131	81,495

The column "Changes in consolidation scope" refers to the balances acquired in 2024 relative to the company Siena Ambiente; the column "Other changes" refers to an adjustment made during the actuarial calculation with reference to the premungas fund, in order to adjust the amount to current market values.
The tariff discounts include benefits related to the supply of natural gas for domestic use. Following the signing of specific agreements with the trade unions, the "Energy discount" awarded up to 30 September 2017 to employees in service was converted into other forms of employee benefits. The "Energy discount" awarded up to 30 September 2017 to retired employees was revoked unilaterally and replaced with lump sums included in provisions for former employee benefits.

Actuarial assumptions

The above-mentioned liabilities are measured by independent actuaries. The liability relating to the defined benefit plans is calculated in accordance with actuarial assumptions and is recognised on an accruals basis in line with the service necessary to obtain benefits.
For the purpose of defining the present value of the obligations, the future service is estimated based on assumptions related to changes in the total number of employees and employee remuneration. Future service represents the amount that would be paid out to each employee in the event of continuing working activity with another company, retirement, death, resignation or a request for an advance.

The following factors were considered in deciding which discount rate to adopt in the measurement approach provided by IAS 19:

- stock market of reference;
- the measurement date;
- expected average term of the liabilities.

The average residual term of liabilities was obtained as the weighted average residual term of liabilities related to all benefits and all Group companies.
The economic and financial assumptions adopted in the calculations are the following:

Annual discount rate	2.69% - 3.38%
Annual inflation rate	2.00%
Annual increase rate of post-employment benefits	3.00%

In accordance with the provisions of IAS 19, the following additional information is supplied:

- sensitivity analysis for each material actuarial assumption at year end, showing the effects that would have resulted from changes in the actuarial assumptions reasonably possible at that date, in absolute terms;
- contributions for the following year;
- indication of the average maturity of the obligation for defined benefit plans.

This information is shown in the following table.

	Change in liabilities according to changes in discount rate +0.25%	-0.25%	Service cost 2025	Duration of the plan	Disbursements 2025
Post-employment benefits	(1,093)	333	703	7.55	10,188
Additional salary payments	(10)	14	68	8.24	66
Loyalty bonus	(31)	32	77	12.22	233
Tariff discounts	(58)	60	-	8.47	229
Premungas	(14)	13	-	7.89	240

The method used to estimate sensitivity was unchanged compared to the previous financial year.

NOTE 23_PROVISIONS FOR RISKS AND CHARGES

The item amounted to 276,258 thousand euro (404,882 thousand euro as at 31 December 2023). It is detailed in the following table, and refers both to the current and non-current portions:

amounts in euro

	31/12/2023	Increases	Decreases	(Gains) losses	Changes in consolida-tion scope	31/12/2024	Non-current portion
Provision for restoration of third-party assets	186,037	1,923	(158,987)	514	-	29,487	29,487
"Post-closure" provisions	66,475	4,511	(6,897)	(64)	15,023	79,048	74,157
Provision for dismantling and reclaiming sites	48,287	2,467	(1,213)	394	-	49,935	49,892
Provision for early retirement	11,461	1,555	(1,115)	142	-	12,043	11,092
ETS cancellation obligation	229,419	194,187	(229,419)	-	-	194,187	-
Other provisions for risks and charges	195,085	37,901	(41,034)	-	995	192,947	111,630
TOTAL	736,764	242,544	(438,665)	986	16,018	557,647	276,258

If the effect of discounting the value of money is significant, the provisions are discounted using a pre-tax discount rate which, on the basis of the time period envisaged for the future cash flows, does not exceed 4.6%.
The column "Changes in consolidation scope" refers to the balances acquired during 2024 relating to Siena Ambiente.

Provision for restoration of third-party assets
This item is made up to include the charges related to the restoration of the group of assets and equipment pertaining to the management of the Integrated Water Service in the province of Parma owned by Parma Infrastrutture: this group of assets is used to provide the service against the payment of a fee. The relevant provision is estimated on the basis of the depreciation of the assets themselves and will be deducted from the consideration to be paid to the Group by any new incoming operator or in accordance with the terms and conditions of the concession award.
The decreases in the year relate to:

- for 19,408 thousand euro to the reclassification to liabilities of the provision for restoration of third-party assets pertaining to the Integrated Water Service of the Province of Piacenza, entrusted effective as of 1 January 2025 to the outgoing concessionaire IRETI, which, moreover, established the territorial operating company Iren Acqua Piacenza, in execution of the provisions of the tender. This amount was paid to the company that owns the assets pertaining to the service, Piacenza Infrastrutture, on the effective date of the concession;
- for 139,579 thousand euro to the reclassification to the item "Deferred income for grants related to assets" (current and non-current portion), to represent the contribution for future restoration work on the group of assets pertaining to the management of the Integrated Water Service of the Province of Reggio Emilia owned by AGAC Infrastrutture, determined at the start of the new concession as consideration to be transferred from the territorial operating company Iren Acqua Reggio to the grantor.

In fact, as the assets are still functional for the area water service, but the pre-existing lease contract could not be extended due to regulatory and economic constraints, the Area Authority Atersir, through an agreement signed with Iren Acqua Reggio, AGAC Infrastrutture, ARCA, holder of the concession, and IRETI (winner of the tender for the selection of the private partner participating in ARCA), established that the sum will be returned by Iren Acqua Reggio to the area system over the next twenty years, for the entire duration of the concession. The return will be through the realisation of new assets of equal value, chosen from those envisaged in the Plan of Interventions approved by Atersir or, in the event of early termination of the concession, by reducing the value of the assets transferred to the new incoming operator.
Therefore, as mentioned above, this liability has been reclassified from provisions for risks to deferred income, and will see its amount decrease each year by sterilising the investments made by Iren Acqua Reggio and then transferred to AGAC Infrastrutture on the basis of the area plan.

“Post-closure” provisions
These are mainly provisions for future expense for environmental remediation of controlled landfill plants which also include costs for post-operating management until the sites involved have been completely converted into green areas. These provisions are supported by specific appraisals periodically updated in order to adjust the existing provisions to the estimate of the future costs to be incurred. The decreases refer, in fact, to the utilisation of the provision to cover costs incurred in the post-operating phase until the mineralisation of waste and the conversion of landfills are completed.

Provision for dismantling and reclaiming sites
The “Provision for dismantling and reclaiming sites” represents the estimated costs associated with the future decommissioning of waste-to-energy plants and, to a lesser extent, the Group’s photovoltaic parks.

Provision for early retirement
The provision refers to expenses associated with early retirement of some personnel that provide for retirement incentives for some employees, on a voluntary basis among the Group’s personnel who are potentially involved. The transaction should be seen in the wider context of professional and demographic rebalancing of Iren Group’s personnel, in view of a plan to recruit young individuals.
The incentive, completely chargeable to Iren Group (in application of Art. 4 of Law no. 92/2012), will enable the personnel who meet the legal requisites to retire ahead of the date of eligibility.
The provision represents the estimated payment to the employees involved in the Plan, through the social security institution, of a benefit of an amount equal to the pension that would be payable on the basis of the current rules (“early retirement”) with payment to the social security institution of the contribution until the minimum requirements for retirement are reached (in accordance with the aforementioned Law 92/2012), and a sum, for each of the employees involved, as a one-off payment as an incentive.

ETS cancellation obligation
This item refers to obligations related to carbon dioxide emission rights under the Emission Trading Scheme. The increase concerns the estimated costs, observable on the basis of market quotations at the end of the year, related to the rights still to be acquired in order to fulfil the obligation of the year, according to the schedule. The decreases refer to the purchase of securities pertaining to the previous year’s obligation.

Other provisions for risks and charges
The amount of the provisions mainly refers to the probable risks of higher charges pertaining to the Group’s businesses, the allocation of the charge related to the two-way compensation mechanism for electricity prices as per Decree-Law Sostegni Ter, the estimated IMU property tax to be paid on the value of the systems of the power plants calculated as provided for by Decree-Law No. 44/2005, charges for environmental offsets, tax, employment and regulatory risks and probable charges related to various disputes.

In 2024, releases of 16,924 thousand euro were made, mainly related to the elimination of probable charges and the settlement of various disputes, including those of a regulatory nature, for which there was no longer a need to maintain the related provisions.

The current portion referring to the provisions described above was presented under “provisions for risks and charges - current portion” (Note 31).

NOTE 24_DEFERRED TAX LIABILITIES

Deferred tax liabilities of 116,857 thousand euro (130,532 thousand euro as at 31 December 2023) are due to the temporary difference between the carrying amount and tax base of assets and liabilities recognised in the financial statements.
Deferred taxation is calculated with reference to the expected tax rates applicable when the temporary differences will reverse.

For further details please see the note to the income statement, “Income taxes” (Note 42) and the annexed table.

NOTE 25_SUNDRY LIABILITIES AND OTHER NON-CURRENT LIABILITIES

This item can be broken down as follows:

thousands of euro

	31/12/2024	31/12/2023
Due after 12 months	68,519	59,570
Deferred income for grants related to assets - non current	679,712	518,414
Non-current accrued liabilities and deferred income	3,328	3,860
Total	751,559	581,844

The item "Due after 12 months" mainly refers to advances paid by users as a guarantee on the supply of water, as well as amounts due to customers for refunds to users entitled to the refund of the purification fee of the Integrated Water Service following the Supreme Court ruling of 14 July 2023 and to tax liabilities for substitute taxes to be paid beyond 12 months from the reporting date.
Deferred income for grants related to assets, non-current portion, includes the amounts relating to connection grants of 206,909 thousand euro and the Fo.N.I. component (Provision for New Investments), amounting to 72,476 thousand euro, provided for by the tariff method for the Integrated Water Service, which will be reversed to profit or loss after 12 months from the reporting date. The portion that will be taken to profit or loss in the 12 months following the reporting date amounts to 10,596 thousand and 4,783 thousand euro, respectively, and is included in the item "Sundry liabilities and other current liabilities under deferred income" for grants related to assets.
Starting from 2024, the non-current portion of deferred income for grants related to assets also includes, in the amount of 126,679 thousand euro, the grant for future restoration work on all assets related to the management of the Integrated Water Service of the Province of Reggio Emilia, determined at the start of the new concession as consideration to be transferred from the territorial operating company Iren Acqua Reggio to the grantor, which is the subject of the aforementioned reclassification from the "Provision for restoration of third-party assets".

CURRENT LIABILITIES

NOTE 26_CURRENT FINANCIAL LIABILITIES

All financial liabilities recognised in this item are due within 12 months. The carrying amount of these liabilities approximates their fair value as the impact of discounting is negligible.
Current financial liabilities can be analysed as follows:

thousands of euro

	31/12/2024	31/12/2023
Bonds	475,282	499,220
Bank loans	100,423	91,927
Financial liabilities with associates	986	231
Financial liabilities with owners	6,067	14,750
Financial liabilities with other related parties	7	7
Lease liabilities	16,150	14,686
Financial liabilities with others	15,243	33,096
Current liabilities for derivatives	42,372	82,462
Total	656,530	736,379

Bonds
This is the Green Bonds with maturity September 2025, coupon 1.95%, outstanding amount 476 million euro (500 million euro as at 31 December 2023). The carrying amount is shown at amortised cost for 475,282 thousand euro (498,310 thousand euro at 31 December 2023).

Bank loans

Current bank loans may be broken down as follows:

thousands of euro

	31/12/2024	31/12/2023
Loans - current portion	75,362	68,722
Other current bank loans	500	9,405
Accrued financial expenses and deferred financial income	24,561	13,800
Total	100,423	91,927

Financial liabilities with associates

They refer to amounts due to the company ARCA for 448 thousand euro and to the company ARIENES for 538 thousand euro. It should be noted that, as of 31 December 2023, there were amounts due to the company Siena Ambiente for 150 thousand euro, fully consolidated as of 1 January 2024.

Financial liabilities with owners

This item relates to dividends of the company TRM still to be paid to the municipality of Turin.

Financial liabilities with others

They amounted to 15,243 thousand euro (32,410 thousand euro as at 31 December 2023) and mainly related to the fair value measurement of the put option on the non-controlling interest in IBlu S.r.l. (4,026 thousand euro), equal to 20% of the quota capital, held by Idealservice Soc Coop; the item also includes amounts due to factors (8,155 thousand euro).

Current liabilities for derivatives

These relate to the *fair value* of derivative contracts entered into to hedge the exposure to the risk of fluctuations in commodity prices.

NOTE 27_TRADE PAYABLES

All trade payables are due within 12 months. The carrying amount of these payables approximates their fair value as the impact of discounting is negligible.

thousands of euro

	31/12/2024	31/12/2023
Trade payables to suppliers	1,697,532	1,528,865
Trade payables to joint ventures	(1)	(2)
Trade payables to associates	7,461	18,897
Trade payables to owners	7,257	6,772
Trade payables to other related parties	28,125	6,948
Advances due within 12 months	6,100	15,497
Guarantee deposits due within 12 months	5,599	4,860
Trade payables to customers for reimbursements within 12 months	35,125	52,883
Total	1,787,198	1,634,720

Trade payables to customers for reimbursements within 12 months refer to the liability recognised in respect of users entitled to reimbursement of the purification tariff of the Integrated Water Service following the Supreme Court ruling of 14 July 2023, which established that the tariff is not payable by users to whom secondary purification treatment is not provided.

NOTE 28_CURRENT CONTRACT LIABILITIES

This item totalled 88,983 thousand euro (79,642 thousand euro as at 31 December 2023) and refers to the amounts paid by customers as advance payments for the sale of electricity and for energy efficiency measures in buildings, which have not yet been completed.

NOTE 29_SUNDRY LIABILITIES AND OTHER CURRENT LIABILITIES

All amounts recognised in this item are due within 12 months. The carrying amount of these liabilities approximates their fair value as the impact of discounting is negligible.

thousands of euro

	31/12/2024	31/12/2023
VAT liability	5,088	586
Government land tax/UTIF	124	29
IRPEF liability	1,772	1,539
Other tax liabilities	30,433	31,922
Current tax liabilities	37,417	34,076
Amounts due to employees	74,431	67,243
Amounts due to Cassa Servizi Energetici e Ambientali (CSEA)	49,365	66,047
Amounts due to social security institutions within 12 months	34,348	32,624
Other current liabilities	118,932	104,135
Current sundry liabilities	277,076	270,049
Accrued expenses and deferred income	39,200	29,057
Total	353,693	333,182

The change in liabilities for Government land tax is due to prepayments and settlement payments, which are influenced by the invoicing volumes of the relevant year and the previous year.
The change in amounts due to Cassa per i Servizi Energetici e Ambientali (the Energy and Environmental Services Fund) in the year is related to the estimates of negative equalisation of electricity and gas.
Other current liabilities mainly refer to the cost estimates for the obligations relating to energy efficiency certificates, liabilities for tariff components of electricity distribution to be paid to the GSE, liabilities for purification fees, liabilities for RAI fees collected in the bill.

NOTE 30_CURRENT TAX LIABILITIES

The item "Current tax liabilities" amounting to 12,743 thousand euro (80,437 thousand euro as at 31 December 2023) is made up of IRES and IRAP liabilities, comprising the estimate of taxes for the current year.

NOTE 31_PROVISIONS FOR RISKS AND CHARGES - CURRENT PORTION

This item amounted to 281,389 thousand euro (331,881 thousand euro as at 31 December 2023) and refers to the current portion of the provisions, divided as follows:

- post-closure provisions and the provision for dismantling and reclaiming sites totalling 4,934 thousand euro;
- provision for early retirement of 951 thousand euro;
- provisions for ETS cancellation obligation of 194,187 thousand euro;
- other provisions for risks of 81,317 thousand euro.

For further details on the breakdown of and changes in provisions for risks and charges see Note 23.

NOTE 32_LIABILITIES ASSOCIATED WITH ASSETS HELD FOR SALE

There are no liabilities associated with assets held for sale at 31 December 2024.

FINANCIAL POSITION

Net financial debt, calculated as the difference between current and non-current financial debt and current and non-current financial assets, can be broken down as follows:

thousands of euro

	31/12/2024	31/12/2023
Non-current financial assets	(124,355)	(128,937)
Non-current financial debt	4,460,915	4,048,104
Non-current net financial debt	4,336,560	3,919,167
Current financial assets	(867,974)	(639,279)
Current financial debt	614,158	653,917
Current net financial (position) debt	(253,816)	14,638
Net financial debt	4,082,744	3,933,805

It is specified that, in the calculation of net financial debt, the fair value of commodity derivatives is excluded from short-, medium- and long-term borrowings and financial assets.

Net Financial position with related parties
Non-current financial assets include 32,153 thousand euro due from the municipality of Turin and 5,844 thousand euro due from associates.
Current financial assets include 4,079 thousand euro due from the Municipality of Turin and 2,603 thousand euro due from associates and joint ventures.
Current financial liabilities include 6,068 thousand euro due to the Municipality of Turin for dividends, 986 thousand euro due to associates and 6 thousand euro due to other related parties.

The net financial position according to the structure proposed by ESMA in the document of 04 March 2021 *Guidelines on disclosure requirements under the Prospectus Regulation and* implemented by Consob with *Attention Reminder No. 5/21 of 29 April 2021* is shown below.

thousands of euro

	31/12/2024	31/12/2023
A. Cash	(326,568)	(436,134)
B. Cash equivalents	-	-
C. Other current financial assets	(465,034)	(13,030)
D. Liquidity (A) + (B) + (C)	(791,602)	(449,164)
E. Current financial debt (including debt instruments, but excluding the current portion of non-current financial debt)	47,364	71,289
F. Current portion of the non-current financial debt	566,794	582,628
G. Current financial debt (E + F)	614,158	653,917
H. Net current financial (position) debt (G - D)	(177,444)	204,753
I. Non-current financial debt (excluding current portion and debt instruments)	1,468,002	1,525,634
J. Debt instruments	2,992,913	2,522,470
K. Commercial and other non-current debt	-	-
L. Non-current financial debt (I + J + K)	4,460,915	4,046,764
M. Total financial debt (H + L)	4,283,471	4,250,831

The annexes to the consolidated financial statements include the reconciliation statement between “total financial debt”, calculated according to the structure proposed by ESMA, and “net financial debt”, calculated according to Iren Group’s policy and reported at the beginning of this section.

The table below shows the changes in the year in current and non-current financial liabilities.

	thousands of euro
Current and non-current financial liabilities 31.12.2023	4,702,021
Monetary changes as reported in the statement of cash flows	
New non-current loans	1,000,000
Repayment of non-current loans	(623,249)
Repayment of finance leases	(17,852)
Change in other financial liabilities	(21,460)
Interest paid	(125,314)
Dividends paid	189,779
Non-monetary changes	
Liabilities acquired following changes in the consolidation scope	36,467
New finance leases	17,623
Fair value change in derivatives	(11,412)
Interest and other financial expense	129,344
Dividends resolved	(200,874)
Current and non-current financial liabilities 31.12.2024	5,075,073

XI. Notes To The Income Statement

Unless otherwise stated, the following comments and tables show the figures in thousands of euro.
The consolidated income statement includes the income statement amounts of the entities over which the Group acquired control in 2024: Siena Ambiente and Agrovoltaica. The results of operations for the financial year 2024 are therefore affected by the inclusion of these amounts in the consolidation scope.
Also for the purposes of a correct analysis, it should also be noted that the items include, throughout the entire time period in question, the results of the companies Romeo 2, AMTER, Acquaenna, Limes 20, ReMat, Semia Green and WFL, all acquired during the 2023 financial year.

Revenue

NOTE 33_REVENUE FROM GOODS AND SERVICES

This item amounted to 5,903,454 thousand euro (6,301,581 in 2023) and is detailed in the following table.

thousands of euro

	FY 2024	FY 2023
Electricity revenue	2,504,371	2,650,364
Heat revenue	232,133	241,773
Gas revenue	933,013	984,820
Integrated water service revenue	558,238	494,373
Waste management revenue	1,006,847	929,528
Revenue from asset construction services under concession	264,872	248,077
Revenue from other services	403,980	752,646
Total	5,903,454	6,301,581

The following table shows the reconciliation between the item Revenue from goods and services and the segment reporting in Chapter XIII. Segment reporting.

thousands of euro

	Networks	Waste Manage-ment	Energy	Market	Other services	Elisions	Total
Revenue from goods and services	1,111,056	1,186,922	2,018,383	3,350,559	28,136	(1,791,602)	5,903,454
Other revenue	157,594	104,670	122,241	93,291	7,139	(345,264)	139,671
Total	1,268,650	1,291,592	2,140,624	3,443,850	35,275	(2,136,866)	6,043,125

The table below provides a breakdown of revenue from goods and services by business segment.

thousands of euro

	Networks	Waste Manage-ment	Energy	Market	Other services	Elisions	Total
Electricity revenue	155,666	65,291	1,541,595	1,648,028	-	(906,209)	2,504,371
District heating revenue	-	10,453	245,812	-	-	(24,132)	232,133
Gas revenue	131,544	3,626	-	1,638,901	-	(841,058)	933,013
Integrated water service revenue	549,865	3,425	-	-	-	4,948	558,238
Waste management revenue	32	1,016,474	-	-	-	(9,659)	1,006,847
Revenue from asset construction services under concession - IFRIC 12	243,557	19,186	2,129	-	-	-	264,872
Revenue from other services	30,392	68,467	228,847	63,630	28,136	(15,492)	403,980
Total Revenue from goods and services	1,111,056	1,186,922	2,018,383	3,350,559	28,136	(1,791,602)	5,903,454

The nature and timing of the performance obligations contained in customer contracts are described below:

Sale and distribution of electricity and gas and sale of heat to end customers
Contracts for the sale of energy carriers to end customers include fees that relate to both the sale and distribution of the relevant commodities, identified as a single, indistinct performance obligation. This obligation is fulfilled upon delivery at the redelivery point or heat exchange substation.
These contracts relate to supplies of a continuous nature, which imply the fulfilment of the relevant obligations in an over-time logic, since the end customer benefits, repeatedly over time, from individual commodity units that are homogeneous with each other.
This revenue includes the estimated disbursements made but not yet invoiced. This estimate is based on the customer's historical consumption profile, adjusted to reflect weather conditions or other factors that may affect consumption.
In this context, revenue from the electricity and gas distribution service, supplied through the Group's networks to third-party sellers, is recognised on the basis of tariffs determined by the competent Authorities to reflect the remuneration recognised for investments made, taking into account the equalisation mechanisms provided for. They, too, refer to services aimed at fulfilling the relevant obligations on an ongoing basis, with a view to the continuity of the service provided characteristic of network businesses.

Integrated Water Service
Similarly to the other network businesses mentioned above, aqueduct (water collection, drinking water, lifting and distribution), sewerage and wastewater treatment services relate to obligations fulfilled over time. They, too, are entered on the basis of the tariffs determined by the competent authorities to reflect the remuneration paid for the investments made.

Waste management revenue
Revenue generated by the waste management supply chain mainly relates to:
- collection and urban sanitation, where performance obligations are fulfilled continuously over time on the basis of existing contracts;
- the treatment of municipal and special waste, including its disposal and reuse. In this regard, the Group assesses the relevant services as provided over time, particularly with regard to the continuous disposal of homogeneous waste units, also within the framework of existing agreements with the competent authorities.

It should also be noted that in this context there are, to a residual extent, services provided punctually and pertaining to obligations arising from events (e.g. snow clearing service).

Revenue from other services
The revenue included under this heading refers in particular:
- to services related to the management of energy services, including maintenance services, and to orders for the energy efficiency of plants and buildings. Both refer to obligations fulfilled over time. In particular, revenue relating to contracts for efficiency upgrading is recognised on the basis of the stage of completion of the contract work, deduced from the total estimated costs incurred, by means of the recognition of a contract asset until the obligation has been fully met.
- to products/services ancillary to the sale of commodities, which are distinctly identified, and which concern performance obligations that are fulfilled punctually upon the transfer of the product/service to the customer;
- miscellaneous and ongoing revenue relating to, inter alia, information systems, real estate services and laboratory analyses.

NOTE 34_OTHER INCOME

Other income totalled 139,671 thousand euro (188,800 thousand euro in 2023) and refers to grants, revenue for energy certificates and sundry income. The tables below show the details of the individual items.

Grants

thousands of euro

	FY 2024	FY 2023
Grants related to assets	16,696	15,740
Connection grants	12,023	11,028
Other grants	10,598	44,222
Total	39,317	70,990

The grants related to assets and connection grants represent the relevant portion of grants calculated in proportion to the depreciation rates of the plants to which they refer.
The connection grants include amounts received for connection to the Group's electricity, water, gas and heat distribution networks.

The decrease in the item "Other grants" is attributable for 38,604 thousand euro to the regulatory measures introduced in 2023 to combat the high cost of energy, which provided for a tax credit for so-called "non-energy-intensive" and "non-gas-intensive" companies, aimed at compensating for the higher charges incurred for electricity and gas purchased and used in economic activity.

Revenue from energy certificates

thousands of euro

	FY 2024	FY 2023
Revenue from the sale of ETS certificates (Emission Trading Certificates)	-	25,541
Revenue from former Green Certificates incentive	20,283	7,136
Revenue from Energy Efficiency Certificates (White Certificates)	18,422	18,121
Total	38,705	50,798

Other income

thousands of euro

	FY 2024	FY 2023
Service contracts	7,084	985
Lease income	1,878	1,999
Capital gains on sale of assets	1,434	1,894
Insurance settlements	1,574	11,864
Sundry reimbursements	8,894	8,153
Other revenue and income	40,785	42,117
Total	61,649	67,012

Costs

NOTE 35_RAW MATERIALS, CONSUMABLES, SUPPLIES AND GOODS

This item is broken down as follows:

thousands of euro

	FY 2024	FY 2023
Purchase of electricity	545,199	580,650
Purchase of gas	1,274,913	1,628,480
Purchase of heat	244	393
Purchase of other fuels	380	898
Purchase of water	7,768	7,343
Other raw materials and materials in stock	185,894	187,818
Emission trading	200,826	275,019
White Certificates	17,636	16,727
Change in inventories	(8,806)	66,145
Total	2,224,054	2,763,473

Costs for raw materials, consumables, supplies and goods decreased by 539,419 thousand euro.
The decrease in the costs of purchasing electricity and gas is essentially linked to the decrease in prices of commodities.
The purchase of raw materials and materials in stock is in connection with the marketing to retail customers of products in the area of home automation, energy saving and maintenance of domestic installations and, to a lesser extent, fuels for operating vehicles. The change in inventories was partly due to gas storages.

NOTE 36_SERVICES AND USE OF THIRD-PARTY ASSETS

Costs for services amounted to 1,822,444 thousand euro (1,837,736 thousand euro in 2023), as follows:

thousands of euro

	FY 2024	FY 2023
Electricity transport and electricity system expenses	589,667	477,628
Gas transmission	86,123	(43,402)
Third-party works, maintenance and industrial services	456,379	711,399
Collection and disposal, snow clearing, public parks	360,719	351,923
Expenses related to personnel (canteen, training, business travel)	17,305	15,225
Technical, administrative and commercial consulting and advertising expenses	93,459	97,288
Legal and notary fees	8,604	5,531
Insurance	29,864	25,537
Bank expenses	10,280	11,358
Telephone expenses	6,645	6,683
IT expenses	61,901	62,851
Reading and invoicing services	16,003	14,909
Board of Statutory Auditors' fees	1,576	1,391
Other costs of services	83,919	99,415
Total costs for services	1,822,444	1,837,736

Costs for third-party works mainly relate to operating and maintenance costs of plants and networks.
Gas transmission costs in 2023 were negative as a result of the effects of ARERA introduction of a UG2c tariff component with a negative sign, envisaged as part of urgent and extraordinary interventions in favour of consumers in relation to the situation of tension in the functioning of the gas markets.

"Other costs for services" includes residual costs for internal consumption, back office, transport and other services: this item increased largely as a result of higher transport costs and the closure of estimates from previous years.

Use of third-party assets amounted to 38,439 thousand euro (38,927 thousand euro in 2023). The item included mainly fees paid to the single operator of the Genoa Area and the fees paid to the companies that own the assets of the integrated water service of the municipalities of Parma, Piacenza, and Reggio Emilia.
Secondarily, this item includes short-term leases or when the underlying asset is of low value, which the group has decided to exclude from the scope of application of IFRS 16.

NOTE 37_OTHER OPERATING EXPENSES

Other operating expenses amounted to 102,657 thousand euro (113,865 thousand euro in 2023), as follows:

thousands of euro

	FY 2024	FY 2023
General expenses	26,654	26,499
Instalments and higher instalments for water shunting	33,700	45,235
Taxes and duties	28,563	26,378
Capital losses on sale of assets	4,546	4,133
Other sundry operating expenses	9,194	11,620
Total	102,657	113,865

General expenses include among other things contributions to the running costs of various entities and penalties from service providers. The item “Taxes and duties” relates mainly to expenses for IMU property tax on the Group’s plants and buildings and expenses for occupying and reclaiming public land.
The item “Other sundry operating expenses” includes adjustments of revenue pertaining to previous years.

NOTE 38_CAPITALISED EXPENSES FOR INTERNAL WORK

Capitalised expenses for internal work amounted to 60,193 euro (56,907 thousand euro in 2023), and regard increases in capital assets made with internal resources and production factors.

thousands of euro

	FY 2024	FY 2023
Capitalised personnel expense	(42,100)	(38,737)
Capitalised inventory materials	(18,093)	(18,170)
Total	(60,193)	(56,907)

NOTE 39_PERSONNEL EXPENSE

Personnel expense amounted to 641,605 thousand euro (596,391 thousand euro in 2023), as follows:

thousands of euro

	FY 2024	FY 2023
Gross remuneration	453,685	420,976
Social security contributions	139,276	128,828
Post-employment benefits	481	782
Other long-term employee benefits	80	17
Other personnel expense	45,999	43,505
Directors’ fees	2,084	2,283
Total	641,605	596,391

As specified in Note 38, 42,100 thousand euro of costs related to employees were capitalised.

Other personnel expense include social security and recreational contributions, the contribution paid to the supplementary health care fund, insurance for accidents occurring outside working hours, the portion of post-employment benefits, and contributions to be paid by the employer to supplementary pension funds.

The composition of personnel is shown in the following table.

	31/12/2024	31/12/2023	Average for the year
Senior managers	109	114	112
Junior managers	401	381	393
White collar workers	4,703	4,642	4,724
Blue collar workers	6,098	5,868	6,083
Total	11,311	11,005	11,312

The changes in the workforce compared to 31 December 2023 were mainly ascribable to:

- the initiation/conclusion of services contracted out as part of the Waste Management BU;
- the continuation of the generational turnover plan, with a considerable number of recruitments on the labour market;
- the contract acquisition in Iren Ambiente, in February 2024, of the Pallet Vercelli plant unit of IMPA S.p.A., for a total of 26 resources;
- the control and accounting consolidation of Siena Ambiente S.p.A. by Iren Ambiente Toscana S.p.A. effective from 1 January 2024 for a total of 100 resources.

NOTE 40_AMORTISATION AND DEPRECIATION

Amortisation and depreciation for the year amounted to 655,475 thousand euro (600,929 thousand euro in 2023).

thousands of euro

	FY 2024	FY 2023
Depreciation	376,707	351,466
Amortisation	278,768	249,463
Total	655,475	600,929

For further details on amortisation and depreciation, refer to the tables of changes in property, plant and equipment and intangible assets.

NOTE 41_PROVISIONS AND IMPAIRMENT LOSSES

These items amounted to a total of 98,944 thousand euro (131,579 thousand euro in 2023) as follows:

thousands of euro

	FY 2024	FY 2023
Impairment losses on loans and receivables	74,482	68,421
Impairment losses on contract assets and Other current assets	-	3,050
Impairment losses on loans and receivables	74,482	71,471
Provision for restoration of third-party assets	1,922	6,672
Post-closure provisions	2,726	3,328
Provision for dismantling and reclaiming sites	185	189
Provisions for risks and other	15,805	60,081
Release of provisions	(8,702)	(10,162)
Impairment losses	12,526	-
Total net other provisions and impairment losses	24,462	60,108
Total	98,944	131,579

The accruals for the year were made to adjust the amount of the loss allowance to the amount of expected credit losses on the basis of the simplified model provided for in the standard IFRS 9, where “loss” means the present value of all cash shortfalls considering forward-looking information.

The change in provisions for risks is largely attributable to the valuation of probable liabilities and charges in the energy and waste management sectors, for IMU property tax and of a tax nature, while releases refer to the elimination of risks for various disputes. It should be noted that the item "Provisions for risks and other" included 42,248 thousand euro in the comparative year in application of Article 15 of Decree-Law Sostegni Ter, relating to the two-way compensation mechanism for electricity prices.
Details of changes in provisions are provided in the note to the Statement of financial position item "Provisions for risks and charges".
The impairment losses are due to damage caused to plants in the Waste Management sector, which were affected by fires: the Cadelbosco plant for sorting and treating plastic from sorted waste collection, the CRCM treatment plant and the Gavassa OFMSW treatment plant.

NOTE 42_FINANCIAL INCOME AND EXPENSE

Financial income

Financial income amounted to 45,701 thousand euro (37,148 thousand euro in 2023). The details are shown in the following table:

thousands of euro

	FY 2024	FY 2023
Dividends	80	345
Bank interest income	12,398	7,530
Interest income on loans and receivables	22,240	5,231
Interest income from customers	4,825	6,299
Fair value gains on derivatives	2	-
Capital gain on disposal of financial assets	1	522
Other financial income	6,155	17,221
Total	45,701	37,148

The increase in bank interest income is due to the remuneration of liquidity on current account balances.
Interest income on loans and receivables mainly refers to interest accrued on amounts restricted in the form of time deposits (16,540 thousand euro) and financial income accrued on loans related to energy efficiency activities in buildings (4,807 thousand euro). This item also includes interest income on current accounts between the Group and the Municipality of Turin (283 thousand euro).
Other financial income mainly consists of income for the discounting of provisions and fair value gains on the put option on the non-controlling interest in NOS and ReMat.

Financial expense

The item amounted to 136,333 thousand euro (135,781 thousand euro in 2023). The breakdown of financial expense is shown in the following table:

thousands of euro

	FY 2024	FY 2023
Interest expense on loans	71,905	54,698
Interest expense on bonds	59,704	39,966
Hedging effect of derivatives	(19,860)	(20,352)
Interest expense on bank current accounts	1,082	9,498
Other interest expense	7,412	7,623
Capitalised borrowing costs	(317)	(1,360)
Fair value losses on derivatives	458	836
Capital losses on disposal of financial assets	9	27
Interest cost – Employee benefits	2,546	3,266
Financial expense on lease liabilities	1,733	1,491
Impairment losses (gains) on financial assets	20	(481)
Other financial expense	11,641	40,569
Total	136,333	135,781

Interest expense on loans and bonds includes the expense relating to the measurement at amortised cost.
Other interest expense includes charges related to factoring transactions performed during the year.
Other financial expenses mainly consisted of charges arising from the sale to financial intermediaries of credits related to deductions on works carried out to improve the energy efficiency of buildings (ecobonus), charges for discounting provisions, charges arising from payment extensions to suppliers.

NOTE 43_GAINS (LOSSES) ON EQUITY INVESTMENTS

These losses came tor 1,260 thousand euro (gains of 6,263 thousand euro in 2023) and mainly refer to the impairment losses on the investments in Astea (1,365 thousand euro), EGEA (1,000 thousand euro), and Enerbrain (1,555 thousand euro), only partially offset by the restatement at fair value, at the date of acquisition of control, of the non-controlling interest relating to the business combination of Siena Ambiente (3,270 thousand euro).
In 2023, it mainly referred to the restatement at fair value, at the date of acquisition of control, of the non-controlling interest relating to the business combinations of Amter (1,770 thousand euro) and Acquaenna (3,249 thousand euro). The item also included the positive price adjustment of 1,003 thousand euro related to the acquisition of Iren Green Generation Group (formerly Puglia Holding Group) at the beginning of 2022.

NOTE 44_SHARE OF PROFIT OR LOSS OF EQUITY-ACCOUNTED INVESTEES

The share of profit or loss of equity-accounted companies amounted to 7,471 thousand euro (6,836 thousand euro in 2023). For more details please see Note 5 “Equity-accounted investments”.

NOTE 45_INCOME TAXES

Income taxes for the financial year 2024 amounted to 131,694 thousand euro (97,025 thousand euro in the financial year 2023) and included the estimated income taxes for 2024.

thousands of euro

	FY 2024	FY 2023
Current taxes (IRES)	102,833	129,254
Current taxes (IRAP)	27,470	32,730
Current taxes (IRES and IRAP) previous years	(2,942)	(6,628)
Change in deferred tax assets	15,185	(49,027)
Change in deferred tax liabilities	(10,849)	(9,304)
Total	131,697	97,025

The Group's effective tax rate in 2024 is 30.3%, while in 2023, it was 25.6%.
The latter benefited from the positive effect of the non-taxability of tax credits recognised against corporate energy costs and the effect of the redemption of positive differentials arising from business combinations carried out during 2023.

The table below shows the breakdown of the tax rate for 2024 and 2023.

thousands of euro

	FY 2024		FY 2023	
Pre-tax profit	435,279		378,854	
Theoretical taxes (IRES)	104,467	24.0%	90,925	24.0%
Permanent differences	2,923	0.7%	(5,014)	-1.3%
Effect on releases and realignments	-	0.0%	(3,102)	-0.8%
Tax relief effect	(5,271)	-1.2%	(17,752)	-4.7%
IRAP (Regional business tax)	27,470	6.3%	32,720	8.6%
Previous years' taxes and other differences	2,108	0.5%	(752)	-0.2%
Total income taxes	131,697	30.3%	97,025	25.6%

The Group also exercised the option, pursuant to Art. 117 of the new Consolidated Law on Income Tax. This requires that the consolidated companies transfer their IRES debit/credit positions to the Parent IREN S.p.A. The latter then calculates IRES on the algebraic sum of taxable profits/losses of each company taking part in the tax consolidation scheme.
In return for the taxable income earned and transferred to the parent, the consolidated company commits to paying "tax settlements" to the parent equal to the amount of taxes owed on the income transferred, net of the transferred IRES assets.
The companies in the domestic tax consolidation for 2024, not including the Parent Iren Spa, are as follows: Iren Energia S.p.A., Ireti S.p.A., Territorio e Risorse S.r.l., Iren Acqua S.p.A., Iren Mercato S.p.A., Iren Ambiente S.p.A., Iren Smart Solution S.p.A., Acam Ambiente S.p.A., Acam Acque S.p.A., Maira S.p.A., Amiat S.p.A. Amiat V S.p.A., Formaira S.p.A., Alfa Solutions S.p.A., Recos S.p.A., Iren Laboratori S.p.A., Iren Ambiente Parma S.r.l., Iren Ambiente Piacenza S.r.l., ASM Vercelli S.p.A., Atena Trading S.r.l., Gia in liquidazione S.r.l., San Germano S.p.A., Rigenera Materiali S.r.l., Bonifiche Servizi Ambientali S.r.l., Uniproject S.r.l. Manduriambiente S.p.A., Scarlino Energia S.p.A., Iren Ambiente Toscana S.p.A. TB S.p.A. (merged into Valdarno Ambiente at 1 January 2025), Futura S.p.A., Ireti Gas S.p.A., Valle Dora Energia S.r.l., Alegas S.r.l., Iren Green Generation S.r.l., Iren Green Generation Tech S.r.l., Valdarno Ambiente S.r.l., Dogliani Energia S.r.l. and IBlu S.r.l., Sei Toscana S.r.l., Semia Green S.r.l. , Remat S.r.l., Limes 20 S.r.l., Limes 2 S.r.l., Am.ter S.p.A. (merged into Ireti on 1 January 2025), C.R.C.M. S.r.l.

The following table shows deferred tax assets and liabilities and their impact.

thousands of euro

	FY 2024	FY 2023
Deferred tax assets		
Non-taxable provisions	195,956	214,096
Differences in non-current assets	215,180	208,662
Connection grants	14,530	17,410
Derivatives	42,459	52,062
Tax loss carry-forwards + ACE	8,208	9,295
Other	27,002	7,838
Total	503,335	509,363
Deferred tax liabilities		
Differences in non-current assets	154,102	157,078
Loss allowance and other provisions	9,067	7,215
Derivatives	16,070	19,139
Other	51,420	56,371
Total	230,659	239,803
Net deferred tax assets	272,676	269,560
Total change	3,116	
of which:		
in Equity	15,286	
in profit or loss	(4,315)	
for changes in the consolidation scope	(7,855)	

NOTE 46_ PROFIT/(LOSS) FROM DISCONTINUED OPERATIONS

Not present in FY 2024 and in FY 2023.

NOTE 47_ PROFIT FOR THE YEAR ATTRIBUTABLE TO NON-CONTROLLING INTERESTS

Profit attributable to non-controlling interests, which amounted to 35,111 thousand euro (27,077 thousand euro in 2023), relates to the share of profit of non-controlling interests in companies fully consolidated but not wholly owned by the Group.

NOTE 48_EARNINGS PER SHARE

For the purposes of calculating basic and diluted earnings per share, it is noted that the number of shares for 2024 represents the weighted average number of shares outstanding in the reporting period based on the provisions of IAS 33 § 20. The parent has not issued any financial instruments that have the potential to dilute its common stock, therefore diluted earnings per share is equal to basic earnings per share.

	FY 2024	FY 2023
Profit for the year (thousands of euro)	268,471	254,752
Weighted average number of shares outstanding over the year (thousand)	1,283,076	1,283,076
Basic earnings per share (euro)	0.21	0.20

NOTE 49_OTHER COMPREHENSIVE INCOME

Other comprehensive expense came to 45,083 thousand euro (52,135 thousand euro in 2023) and included other comprehensive income that will be subsequently reclassified to profit or loss and other comprehensive income that will not be subsequently reclassified to profit or loss.

Other comprehensive income that will be subsequently reclassified to the Income Statement relates to:
- the effective portion of fair value losses on cash flow hedges, 60,167 thousand euro, which refers to derivatives hedging changes in interest rates and derivatives hedging changes in commodity prices (for the Group, this concerns electricity and gas).
- the share of other losses of equity-accounted companies, 804 thousand euro, which refers to fair value gains on cash flow hedges of associates;
- the change in the translation reserve, amounting to a positive 922 thousand euro, due to the change in the exchange rate used to translate the financial statement balances of associates that prepare their financial statements in currencies other than the euro
- the tax effect of other comprehensive income, for 15,311 thousand euro.

Other comprehensive income that will not be subsequently reclassified to profit or loss relates to:
- actuarial losses on employee defined benefit plans, for 159 thousand euro;
- share of actuarial losses of equity-accounted investees related to employee defined benefit plans, for 161 thousand euro;
- the tax effect of other comprehensive income, for 25 thousand euro.

XII. Guarantees and contingent liabilities

COMMITMENTS
Guarantees provided concern sureties and other guarantees for own commitments of 823,625 thousand euro (994,440 thousand euro as at 31 December 2023); the most significant items refer to sureties issued in favour of:

- the Electricity Market Operator (GME) for 130,100 thousand euro to guarantee the energy market participation contract;
- ATERSIR for 62,857 thousand euro for agreements and tenders in progress relating to the Integrated Water Service and the Urban Waste Management Service;
- the Turin Provincial/Metropolitan City Governments, for 59,236 thousand euro for waste transfer and post-closure management of plants subject to Integrated Environmental Authorisation (I.E.A.);
- ARPAE for 55,633 thousand euro for waste transfer and operations and post-closure management of plants subject to I.E.A.;
- Shell Energy Europe for 50,000 thousand euro to guarantee the gas supply contract;
- ATO-R, for 44,335 thousand euro, as definitive guarantees in the Amiat/TRM acquisition;
- CONSIP for 33,864 thousand euro mainly for electricity supply contracts;
- SNAM Reti Gas for 33,736 thousand euro to guarantee contracts and network codes;
- Municipality of Turin, for 31,844 thousand euro, definitive guarantee in the AMIAT/TRM acquisition;
- Ministry of the Environment, for 30,709 thousand euro for various authorisations;
- Province of La Spezia for 29,889 thousand euro for waste transfer and management of plants;
- Customs Authority, for 19,667 thousand euro to guarantee the regular payment of customs tax and additional local and provincial duties on electricity consumption and gas excise;
- Piedmont Region for 15,599 thousand euro as guarantee for project financing for the concession of large water derivation plants for hydroelectric purposes;
- Revenue Agency for 14,357 thousand euro for a VAT refund request;
- Assemblea Territoriale Idrica Enna for 9,028 thousand euro as a work guarantee;
- Aisa Impianti for 7,800 thousand euro as guarantee for the contract of transfer at the plants;
- Terna, for 7,296 thousand euro to guarantee injection and withdrawal dispatching contracts and to guarantee the electricity transport service contract;
- Apulia Region for 7,211 thousand euro to guarantee landfill and plant authorisations;
- Basin Consortium of Basso Novarese for 6,989 thousand euro to guarantee the contract for the collection and disposal of urban waste;
- Tuscany Region for 6,863 thousand euro to guarantee landfill and plant authorisations;
- Province of Savona for 6,677 thousand euro to guarantee management of plants;
- Ato Toscana Sud for 6,500 thousand euro to guarantee the integrated waste management service.
- CSEA for 5,950 thousand euro as a guarantee of the graduated protection service.

CONTINGENT LIABILITIES
Iren Mercato S.p.A. / Azienda Sanitaria Locale Roma 1 - Iren Mercato S.p.A. / Local Health Authority Rome 4
Two proceedings are pending before the Court of Rome, initiated by certain local health authorities in Lazio and relating to the transactions between them and Iren Mercato, in its own right and as a member of the temporary joint venture entrusted under the Agreement of 4 August 2006 entered into with the Lazio Region for the "Technological multi-service and provision of energy carriers - Lot D"; in particular:
- claim form dated 10 April 2020 by ASL ROMA 1 (contract of 13 December 2007) with the aim of ascertaining the undue receipt of the fee for the supply of hot water and steam for the period from 01 July 2007 to 28 February 2017, contesting the incorrect application of the tariff, and the consequent repayment of the sum; the plaintiff has quantified this amount as 8 million euro;
- claim form dated 12 April 2022 by ASL ROMA 4 (contract of 08 June 2007) with the aim of ascertaining the undue receipt of the fee for the supply of hot water and steam for the period from 01 April 2007 to 19 February 2017, contesting the incorrect application of the tariff, and the consequent repayment of the sum; the plaintiff has quantified this amount as 7.5 million euro;
In both cases, following the appointment of a court-appointed expert witness by the Judge, the expert appraisals were started.
The risk of losing the case has been cautiously estimated as possible, given the uncertainty connected with expert appraisals involving highly technical services completed many years ago.

AGCM proceedings on abuse of dominant position in the district heating sector
On 23 May 2023, the AGCM initiated proceeding No. A/563 to investigate possible violations of Art. 3(1)(a) of Law 287/90 for alleged abuse of a dominant position, relating to unjustifiably onerous sales prices and contractual conditions, concerning district heating services in Piacenza and Parma.
The inspection activities by the Authority continued throughout 2024, so much so that the deadline for the conclusion of the proceedings, initially set for 31 July 2024, was extended to 29 November 2024 due to the complexity of the case being analysed and the need to carry out a thorough analysis of the numerous pieces of evidence collected.
On 10 December 2024, the AGCM published its final measure by which it announced that it had found no breach of Article 3(1)(a) of Law 287/90 (abuse of dominant position) in the Parma and Piacenza networks managed by Iren.

XIII. Segment reporting

Segment reporting, based on the Group's management and internal reporting structure, is given below in accordance with IFRS 8.
Given the nature of the activity performed by Group companies, a geographical segment analysis is not relevant.

The operating segments in which the Group operates are:
- Networks (Electricity distribution networks, Gas distribution networks, Integrated Water Service)
- Waste Management (Waste collection and disposal)
- Energy (Hydroelectric Production and production from other renewable sources, Combined Heat and Power, District Heating Networks, Thermoelectric Production, Public Street Lighting, Global services, Energy efficiency services)
- Market (Sale of electricity and gas)
- Other services (Laboratories, Telecommunications and other minor services).

These operating segments are disclosed pursuant to IFRS 8. Under this standard, the disclosure about operating segments should be based on the elements which management uses in making operational and strategic decisions.

For a proper interpretation of the results relating to individual businesses, revenue and expense referring to joint activities were fully allocated to the businesses based on actual usage of the services provided or according to technical and economic drivers.

Given the fact that the Group mainly operates in one area, the following segment reporting does not include a breakdown by geographical segment.

Net invested capital by business segment compared to the figures as at 31 December 2023 restated and income statements (up to the operating profit/(loss)) for the current year by business segment are presented below, compared against the 2023 figures restated.

It should be noted that there is no revenue from transactions with a single customer equal to or exceeding 10% of total revenue.

In the segment reporting tables below, the following quantities are presented:

Net invested capital (NIC): determined by the algebraic sum of non-current assets, other non-current assets (liabilities), net working capital, deferred tax assets (liabilities), provisions for risks, and employee benefits and assets held for sale (liabilities associated with assets held for sale).

Net financial debt: calculated as the sum of non-current financial liabilities at net of non-current financial assets and current financial liabilities net of current financial assets and cash and cash equivalents.

Net Working Capital (NWC): determined as the algebraic sum of current and non-current contract assets and liabilities, current and non-current trade receivables, inventories, current tax assets and liabilities, sundry assets and other current assets, trade payables and sundry liabilities and other current liabilities.

Non-current assets: determined by the sum of Property, Plant and Equipment, Investment Property, Intangible Assets with a finite life, Goodwill, equity-accounted Investments, and Other equity Investments.

Gross operating profit or loss: calculated as the sum of pre-tax profit or loss, share of profit/(loss) of equity-accounted investees, impairments gains and losses on equity investments, financial income and expense, and amortisation, depreciation, provisions and impairment losses.

Operating profit or loss: calculated as the sum of pre-tax profit or loss, share of profit/(loss) of equity-accounted investees, impairments gains and losses on equity investments and financial income and expense.

Reclassified statement of financial position by operating segment at 31 December 2024

millions of euro

	Networks	Waste Management	Energy	Market	Other services	Non-allocable	Total
Non-current assets	3,800	1,645	2,302	359	17	291	8,414
Net Working Capital	114	9	(11)	(128)	4	-	(12)
Other non-current assets and liabilities	(675)	(182)	(139)	19	1	-	(976)
Net invested capital (NIC)	3,239	1,472	2,152	250	22	291	7,426
Equity							3,343
Net financial debt							4,083
Own funds and net financial debt							7,426

Reclassified statement of financial position by operating segment as at 31 December 2023, restated

millions of euro

	Networks	Waste Management	Energy	Market	Other services	Non-allocable	Total
Non-current assets	3,621	1,545	2,301	350	31	224	8,072
Net Working Capital	85	(6)	235	(247)	1	-	68
Other non-current assets and liabilities	(686)	(154)	(190)	68	-	-	(962)
Net invested capital (NIC)	3,020	1,385	2,346	171	32	224	7,178
Equity							3,244
Net financial debt							3,934
Own funds and net financial debt							7,178

Income Statement by operating segment for 2024

millions of euro

	Networks	Waste Management	Energy	Market	Other services	Non-allocable	Total
Total revenue and income	1,269	1,291	2,141	3,444	35	(2,137)	6,042
Total operating expenses	(791)	(1,035)	(1,864)	(3,187)	(29)	2,137	(4,769)
Gross Operating Profit (	478	256	277	257	6	-	1,274
Net amortisation, depreciation and impairment losses	(227)	(217)	(182)	(125)	(3)	-	(754)
Operating profit	251	39	95	132	3	-	520

Income Statement by operating segment for 2023, restated

millions of euro

	Networks	Waste Management	Energy	Market	Other services	Non-allocable	Total
Total revenue and income	1,151	1,193	3,215	4,090	32	(3,191)	6,490
Total operating expenses	(776)	(948)	(2,841)	(3,892)	(27)	3,191	(5,293)
Gross Operating Profit	375	245	374	198	5	-	1,197
Net amortisation, depreciation and impairment losses	(223)	(170)	(213)	(125)	(2)	-	(733)
Operating profit	152	75	161	73	3	-	464

XIV. Annexes to the Consolidated Financial Statements

List of fully consolidated companies

Company	Registered office	Currency	Share/quota capital	% interest	Investor
Iren Ambiente S.p.A.	Piacenza	Euro	63,622,002	100	Iren
Iren Energia S.p.A.	Turin	Euro	918,767,148	100	Iren
Iren Mercato S.p.A.	Genoa	Euro	61,356,220	100	Iren
Ireti S.p.A.	Genoa	Euro	196,832,103	100	Iren
Ireti Gas S.p.A.	Parma	Euro	120,000	100	Ireti
Acam Acque S.p.A.	La Spezia	Euro	24,260,050	100	Ireti
Acam Ambiente S.p.A.	La Spezia	Euro	1,000,000	100	Iren Ambiente
Acquaenna S.c.p.a.	Enna	Euro	3,000,000	50.87	Ireti
Agrovoltaica	Turin	Euro	1,000	100	Iren Green Generation
Alfa Solutions S.p.A.	Reggio Emilia	Euro	100,000	86	Iren Smart Solutions
Alegas S.r.l.	Alessandria	Euro	100,000	100	Iren Mercato
AMIAT S.p.A.	Turin	Euro	46,326,462	80	AMIAT V
AMIAT V. S.p.A.	Turin	Euro	1,000,000	93.06	Iren Ambiente
Amter S.p.A.	Cogoleto (GE)	Euro	404,263	100	Ireti
ASM Vercelli S.p.A.	Vercelli	Euro	120,812,720	59.97	Ireti
Asti Energia e Calore S.p.A.	Asti	Euro	120,000	62	Iren Energia
Atena Trading S.r.l.	Vercelli	Euro	556,000	59.97	Iren Mercato
Bonifica Autocisterne S.r.l.	Piacenza	Euro	595,000	51	Iren Ambiente
Bonifiche Servizi Ambientali S.r.l.	Reggio Emilia	Euro	3,000,000	100	Iren Ambiente
Consorzio GPO	Reggio Emilia	Euro	20,197,260	62.35	Ireti
C.R.C.M. S.r.l.	Terranuova Bracciolini (AR)	Euro	3,062,000	85,65 7,15	Valdarno Ambiente Siena Ambiente
Dogliani Energia S.r.l.	Cuneo	Euro	10,000	100	Iren Energia
Ekovision S.r.l.	Prato	Euro	1,485,000	100	SEI Toscana
Formaira S.r.l.	San Damiano Macra (CN)	Euro	40,000	100	Maira
Futura S.p.A.	Grosseto	Euro	3,660,955	40	Iren Ambiente Toscana
				40	Iren Ambiente
				20	Sei Toscana
I. Blu S.r.l.	Tavagnacco (UD)	Euro	9,001,000	80	Iren Ambiente
Iren Acqua S.p.A.	Genoa	Euro	19,203,420	60	Ireti
Iren Acqua Tigullio S.p.A.	Chiavari (GE)	Euro	979,000	66.55	Iren Acqua
Iren Acqua Reggio S.r.l.	Reggio Emilia	Euro	5,000,000	100	Ireti
Iren Acqua Piacenza S.r.l.	Piacenza	Euro	10,000	100	Ireti
Iren Ambiente Parma S.r.l.	Parma	Euro	4,000,000	100	Iren Ambiente
Iren Ambiente Piacenza S.r.l.	Piacenza	Euro	4,000,000	100	Iren Ambiente
Iren Ambiente Toscana S.p.A.	Florence	Euro	5,000,000	100	Iren Ambiente
Iren Laboratori S.p.A.	Genoa	Euro	2,000,000	90.89	Ireti
Iren Smart Solutions S.p.A.	Reggio Emilia	Euro	2,596,721	60	Iren Energia
				20	Iren Ambiente
				20	Iren Mercato
Limes 1 S.r.l.	Turin	Euro	20,408	51	Iren Green Generation
Limes 2 S.r.l.	Turin	Euro	20,408	51	Iren Green Generation

Limes 20 S.r.l.	Turin	Euro	10,000	100	Iren Green Generation
Maira S.p.A.	San Damiano Macra (CN)	Euro	596,442	82	Iren Energia
Manduriambiente S.p.A.	Manduria (TA)	Euro	4,111,820	95.289	Iren Ambiente
Nord Ovest Servizi S.p.A.	Turin	Euro	7,800,000	45	Ireti
				30	Amiat
Iren Green Generation S.r.l.	Turin	Euro	10,000	100	Iren Energia
Iren Green Generation Tech S.r.l.	Turin	Euro	80,200	100	Iren Green Generation
ReCos S.p.A.	La Spezia	Euro	1,000,000	99.51	Iren Ambiente
Re Mat Srl	Turin	Euro	200,000	94.77	Iren Ambiente
Rigenera Materiali S.r.l.	Genoa	Euro	3,000,000	100	Iren Ambiente
Salerno Energia Vendite S.p.A.	Salerno	Euro	3,312,060	50	Iren Mercato
San Germano S.p.A.	Turin	Euro	1,425,000	100	Iren Ambiente
Scarlino Energia S.p.A.	Scarlino (GR)	Euro	1,000,000	100	Iren Ambiente Toscana
SEI Toscana S.r.l.	Siena	Euro	45,388,913	41.78	Iren Ambiente Toscana
				16.37	Valdarno Ambiente
				20.62	Siena Ambiente
				0.2	C.R.C.M.
Semia Green S.r.l.	Siena	Euro	3,300,000	50.909	Iren Ambiente Toscana
				49.091	Siena Ambiente
Siena Ambiente S.p.A.	Siena	Euro	2,866,575	40	Iren Ambiente Toscana
TB S.p.A.	Florence	Euro	2,220,000	100	Valdarno Ambiente
Territorio e Risorse S.r.l.	Turin	Euro	2,510,000	65	Iren Ambiente
				35	ASM Vercelli
TRM S.p.A.	Turin	Euro	86,794,220	80	Iren Ambiente
Uniproject S.r.l.	Maltignano (AP)	Euro	91,800	100	Iren Ambiente
Valdarno Ambiente S.r.l.	Terranuova Bracciolini (AR)		22,953,770	56.016	Iren Ambiente Toscana
Valle Dora Energia S.r.l.	Turin	Euro	537,582	74.5	Iren Energia

List of joint ventures

Company	Registered office	Currency	Share/quota capital	% interest	Investor
Acque Potabili S.p.A. in liquidazione (in liquidation)	Turin	Euro	7,633,096	47.546	Ireti
Egea Holding S.p.A.	Alba (CN)	Euro	50,000	50	Iren
Nuova Sirio S.r.l.	Siena	Euro	92,077	50	Sienambiente
Vaserie Energie S.r.l.	Siena	Euro	10,000	69	Sienambiente

List of associates

Company	Registered office	Currency	Share/quota capital	% interest	Investor
A2A Alfa S.r.l. (1)	Milan	Euro	100,000	30	Iren Mercato
Acos S.p.A.	Novi Ligure	Euro	17,075,864	25	Ireti
Acos Energia S.p.A.	Novi Ligure	Euro	150,000	25	Iren Mercato
Aguas de San Pedro S.A. de C.V.	S.Pedro Sula (Honduras)	Lempiras	159,900	39.34	Ireti
Aiga S.p.A. (1)	Ventimiglia	Euro	104,000	49	Ireti
Amat S.p.A. (1)	Imperia	Euro	5,435,372	48	Ireti
Arca S.r.l.	Reggio Emilia	Euro	100,000	40	Ireti
Arienes S.c.a.r.l.	Reggio Emilia	Euro	50,000	42	Iren Smart Solutions
ASA S.p.A.	Livorno	Euro	28,613,406	40	Ireti
Asa S.c.p.a.	Castel Maggiore (BO)	Euro	1,820,000	49	Iren Ambiente
Astea S.p.A.	Recanati (MC)	Euro	76,115,676	21.32	Consorzio GPO
Asti Servizi Pubblici S.p.A.	Asti	Euro	7,540,270	45	Nord Ovest Servizi
Barricalla S.p.A.	Turin	Euro	2,066,000	35	Iren Ambiente
BI Energia S.r.l.	Reggio Emilia	Euro	100,000	47.5	Iren Energia
Centro Corsi S.r.l.	Reggio Emilia	Euro	12,000	33	Alfa Solutions S.p.A.
CSA S.p.A. (1)	Terranuova Bracciolini (AR)	Euro	1,369,502	47.97	Iren Ambiente Toscana
CSAI S.p.A.	Terranuova Bracciolini (AR)	Euro	1,610,511	40.32	Iren Ambiente Toscana
EGUA S.r.l.	Cogorno (GE)	Euro	119,000	49	Ireti
Fata Morgana S.p.A. (2)	Reggio Calabria	Euro	2,225,694	25	Ireti
Fin Gas S.r.l.	Milan	Euro	10,000	50	Iren Mercato
Fratello Sole Energie Solidali Impresa Sociale S.r.l.	Genoa	Euro	350,000	40	Iren Energia
G.A.I.A. S.p.A.	Asti	Euro	5,539,700	45	Iren Ambiente
Iniziative Ambientali S.r.l.	Novellara (RE)	Euro	100,000	40	Iren Ambiente
OMI Rinnovabili S.c.a.r.l.	Reggio Emilia	Euro	10,000	40.15	Alfa Solutions S.p.A.
Piana Ambiente S.p.A. (2)	Gioia Tauro	Euro	1,719,322	25	Ireti
Rimateria S.p.A. (3)	Piombino (LI)	Euro	4,589,273	30	Iren Ambiente
Seta S.p.A.	Turin	Euro	12,378,237	48.85	Iren Ambiente
Sistema Ambiente S.p.A.	Lucca	Euro	2,487,657	36.56	Iren Ambiente
STU Reggiane S.p.A.	Reggio Emilia	Euro	16,770,080	30	Iren Smart Solutions
Tirana Acque S.c. a r.l. (1)	Genoa	Euro	95,000	50	Ireti

(1) Company in liquidation
(2) Company in liquidation classified under assets held for sale
(3) Company in bankruptcy

List of equity investments in other companies

Company	Registered office	Currency	Share/quota capital	% interest	Investor
Acque Potabili Siciliane S.p.A. (1)	Palermo	Euro	5,000,000	9.83	Iren Acqua
Aeroporto di Reggio Emilia S.p.A.	Reggio Emilia	Euro	2,177,871	0.11	Alfa Solutions
AISA S.p.A. in liquidation (1)	Arezzo	Euro	3,867,640	3	Iren Ambiente Toscana
AISA Impianti S.p.A.	Arezzo	Euro	6,650,000	3	Iren Ambiente Toscana
Alpen 2.0 S.r.l.	Turin	Euro	70,000	14.29	Maira
Acquedueo S.c.a.r.l.	Biella	Euro	40,000	20.00	ASM Vercelli
Aurora S.r.l.	S. Martino in Rio (RE)	Euro	514,176	0.1	Alfa Solutions
Autostrade Centro Padane S.p.A.	Cremona	Euro	30,000,000	1.46	Ireti
C.R.P.A. S.p.A.	Reggio Emilia	Euro	2,201,350	2.27	Ireti
CIDIU Servizi S.p.A.	Collegno (TO)	Euro	10,000,000	17.9	Amiat
Consorzio CIM 4.0 s.c.a.r.l.	Turin	Euro	232,000	4.3	Iren
CCC-Consorzio cooperative costruzioni	Bologna	Euro	15,637,899	0.06	BSA
Consorzio Integra	Bologna	Euro	42,548,492	0.02	BSA
Consorzio Topix	Turin	Euro	1,600,000	0.3	Iren Energia
EGEA S.p.A.	Alba (CN)	Euro	58,167,200	0.47	SEI Toscana
Enerbrain S.r.l.	Turin	Euro	28,181	7.8	Iren Smart Solutions
Environment Park S.p.A.	Turin	Euro	11,406,780	3.39	Iren Energia
				7.41	AMIAT
Restart	Ascoli Piceno	Euro	13,670,060	0.066	Uniproject
L.E.A.P. S.c. a r.l.	Piacenza	Euro	247,728	15.13	Iren Ambiente
MiTo Tech Ventures SLP SICAV-RAIF	Luxembourg				Iren Spa
Parma Servizi Integrati S.c. a r.l.	Parma	Euro	20,000	11	Iren Smart Solutions
Reggio Emilia Innovazione S.c.a.r.l. in liquidation (2)	Reggio Emilia	Euro	871,956	0.99	Iren Ambiente
Serchio Verde Ambiente S.p.a. in liquidation (2)	Castelnuovo di Garfagnana (LU)	Euro	1,128,950	5.93	Iren Ambiente Toscana
Società di Biotecnologie S.p.A.	Turin	Euro	536,000	2.93	Iren Smart Solutions
Stadio Albaro S.p.A. in liquidation (2)	Genoa	Euro	1,230,000	2	Iren Mercato
Tech4Planet	Rome	Euro	149,348	11.03	Iren Spa
T.I.C.A.S.S. S.c. a r.l.	Genoa	Euro	136,000	2.94	Ireti

Financial figures of the main fully consolidated companies , joint ventures and associates

Fully consolidated companies

Company	Currency	Total Assets	Equity	Total Revenue	Profit/loss
Iren Ambiente S.p.A.	Euro	1,059,229,496	285,776,717	437,884,433	13,283,952
Iren Energia S.p.A.	Euro	2,321,846,139	1,245,909,066	1,837,964,530	57,713,582
Iren Mercato S.p.A.	Euro	1,365,459,483	206,148,220	3,315,622,683	94,936,184
Ireti S.p.A.	Euro	2,746,291,083	1,136,586,796	444,985,613	92,394,150
Acam Acque S.p.A.	Euro	346,761,796	48,311,019	97,849,559	9,399,995
Acam Ambiente S.p.A.	Euro	46,748,740	5,431,562	63,957,802	(919,693)
Acquaenna S.c.p.a.	Euro	157,099,592	9,253,042	28,189,404	402,897
Agrovoltaica S.r.l.	Euro	13,142,488	(46,734)	-	(51,347)
Alegas S.r.l.	Euro	20,593,630	182,706	30,466,388	(520,222)
Alfa Solutions S.p.A.	Euro	28,807,762	10,380,262	28,762,906	3,046,005
AMIAT S.p.A.	Euro	251,957,757	84,702,243	228,861,272	3,371,366
AMIAT V S.p.A.	Euro	50,577,206	36,947,951	-	3,433,856
Amter S.p.A.	Euro	31,440,394	1,296,203	6,251,821	(314,831)
ASM Vercelli S.p.A.	Euro	240,475,753	129,293,798	63,478,293	3,729,926
Asti Energia e Calore S.p.A.	Euro	4,308,617	1,206,568	1,381,867	172,960
Atena Trading S.r.l.	Euro	14,204,379	4,439,283	40,532,119	1,024,622
Bonifica Autocisterne S.r.l.	Euro	1,437,286	937,655	1,336,141	83,277
Bonifiche Servizi Ambientali S.r.l.	Euro	32,304,052	17,335,838	(20,926,997)	2,234,779
Consorzio GPO	Euro	22,632,163	22,605,321	8	26,517
C.R.C.M. S.r.l.	Euro	3,756,953	2,749,277	1,858,357	(497,292)
Dogliani Energia S.r.l.	Euro	3,382,508	20,537	-	(64,345)
Ekovision S.r.l.	Euro	2,908,580	1,639,883	3,841,714	12,942
Formaira S.r.l.	Euro	179,840	52,459	100,432	(4,623)
Futura S.p.A.	Euro	30,075,244	3,822,014	8,930,936	506,362
Iblu S.r.l.	Euro	67,727,494	9,209,708	70,380,787	(7,086,730)
Iren Acqua S.p.A.	Euro	860,173,741	516,212,625	254,707,468	53,995,965
Iren Acqua Piacenza S.r.l.	Euro	100,568	(1,268)	-	(11,268)
Iren Acqua Reggio S.r.l.	Euro	452,431,761	80,735,924	102,628,370	13,301,171
Iren Acqua Tigullio S.p.A.	Euro	114,205,860	21,452,839	31,033,240	2,226,854
Iren Ambiente Parma S.p.A	Euro	34,920,950	14,340,472	85,762,181	5,079,970
Iren Ambiente Piacenza S.p.A.	Euro	25,589,481	6,896,110	49,200,200	(140,999)
Iren Ambiente Toscana S.p.A.	Euro	74,425,474	4,833,837	279,702	920,904
Iren Laboratori S.p.A.	Euro	15,694,625	8,537,476	17,790,051	2,636,515
Ireti Gas S.p.A.	Euro	726,161,823	499,694,593	154,620,664	41,034,650
Iren Green Generation S.r.l.	Euro	69,077,098	24,952,463	28,058	(756,876)
Iren Green Generation Tech S.r.l.	Euro	157,768,751	25,364,699	26,372,383	5,580,090
Iren Smart Solutions S.p.A.	Euro	403,984,520	12,121,454	241,443,025	(19,868,166)
Limes 1 S.r.l.	Euro	16,453,965	6,584,351	2,408,069	912,204
Limes 2 S.r.l.	Euro	23,002,654	9,510,313	1,906,684	627,484
Limes 20 S.r.l.	Euro	19,100,872	45,682	104,351	(302,011)
Maira S.p.A.	Euro	11,146,613	8,988,441	2,927,071	1,239,228
Manduriambiente S.p.A.	Euro	50,663,588	17,333,312	23,049,104	2,829,406
Nord Ovest Servizi S.p.A.	Euro	19,261,551	18,737,368	495,633	367,020
ReCos S.p.A.	Euro	54,993,664	4,842,522	27,398,019	161,129
ReMat S.r.l.	Euro	6,765,371	834,616	2,897,341	(933,014)
Rigenera Materiali S.r.l.	Euro	28,452,272	1,920,911	160,548	(378,027)
Salerno Energia Vendite S.p.A.	Euro	159,973,175	16,590,454	238,705,524	4,630,499

San Germano S.p.A.	Euro	78,564,424	6,027,002	98,412,279	(811,887)
Scarlino Energia S.p.A.	Euro	30,373,854	18,370,996	1,511,466	566,556
SEI Toscana S.r.l.	Euro	238,824,347	45,388,913	226,620,377	7,805,573
Semia Green S.r.l.	Euro	6,715,076	2,712,930	1,753,704	(615,247)
Siena Ambiente S.p.A	Euro	107,591,552	35,571,909	37,322,775	3,933,105
TB S.p.A.	Euro	8,315,509	7,769,479	4,579,021	306,293
Territorio e Risorse S.r.l.	Euro	37,949,249	9,457,862	5,018,091	(1,693,791)
TRM S.p.A.	Euro	352,433,876	126,494,252	114,522,626	31,691,556
UNIPROJECT S.r.l.	Euro	46,167,730	6,591,659	4,666,088	572,859
Valdarno Ambiente S.r.l.	Euro	28,945,158	23,448,412	394,485	207,053
Valle Dora Energia S.r.l.	Euro	23,146,934	8,849,557	9,288,588	4,978,814

Joint ventures

Company	Currency	Total Assets	Equity	Total Revenue	Profit/loss
Acque Potabili S.p.A. (1)	Euro	44,734,000	17,192,000	912,000	177,000
Nuova Sirio S.r.l.	Euro	674,645	160,857	208,050	(886)
Vaserie Energia S.r.l.	Euro	1,642,731	1,565,053	439,653	157,625

Associates

Company	Currency	Total Assets	Equity	Total Revenue	Profit/loss
A2A Alfa S.r.l. (1)	Euro	199,638	6,762	17,148	4,115
Acos Energia S.p.A. (1)	Euro	15,360,570	4,782,978	23,246,410	641,666
Acos S.p.A. (1)	Euro	54,052,760	42,504,197	5,119,443	1,322,144
Aguas de San Pedro (1)	Lempiras	1,845,872,517	1,417,768,624	1,330,631,106	196,987,016
Aiga S.p.A. (1)	Euro	2,493,344	(1,534,271)	206,540	113,180
Amat S.p.A. (1)	Euro	18,058,938	(11,010,321)	491,302	46,370
Arienes S.c. a r.l. (1)	Euro	45,516,261	50,000	52,379,439	-
ASA S.c.p.a. (1)	Euro	19,172,981	2,442,488	5,537,230	-
ASA S.p.A. (1)	Euro	412,501,489	100,665,239	125,094,706	2,831,395
ASTEA S.p.A. (1)	Euro	162,170,030	113,376,961	1,198,300	41,286,928
Asti Servizi Pubblici S.p.A (1)	Euro	58,625,312	19,268,303	43,902,937	2,636,899
Barricalla S.p.A. (1)	Euro	34,236,252	4,717,538	10,482,857	1,429,302
BI Energia S.r.l. (1)	Euro	7,038,971	215,373	843,953	(144,564)
Centro Corsi S.r.l. (1)	Euro	166,140	24,073	238,167	2,144
CSA Centro Servizi Ambientali S.p.A. in liquidation (1)	Euro	815,540	756,233	22,578	-
CSAI - Centro Servizi Ambientali Impianti S.p.A. (1)	Euro	57,333,926	5,219,336	6,821,331	97,040
EGUA S.r.l. (1)	Euro	5,908,041	1,853,119	1,569,587	461,413
Fin Gas S.r.l.	Euro	11,663,112	11,448,920	-	(87,124)
Fratello Sole Energie Solidali Impresa Sociale S.r.l. (1)	Euro	17,008,728	199,644	1,276,287	6,869
GAIA S.p.A. (1)	Euro	79,999,531	19,229,980	33,362,233	140,878
Iniziative Ambientali S.r.l.(1)	Euro	3,345,432	122,582	26	(44,781)
OMI Rinnovabili S.c.a.r.l	Euro	83,556	10,000	240,843	-
SETA S.p.A (1)	Euro	31,062,074	16,181,077	36,890,761	323,012
Sistema Ambiente SpA (1)	Euro	28,629,830	8,370,503	25,224,262	401,624
STU Reggiane S.p.A. (1)	Euro	41,616,510	19,229,373	11,546,982	37,546

(1) figures at 31 December 2023

Reconciliation of IFRS financial statements with reclassified financial statements (Consob Communication no. 6064293 of 26 July 2006)

thousands of euro

IFRS STATEMENT OF FINANCIAL POSITION		RECLASSIFIED STATEMENT OF FINANCIAL POSITION	
Property, plant and equipment	4,516,355	Property, plant and equipment	4,516,355
Investment property	1,974	Investment property	1,974
Intangible assets	3,357,523	Intangible assets	3,357,523
Goodwill	247,273	Goodwill	247,273
Equity-accounted investments	282,462	Equity-accounted investments	282,462
Other equity investments	8,723	Other equity investments	8,723
Total (A)	8,414,310	Non-current Assets (A)	8,414,310
Other non-current assets	131,668	Other non-current assets	132,069
Sundry liabilities and other non-current liabilities	(751,559)	Sundry liabilities and other non-current liabilities	(751,560)
Total (B)	(619,891)	Other non-current assets (Liabilities) (B)	(619,491)
Inventories	84,033	Inventories	84,033
Non-current contract assets	300,238	Non-current contract assets	300,238
Current contract assets	69,291	Current contract assets	69,291
Non-current trade receivables	33,840	Non-current trade receivables	33,840
Trade receivables	1,442,454	Trade receivables	1,442,454
Current tax assets	14,474	Current tax assets	14,474
Sundry assets and other current assets	298,717	Sundry assets and other current assets	256,345
Trade payables	(1,787,198)	Trade payables	(1,787,198)
Contract liabilities	(88,983)	Contract liabilities	(88,983)
Sundry liabilities and other current liabilities	(353,693)	Sundry liabilities and other current liabilities	(323,529)
Current tax liabilities	(12,743)	Current tax liabilities	(12,743)
Total (C)	430	Net working capital (C)	(11,778)
Deferred tax assets	389,533	Deferred tax assets	389,533
Deferred tax liabilities	(116,857)	Deferred tax liabilities	(116,857)
Total (D)	272,676	Deferred tax assets (Liabilities) (D)	272,676
Employee benefits	(81,495)	Employee benefits	(81,495)
Provisions for risks and charges	(276,258)	Provisions for risks and charges	(276,258)
Provisions for risks and charges - current portion	(281,389)	Provisions for risks and charges - current portion	(272,314)
Total (E)	(639,142)	Provisions and employee benefits (E)	(630,067)
Assets held for sale	790	Assets held for sale	790
Liabilities related to assets held for sale	-	Liabilities related to assets held for sale	-
Total (F)	790	Assets held for sale (F)	790
		Net invested capital (G=A+B+C+D+E+F)	7,426,440
Equity (H)	3,343,697	Equity (H)	3,343,697
Non-current financial assets	(124,756)	Non-current financial assets	(124,355)
Non-current financial liabilities	4,460,916	Non-current financial liabilities	4,460,915
Total (I)	4,336,160	Non-current financial debt (I)	4,336,560
Current financial assets	(580,646)	Current financial assets	(541,407)
Cash and cash equivalents	(326,568)	Cash and cash equivalents	(326,568)
Current financial liabilities	656,530	Current financial liabilities	614,158
Total (L)	(250,684)	Current financial debt (L)	(253,817)
		Net financial debt (M=I+L)	4,082,743
		Own funds and net financial debt (H+M)	7,426,440

Reconciliation between total financial debt (ESMA communication of 4 March 2021) and net financial debt

thousands of euro

	31/12/2024	31/12/2023
A. Cash	(326,568)	(436,134)
B. Cash equivalents	-	-
C. Other current financial assets	(465,034)	(13,030)
D. Liquidity (A) + (B) + (C)	(791,602)	(449,164)
E. Current financial debt (including debt instruments, but excluding the current portion of non-current financial debt)	47,364	71,289
F. Current portion of the non-current financial debt	566,794	582,628
G. Current financial debt (E + F)	614,158	653,917
H. Net current financial (position) debt (G - D)	(177,444)	204,753
I. Non-current financial debt (excluding current portion and debt instruments)	1,468,002	1,525,634
J. Debt instruments	2,992,913	2,522,470
K. Commercial and other non-current debt	-	-
L. Non-current financial debt (I + J + K)	4,460,915	4,048,104
M. Total financial debt (H + L)	4,283,471	4,252,857
(-) C. Other current financial assets	465,034	13,030
(+) Non-current financial assets (statement of financial position item)	(124,355)	(128,937)
(+) Current financial assets (statement of financial position item net of fair value of commodity derivatives)	(541,407)	(203,145)
Net financial debt	4,082,743	3,933,805

Deferred tax assets and liabilities

FY 2024

	Opening balance	formation	differences Change in consolida-tion scope	reversal	Closing balance
Deferred tax assets					
Non-taxable provisions	706,653	345,761	2,620	368,909	686,125
Differences in non-current assets	958,439	141,160	824	40,511	1,059,911
Connection grants	144,677	-	854	118,598	26,934
Derivatives	211,512	205,468	-	81,597	335,383
Tax loss carry-forwards + ACE	34,504	8,499	1	5,430	37,575
Other	105,594	26,317	105	58,498	73,518
Total taxable amount/deferred tax assets	2,161,379	727,205	4,404	673,543	2,219,446
Deferred tax liabilities					
Differences in non-current assets	573,418	16,289	40,338	129,940	500,106
Loss allowance and other provisions	49,878	29,700	18	1,517	78,079
Derivatives	53,804	57,667	1,180	26,297	86,354
Other	237,892	161,852	76	95,913	303,907
Total taxable amount/deferred tax liabilities	914,992	265,508	41,612	253,667	968,446
Net deferred tax assets (liabilities)	1,246,387	461,697	(37,208)	419,876	1,251,000

FY 2023

	Opening balance	formation	differences Change in consolida-tion scope	reversal	Closing balance
Deferred tax assets					
Non-taxable provisions	573,722	397,901	2,443	267,413	706,653
Differences in non-current assets	931,801	73,698	254	47,314	958,439
Connection grants	141,997	72,528	-	69,848	144,677
Derivatives	202,069	179,383	-	169,940	211,512
Tax loss carry-forwards + ACE	34,651	8,627	1,479	10,253	34,504
Other	85,652	42,089	1,098	23,245	105,594
Total taxable amount/deferred tax assets	1,969,892	774,226	5,274	588,013	2,161,379
Deferred tax liabilities					
Differences in non-current assets	564,917	41,500	14,641	39,324	581,734
Loss allowance and other provisions	60,508	26	1,057	11,713	49,878
Derivatives	66,723	40,640	-	53,559	53,804
Other	247,888	38,177	7,638	55,811	237,892
Total taxable amount/deferred tax liabilities	940,036	120,343	23,336	160,407	923,308
Net deferred tax assets (liabilities)	1,029,856	653,883	(18,062)	427,606	1,238,071

thousands of euro

Change in consolida-tion scope	taxes to profit or loss	taxes to equity	IRES (Corporate income tax)	IRAP (Regional business tax)	total
638	(18,806)	-	174,461	21,467	195,928
228	6,289	-	199,917	15,263	215,180
240	(3,120)	-	12,428	2,102	14,530
-	(1,276)	8,551	51,073	8,264	59,337
-	(1,086)	-	8,209	-	8,209
99	2,215	-	9,890	262	10,152
1,205	(15,784)	8,551	455,978	47,358	503,336
8,900	(11,875)	-	137,203	16,899	154,102
(170)	1,820	202	7,758	1,308	9,067
284	(70)	(6,759)	10,688	1,905	12,593
46	(1,344)	(178)	44,889	10,009	54,898
9,060	(11,469)	(6,735)	200,538	30,121	230,660
(7,855)	(4,315)	15,286	255,440	17,237	272,676

thousands of euro

Change in consolida-tion scope	taxes to profit or loss	taxes to equity	IRES (Corporate income tax)	IRAP (Regional business tax)	total
688	37,549	26	186,461	27,635	214,096
900	7,730	-	192,835	15,827	208,662
-	13,397	-	14,959	2,451	17,410
-	(1,597)	4,349	45,018	7,044	52,062
355	(390)	-	9,295	-	9,295
311	4,546	180	6,969	869	7,838
2,254	61,235	4,555	455,537	53,826	509,363
4,129	49	-	138,761	18,317	157,078
298	(3,244)	-	6,207	1,008	7,215
-	11,471	(12,865)	16,716	2,423	19,139
2,154	(5,372)	509	48,713	7,658	56,371
6,581	2,904	(12,356)	210,397	29,406	239,803
(4,327)	58,331	16,911	245,140	24,420	269,560

Related party transactions

	Trade Receivables	Loan assets	Sundry assets	Trade Payables	Financial liabilities
OWNERS					
Municipality of Genoa	714	-	2	845	-
Municipality of Parma	7,887	-	413	1,701	-
Municipality of Piacenza	2,593	-	-	1,923	-
Municipality of Reggio Emilia	1,683	-	540	195	-
Municipality of Turin	80,498	36,232	83	2,593	6,068
Finanziaria Sviluppo Utilities	-	-	41	-	-
JOINT VENTURES					
Acque Potabili	153	-	-	(2)	-
EGEA Holding Group	24,480	-	-	-	-
Nuova Sirio	-	240	-	-	-
Vaserie Energia	5	-	-	-	-
ASSOCIATES					
ACOS	8	4,691	-	-	-
ACOS Energia	3	-	-	-	-
Aguas de San Pedro	2	83	-	-	-
AIGA	228	75	-	85	-
AMAT	24	-	-	-	-
ARCA	27,197	-	-	112	448
Arienes	13,737	-	-	4,113	538
ASA	456	-	-	335	-
ASA Livorno	420	-	-	(106)	-
ASTEA	8	426	-	2	-
Asti Servizi Pubblici	185	-	-	112	-
Barricalla	1,046	490	-	1,237	-
Energy BI	5	1,232	-	-	-
Centro Corsi	-	30	-	28	-
CSA in liquidation	477	-	-	-	-
CSAI	271	443	-	437	-
EGUA	279	126	-	47	-
Fingas	-	102	-	-	-
Fratello Sole Energie Solidali	824	-	-	115	-
GAIA	1,262	-	-	675	-
Iniziative Ambientali	1	-	-	-	-
Omi Rinnovabili	15	-	-	-	-
Piana Ambiente in liquidation	70	-	-	-	-
SETA	4,335	-	-	270	-
Sistema Ambiente	50	-	-	-	-
STU Reggiane	58	510	-	-	-
OTHER RELATED PARTIES					
Subsidiaries of Municipality of Turin	1,410	-	50	1,154	-
Subsidiaries of Municipality of Genoa	1,329	-	-	1,645	6
Subsidiaries of Municipality of Parma	548	-	107	1,301	-
Subsidiaries of Municipality of Piacenza	68	-	-	20,004	-
Subsidiaries of Municipality of Reggio Emilia	4,227	-	-	4,020	-
Others	9	-	-	-	-
TOTAL	176,565	44,680	1,236	42,841	7,060

thousands of euro

	Sundry liabilities	Revenue and income	Costs and other charges	Financial income	Financial expense
OWNERS					
Municipality of Genoa	-	1,954	8,853	-	-
Municipality of Parma	-	1,380	1,509	-	58
Municipality of Piacenza	-	18,675	1,337	-	-
Municipality of Reggio Emilia	-	3,311	500	66	-
Municipality of Turin	-	238,602	6,482	283	10
Finanziaria Sviluppo Utilities	-	-	-	-	-
JOINT VENTURES					
Acque Potabili	-	69	-	-	-
EGEA Holding Group	-	71,578	-	-	-
Nuova Sirio	-	-	-	-	-
Vaserie Energia	-	9	-	-	-
ASSOCIATES					
ACOS	-	46	-	-	-
ACOS Energia	-	5	91	-	-
Aguas de San Pedro	-	1	-	-	-
AIGA	-	-	-	-	-
AMAT	-	-	-	-	-
ARCA	95	86,364	1,624	194	40
Arienes	-	20	-	-	-
ASA	-	1,136	2,537	-	-
ASA Livorno	-	505	139	22	-
ASTEA	-	8	18	-	-
Asti Servizi Pubblici	-	1,415	188	-	-
Barricalla	-	1,266	2,283	-	77
Energy BI	-	7	-	-	-
Centro Corsi	-	4	92	-	-
CSA in liquidation	-	477	-	-	-
CSAI	-	1,862	706	-	3
EGUA	-	418	47	-	-
Fingas	-	-	-	2	-
Fratello Sole Energie Solidali	7	136	194	-	-
GAIA	-	2,513	4,815	12	-
Iniziative Ambientali	-	1	-	-	-
Omi Rinnovabili	-	-	114	-	-
Piana Ambiente in liquidation	-	-	-	-	-
SETA	-	12,447	1,008	-	-
Sistema Ambiente S.p.A.	-	72	-	-	-
STU Reggiane	-	61	20	31	-
OTHER RELATED PARTIES					
Subsidiaries of Municipality of Turin	5	4,204	3,335	-	18
Subsidiaries of Municipality of Genoa	1	6,379	1,636	-	1
Subsidiaries of Municipality of Parma	-	1,820	2,936	1	-
Subsidiaries of Municipality of Piacenza	-	158	1,143	-	-
Subsidiaries of Municipality of Reggio Emilia	-	6,698	6,248	-	6
Others	-	307	-	-	-
TOTAL	108	463,908	47,855	611	213

List of grants under Decree Law 34/2019 art. 35

RECEIVING COMPANY / Lending Party	Type of contribution	Amounts in euro
ACAM ACQUE		
Liguria Region	Grants related to income	780,491
Province of La Spezia	Grants related to assets	3,461,700
ACAM AMBIENTE		
Province of La Spezia	Grants related to assets	108,884
Municipality of Calice	Grants related to assets	81,810
Municipality of Bonassola	Grants related to assets	14,549
Municipality of Vernazza	Grants related to assets	48,995
Province of La Spezia	Grants related to income	206,398
AMIAT		
Ministry of Ecological Transition – Sustainable Development Department	Grants related to assets	341,817
IBLU		
MASE	Grants related to assets	1,985,507
IREN ACQUA		
Municipality of Tiglieto - Metropolitan City of Genoa	Grants related to assets	195,050
Metropolitan City of Genoa	Grants related to assets	1,180,509
IREN ACQUA REGGIO		
Municipality of Castelnovo di Sotto	Grants related to assets	40,000
ANAS S.P.A	Grants related to assets	30,000
Municipality of Rolo	Grants related to assets	13,150
Ministry of the Interior	Grants related to assets	89,857
Emilia-Romagna Territorial Agency	Grants related to assets	940,468
IRETI		
Port System Authority	Grants related to assets	117,240
Municipality of Piacenza	Grants related to assets	47,840
Emilia-Romagna Regional Agency	Grants related to income	246,000
Emilia-Romagna Regional Agency	Grants related to assets	23,000
Liguria Regional Agency	Grants related to assets	44,478
Municipality of Savona	Grants related to assets	24,755
Ministry of Infrastructure	Grants related to assets	10,509,240
ATO ASTI	Grants related to assets	30,000
Emilia-Romagna Regional Agency	Grants related to assets	564,286
Municipality of Genoa	Grants related to assets	19,421
IRETI GAS		
CSEA	Grants related to assets	563,480
RECOS		
Province of La Spezia	Grants related to assets	4,000,000
REMAT		
Ministry of Ecological Transition	Grants related to assets	72,722
SEMIA GREEN		
Ministry of Ecological Transition – Sustainable Development Department	Grants related to assets	75,162
SIENA AMBIENTE		
Ministry of Infrastructure and Transport	Grants related to assets	7,569,924

Independent auditors' fees

thousands of euro

	Statutory audit	Non-audit services		Total
		Services for the purpose of issuing an attestation	Other services	
Iren S.p.A.	298	319	-	617
Direct and indirect subsidiaries of Iren S.p.A.	1,607	186	-	1,793
Total Iren Group	1,905	505	-	2,410

Statement regarding the Consolidated Financial Statements pursuant to art. 81-ter of CONSOB regulation No. 11971 of 14 May 1999, as subsequently amended and supplemented

1. The undersigned Gianluca Bufo, Chief Executive Officer, and Giovanni Gazza, Manager in charge of financial reporting of Iren S.p.A., taking into account the provisions of art. 154-bis, paragraphs 3 and 4, of Legislative Decree 58 of 24 February 1998, hereby certify:

   - the adequacy in relation to the characteristics of the group and
   - the effective application of the administrative and accounting procedures in preparing the 2024 consolidated financial statements.

2. It is also hereby certified that:

   2.1. the consolidated financial statements:

   c) are prepared in compliance with the applicable International Financial Reporting Standards endorsed by the European Community pursuant to Regulation (EC) No. 1606/2002 of the European Parliament and Council, of 19 July 2002;

   c) correspond to the results of the books and accounting records;

   c) provide a true and fair representation of the financial position and performance of the Issuer and the group companies included in the consolidation scope;

   2.2 the Directors' Report includes a reliable analysis of the operating performance and results, and of the situation of the issuer and of all companies included in the consolidation scope, together with a description of the major risks and uncertainties to which they are exposed.

24 March 2025

The Chief Executive Officer	Manager in charge of financial reporting under Law 262/05
Gianluca Bufo	Giovanni Gazza

(signed on the original)

Report of the Independent Auditors on the Consolidated Financial Statements

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(The accompanying translated consolidated financial statements of the Iren Group constitute a non-official version which is not compliant with the provisions of Commission Delegated Regulation (EU) 2019/815. This independent auditors' report has been translated into English solely for the convenience of international readers. Accordingly, only the original Italian version is authoritative.)

Independent auditors' report pursuant to article 14 of Legislative decree no. 39 of 27 January 2010 and article 10 of Regulation (EU) no. 537 of 16 April 2014

To the shareholders of
Iren S.p.A.

Report on the audit of the consolidated financial statements

Opinion

We have audited the consolidated financial statements of the Iren Group (the "group"), which comprise the statement of financial position as at 31 December 2024, income statement and the statements of comprehensive income, changes in equity and cash flows for the year then ended and notes thereto, which include material information on the accounting policies.

In our opinion, the consolidated financial statements give a true and fair view of the financial position of the Iren Group as at 31 December 2024 and of its financial performance and cash flows for the year then ended in accordance with the IFRS Accounting Standards issued by the International Accounting Standards Board and endorsed by the European Union, as well as the Italian regulations implementing article 9 of Legislative decree no. 38/05.

Basis for opinion

We conducted our audit in accordance with the International Standards on Auditing (ISA Italia). Our responsibilities under those standards are further described in the "*Auditors' responsibilities for the audit of the consolidated financial statements*" section of our report. We are independent of Iren S.p.A. (the "parent") in accordance with the ethics and independence rules and standards applicable in Italy to audits of financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in the audit of the consolidated financial statements of the current year. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Iren Group
Independent auditors' report
31 December 2024

Recoverability of the carrying amount of goodwill

Notes to the consolidated financial statements: note V "Accounting policies" and note 4 "Goodwill"

Key audit matter	Audit procedures addressing the key audit matter
The consolidated financial statements at 31 December 2024 include goodwill of €247 million, accounting for approximately 2% of total assets. The directors tested the groups of cash-generating units (CGUs) and/or individual CGUs to which goodwill is allocated for impairment for the purposes of the consolidated financial statements. The directors have calculated the groups of and/or individual CGUs' estimated recoverable amount, based on their value in use, using the discounted cash flow model and the cash flows derived from the business plan approved by the parent's board of directors on 25 June 2024 (the "plan"), updated based on the 2025 budget forecasts and with an explicit horizon until 2027. The model is very complex and entails the use of estimates which, by their very nature, are uncertain and subjective, about: • the expected cash flows, calculated by taking into account the general economic performance and that of the group's sector, the actual cash flows for recent years and the projected growth rates; • the financial parameters used to calculate the discount rate. For the above reasons, we believe that the recoverability of the carrying amount of goodwill is a key audit matter.	• Analysing the process adopted by the parent to prepare the impairment tests. • Analysing the criteria used to identify the CGUs and allocate goodwill thereto and/or to the groups of CGUs and trace their carrying amounts to the consolidated financial statements. • Assessing the consistency of the cash flows used for impairment testing with the cash flows forecast in the plan. • Checking any discrepancies between the previous year business plans' figures and actual figures, in order to check the accuracy of the estimation process adopted by the directors; • Analysing the expected cash flows and the reasonableness of the main assumptions used to calculate the groups of CGUs' and/or CGUs' value in use. • Involving experts in the assessment of the reasonableness of the valuation models and related assumptions. • Checking the sensitivity analysis presented in the notes in relation to the key assumptions used for impairment testing. • Assessing the appropriateness of the disclosures provided in the notes.

Recognition of revenue from the supply of electricity and gas not yet invoiced

Notes to the consolidated financial statements: note V "Accounting policies", note 14 "Trade receivables" and note 33 "Revenue from goods and services"

Key audit matter	Audit procedures addressing the key audit matter
Revenue from the supply of electricity and gas to end users is recognised at the time the electricity or gas is delivered and includes, in addition to amounts invoiced on the basis of periodic meter readings or on the volumes notified by distributors and transporters, an estimate of the electricity and gas delivered during the year but not yet invoiced that is calculated also taking account of any network losses. Revenue accrued between the date of the last meter reading and the year end is based on calculations of the daily consumption of individual customers, primarily based on their historical information, adjusted to reflect the climate factors or other matters that may affect the estimated consumption.	• Understanding the process for the recognition of revenue from the supply of electricity and gas not yet invoiced. • Assessing the design, implementation and operating effectiveness of controls, including it controls, deemed material for the purposes of our audit, including by involving our it specialists. • Checking the accuracy of the data used to estimate revenue accrued and not invoiced. • Comparing the accruals for invoices to be issued for revenue from the supply of electricity and gas recognised in the prior year's consolidated financial statements with the subsequent actual figures.

Iren Group
Independent auditors' report
31 December 2024

Key audit matter	Audit procedures addressing the key audit matter
Since the accruals are determined using methods that require the use of complex methods and algorithms, we believe that the recognition of this revenue component and the related invoices to be issued is a key audit matter.	• Assessing the appropriateness of the disclosures provided in the notes about the revenue from the supply of electricity and gas not yet invoiced.

Responsibilities of the parent's directors and board of statutory auditors ("Collegio Sindacale") for the consolidated financial statements

The directors are responsible for the preparation of consolidated financial statements that give a true and fair view in accordance with the IFRS Accounting Standards issued by the International Accounting Standards Board and endorsed by the European Union, as well as the Italian regulations implementing article 9 of Legislative decree no. 38/05 and, within the terms established by the Italian law, for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

The directors are responsible for assessing the group's ability to continue as a going concern and for the appropriate use of the going concern basis in the preparation of the consolidated financial statements and for the adequacy of the related disclosures. The use of this basis of accounting is appropriate unless the directors believe that the conditions for liquidating the parent or ceasing operations exist, or have no realistic alternative but to do so.

The *Collegio Sindacale* is responsible for overseeing, within the terms established by the Italian law, the group's financial reporting process.

Auditors' responsibilities for the audit of the consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISA Italia will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with ISA Italia, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the group's internal control;
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors;

KPMG

Iren Group
Independent auditors' report
31 December 2024

- conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the group to cease to continue as a going concern;
- evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation;
- obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance, identified at the appropriate level required by ISA Italia, regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with the ethics and independence rules and standards applicable in Italy and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, the measures taken to eliminate those threats or the safeguards applied.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current year and are, therefore, the key audit matters. We describe these matters in our auditors' report.

Other information required by article 10 of Regulation (EU) no. 537/14

On 13 June 2019, the parent's shareholders appointed us to perform the statutory audit of its separate and consolidated financial statements as at and for the years ending from 31 December 2021 to 31 December 2029.

We declare that we did not provide the prohibited non-audit services referred to in article 5.1 of Regulation (EU) no. 537/14 and that we remained independent of the parent in conducting the statutory audit.

We confirm that the opinion on the consolidated financial statements expressed herein is consistent with the additional report to the *Collegio Sindacale*, in its capacity as audit committee, prepared in accordance with article 11 of the Regulation mentioned above.

Iren Group
Independent auditors' report
31 December 2024

Report on other legal and regulatory requirements

Opinion on the compliance with the provisions of Commission Delegated Regulation (EU) 2019/815

The parent's directors are responsible for the application of the provisions of Commission Delegated Regulation (EU) 2019/815 with regard to regulatory technical standards on the specification of a single electronic reporting format (ESEF) to the consolidated financial statements at 31 December 2024 to be included in the annual financial report.

We have performed the procedures required by Standard on Auditing (SA Italia) 700B in order to express an opinion on the compliance of the consolidated financial statements with Commission Delegated Regulation (EU) 2019/815.

In our opinion, the consolidated financial statements at 31 December 2024 have been prepared in XHTML format and have been marked up, in all material respects, in compliance with the provisions of Commission Delegated Regulation (EU) 2019/815.

Due to certain technical limitations, some information included in the notes to the consolidated financial statements when extracted from the XHTML format to an XBRL instance may not be reproduced in an identical manner with respect to the corresponding information presented in the consolidated financial statements in XHTML format.

Opinion and statement pursuant to article 14.2.e)/e-bis)/e-ter) of Legislative decree no. 39/10 and article 123-bis.4 of Legislative decree no. 58/98

The parent's directors are responsible for the preparation of the group's directors' report and report on corporate governance and ownership structure at 31 December 2024 and for the consistency of such reports with the related consolidated financial statements and their compliance with the applicable law.

We have performed the procedures required by Standard on Auditing (SA Italia) 720B in order to:

- express an opinion on the consistency of the directors' report and certain specific information presented in the report on corporate governance and ownership structure required by article 123-bis.4 of Legislative decree no. 58/98 with the consolidated financial statements;
- express an opinion on the compliance of the directors' report, excluding the section that includes the consolidated sustainability statement, and certain specific information presented in the report on corporate governance and ownership structure required by article 123-bis.4 of Legislative decree no. 58/98 with the applicable law;
- issue a statement of any material misstatements in the directors' report and certain specific information presented in the report on corporate governance and ownership structure required by article 123-bis.4 of Legislative decree no. 58/98.

In our opinion, the directors' report and the specific information presented in the report on corporate governance and ownership structure required by article 123-bis.4 of Legislative decree no. 58/98 are consistent with the group's consolidated financial statements at 31 December 2024.

Moreover, in our opinion, excluding the section which includes the consolidated sustainability statement, the directors' report and the specific information presented in the report on corporate governance and ownership structure required by article 123-bis.4 of Legislative decree no. 58/98 have been prepared in compliance with the applicable law.

With reference to the above statement required by article 14.2.e-ter) of Legislative decree no. 39/10, based on our knowledge and understanding of the entity and its environment obtained through our audit, we have nothing to report.

Our opinion on compliance with the applicable law does not extend to the directors' report's section which includes the consolidated sustainability statement. Our conclusion on the compliance of this section with the legislation governing its preparation and with the disclosure requirements of article 8 of Regulation (EU) 2020/852 is included in the assurance report prepared in accordance with article 14-bis of Legislative decree no. 39/10.

Turin, 2 April 2025

KPMG S.p.A.

(signed on the original)

Fabio Monti
Director of Audit

Separate Financial Statements

Statement of Financial Position

Amounts in euro

	Notes	31.12.2024	of which related parties	31.12.2023	of which related parties
ASSETS					
Property, plant and equipment	(1)	228,002,788		224,832,794	
Intangible assets with a finite useful life	(2)	113,603,661		109,583,807	
Investment property		-		-	
Investments in subsidiaries, associates and joint ventures	(3)	2,650,574,483		2,564,031,856	
Other equity investments	(4)	2,479,332		1,278,643	
Non-current financial assets	(5)	3,687,505,955	3,644,624,792	3,677,675,821	3,625,433,138
Other non-current assets	(6)	1,222,330	41,285	1,231,047	41,285
Deferred tax assets	(7)	8,777,164		4,021,354	
Total non-current assets		6,692,165,713	3,644,666,077	6,582,655,322	3,625,474,423
Inventories	(8)	5,643,477		6,019,534	
Trade receivables	(9)	119,018,916	118,827,492	102,021,716	102,028,732
Current tax assets	(10)	6,336,852		54,923	
Sundry assets and other current assets	(11)	72,527,314	39,800,978	182,700,359	121,625,053
Current financial assets	(12)	483,397,847	25,576,021	25,432,921	24,508,338
Cash and cash equivalents	(13)	225,452,251		281,684,935	
Assets held for sale	(14)	-		-	
Total current assets		912,376,657	184,204,490	597,914,388	248,162,123
TOTAL ASSETS		7,604,542,370	3,828,870,567	7,180,569,710	3,873,636,545

Amounts in euro

	Notes	31.12.2024	of which related parties	31.12.2023	of which related parties
EQUITY					
Share capital		1,300,931,377		1,300,931,377	
Reserves and Retained Earnings		773,269,004		763,756,996	
Profit for the year		212,507,129		172,284,624	
TOTAL EQUITY	(15)	2,286,707,510		2,236,972,997	
LIABILITIES					
Non-current financial liabilities	(16)	4,272,105,471		3,858,011,380	
Employee benefits	(17)	13,235,688		14,061,402	
Provisions for risks and charges	(18)	17,706,112		14,137,883	
Deferred tax liabilities	(19)	-		-	
Sundry liabilities and other non-current liabilities	(20)	1,305,215		1,197,981	
Total non-current liabilities		4,304,352,486		3,887,408,646	
Current financial liabilities	(21)	793,815,526	244,242,561	752,040,779	182,784,513
Trade payables	(22)	122,680,791	16,958,524	135,701,641	15,659,700
Sundry liabilities and other current liabilities	(23)	96,857,664	56,885,521	99,724,986	62,671,081
Current tax liabilities	(24)	-		68,615,226	
Provisions for risks and charges - current portion	(25)	128,393		105,435	
Liabilities associated with assets held for sale		-		-	
Total current liabilities		1,013,482,374	318,086,606	1,056,188,067	261,115,294
TOTAL LIABILITIES		5,317,834,860	318,086,606	4,943,596,713	261,115,294
TOTAL EQUITY AND LIABILITIES		7,604,542,370	318,086,606	7,180,569,710	261,115,294

Income statement

Amounts in euro

	Notes	FY 2024	of which related parties	FY 2023	of which related parties
Revenue					
Revenue from goods and services	(26)	319,498,836	318,361,329	292,295,077	292,226,694
Other income	(27)	11,797,579	9,023,695	12,819,515	9,038,602
Total revenue		331,296,415	327,385,024	305,114,592	301,265,295
Operating expenses					
Raw materials, consumables, supplies and goods	(28)	(8,930,037)	(23,462)	(8,761,370)	(33,461)
Services and use of third-party assets	(29)	(184,721,936)	(23,764,104)	(180,707,036)	(22,837,801)
Other operating expenses	(30)	(9,460,553)	(1,083,778)	(9,261,883)	(1,863,666)
Capitalised costs for internal work	(31)	8,063,901		6,926,996	
Personnel expense	(32)	(94,949,773)		(91,651,210)	
Total operating expenses		(289,998,398)	(24,871,344)	(283,454,503)	(24,734,928)
GROSS OPERATING PROFIT		41,298,017		21,660,089	
Depreciation, amortisation, provisions and impairment losses					
Amortisation and Depreciation	(33)	(57,876,450)		(49,495,181)	
Impairment losses on loans and receivables	(34)	-		-	
Other provisions and impairment losses	(34)	2,009,264		114,069	
Total depreciation, amortisation, provisions and impairment losses		(55,867,186)		(49,381,112)	
OPERATING LOSS		(14,569,169)		(27,721,023)	
Financial management	(35)				
Financial income		344,352,851	320,831,038	280,642,102	280,226,016
Financial expense		(115,386,390)	(5,258,538)	(83,169,826)	(2,632,765)
Net financial income		228,966,461	315,572,500	197,472,276	277,593,250
Gains (losses) on equity investments	(36)	-		-	
Pre-tax profit		214,397,292		169,751,253	
Income taxes	(37)	(1,890,163)		2,533,371	
Profit from continuing operations		212,507,129		172,284,624	
Profit (loss) from discontinued operations		-		-	
Profit for the year		212,507,129		172,284,624	

Statement of Comprehensive Income

Amounts in euro

	Notes	FY 2024	FY 2023
Profit/(loss) for the year (A)		212,507,129	172,284,624
Other comprehensive income that will be subsequently reclassified to profit or loss	(38)		
- effective portion of fair value losses on cash flow hedges		(13,557,710)	(53,558,790)
- fair value gains/(losses) on financial assets			
Tax effect of other comprehensive income		3,253,850	12,854,110
Other comprehensive expense that will be subsequently reclassified to profit or loss, net of tax effect (B1)		(10,303,860)	(40,704,680)
Other comprehensive income that will not be subsequently reclassified to profit or loss			
- actuarial gains/(losses) on employee defined benefit plans (IAS19)		(51,790)	(62,926)
Tax effect of other comprehensive income		12,430	15,102
Other comprehensive expense that will not be subsequently reclassified to profit or loss, net of tax effect (B2)		(39,360)	(47,824)
Comprehensive income (A)+(B1)+(B2)		202,163,909	131,532,120

Statement of changes in equity

	Share capital	Share premium reserve	Legal reserve
31.12.2022	1,300,931	133,019	98,159
Owner transactions			
Dividends to shareholders			
Retained earnings			12,934
Repurchase of treasury shares			
Other changes			
Total owner transactions	-	-	12,934
Comprehensive income for the year			
Profit for the year			
Other comprehensive expense			
Total comprehensive income for the year			
31.12.2023	1,300,931	133,019	111,093
31.12.2023	1,300,931	133,019	111,093
Owner transactions			
Dividends to shareholders			
Retained earnings			8,614
Repurchase of treasury shares			
Other changes			
Total owner transactions	-	-	8,614
Comprehensive income for the year			
Profit for the year			
Other comprehensive expense			
Total comprehensive income for the year			
31.12.2024	1,300,931	133,019	119,707

thousands of euro

Hedging reserve	Other reserves and retained earnings	Total reserves and Retained earnings	Profit for the year	Equity
46,915	408,867	686,960	258,688	2,246,580
		-	(141,138)	(141,138)
	104,616	117,550	(117,550)	-
		-		-
		-		-
-	104,616	117,550	(258,688)	(141,138)
				-
		-	172,285	172,285
(40,705)	(48)	(40,753)		(40,753)
(40,705)	(48)	(40,753)	172,285	131,532
6,210	513,435	763,757	172,285	2,236,973
6,210	513,435	763,757	172,285	2,236,973
		-	(152,430)	(152,430)
	11,241	19,855	(19,855)	-
		-		-
		-		
-	11,241	19,855	(172,285)	(152,430)
				-
		-	212,507	212,507
(10,303)	(40)	(10,343)		(10,343)
(10,303)	(40)	(10,343)	212,507	202,164
(4,093)	524,636	773,269	212,507	2,286,707

Statement of cash flows

thousands of euro

	FY 2024	FY 2023
A. Opening cash and cash equivalents	281,685	573,372
Cash flows from operating activities		
Profit for the year	212,507	172,285
Adjustments:		
Income taxes for the year	1,890	(2,533)
Net financial expense (income)	(228,966)	(197,472)
Amortisation and depreciation	57,876	49,495
Net impairment losses (reversals of impairment losses) on assets	-	-
Impairment losses on loans and receivables	-	-
Net provisions for risks and other charges	3,550	8,477
Capital (gains) losses	(8)	59
Payment of employee benefits	(1,306)	(1,438)
Utilisations of provisions for risks and other charges	(322)	(1,594)
Change in other non-current assets	9	90
Change in sundry liabilities and other non-current liabilities	107	(130)
Other changes in equity	-	-
Taxes paid	2,174	(2,123)
Change in inventories	431	(945)
Change in trade receivables	(16,805)	(3,929)
Change in current tax assets and other current assets	30,523	(34,419)
Change in trade payables	(13,021)	2,087
Change in current tax liabilities and other current liabilities	(3,669)	23,579
B. Net cash and cash equivalents generated by operating activities	44,971	11,490
Cash flows from/(used in) investing activities		
Investments in property, plant and equipment and intangible assets	(62,724)	(91,062)
Investments in financial assets	(87,742)	(810)
Investment realisation	221	55
Change in consolidation scope	-	-
Dividends collected	222,346	196,592
C. Net cash and cash equivalents generated by investing activities	72,101	104,775
Cash flows from/(used in) financing activities		
Capital increase	-	-
Repurchase of treasury shares	-	-
Dividends paid	(135,917)	(143,047)
New non-current loans	1,000,000	330,000
Repayment of non-current loans	(591,554)	(23,490)
Change in balance of cash pooling arrangement	18,361	(574,601)
Repayment of lease liabilities	(5,357)	(5,389)
Change in other financial liabilities	69,536	32,557
Change in loan assets	(499,124)	(31,369)
Interest paid	(154,768)	(70,115)
Interest received	125,518	77,503
D. Net cash and cash equivalents used in financing activities	(173,305)	(407,951)
E. Cash flow for the year (B+C+D)	(56,233)	(291,687)
F. Cash and cash equivalents (A+E)	225,452	281,685

Notes

Foreword

Iren S.p.A. is an Italian multi-utility company, listed on the Italian Stock Exchange (Borsa Italiana) and established on 1 July 2010 through the merger of IRIDE and ENÌA. The Company's registered office is in Italy, in Reggio Emilia, Via Nubi di Magellano 30. There were no changes in the company name during 2024.

Iren S.p.A. is an industrial holding company, with registered office in Reggio Emilia, parent of the four companies responsible for the operational activity (Business Units) in the main operating offices of Genoa, La Spezia, Parma, Piacenza, Reggio Emilia, Turin and Vercelli.
The Holding is responsible for the strategic, development, coordination and control activities, while the four BUs have been entrusted with the coordination and guidance of the companies operating in their respective sectors:

- Networks (Electricity distribution networks, Gas distribution networks, Integrated Water Service)
- Waste Management (Waste collection and disposal)
- Energy (Hydroelectric Production and production from other renewable sources, Combined Heat and Power, District Heating Networks, Thermoelectric Production, Public Street Lighting, Global services, Energy efficiency services)
- Market (Sale of electricity, gas, heat)
- Other services (Laboratories, Telecommunications and other minor services).

I. Basis of presentation

These financial statements represent the separate financial statements of the Parent Iren S.p.A. and were prepared in accordance with the International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) and endorsed by the European Union, as well as with the measures issued in implementation of Article 9 of Legislative Decree no. 38/2005. The "IFRS" comprises also the revised International Accounting Standards ("IAS"/"IFRS") and all the interpretations issued by the International Financial Reporting Interpretations Committee ("IFRIC"), previously known as the Standing Interpretations Committee ("SIC").

In drawing up these separate financial statements, the same accounting standards were applied as those adopted for the separate Financial Statements at 31 December 2023, with the exceptions highlighted in the section "Accounting standards, amendments and interpretations effective as of 1 January 2024".

The separate financial statements at 31 December 2024 consist of a statement of financial position, an income statement, a statement of other comprehensive income, a statement of changes in equity, a statement of cash flows and these notes. The schedules are the same as those applied in the preparation of the separate financial statements as at and for the year ended 31 December 2023.

In line with what was previously published, in the statement of financial position, assets and liabilities are classified as "current/non-current". Assets and liabilities classified as discontinued or held for sale are shown separately. Current assets, which include cash and cash equivalents, are those that will be realised, transferred or consumed during the company's ordinary operating cycle or during the twelve months following year end. Current liabilities are those for which settlement is envisaged during the ordinary operating cycle or during the twelve months following year end.
The Income Statement is classified on the basis of the nature of the costs. In addition to the Operating Profit, the Income Statement also shows the Gross Operating Profit obtained by deducting total operating expenses from total revenue.
The indirect method is used in the Statement of Cash Flows. The cash configuration analysed in the Statement of Cash Flows includes cash on hand and cash in current accounts.

The separate financial statements are drawn up on the basis of the historical cost principle, with the exception of certain financial instruments and the asset relating to the variable portion of the sale price of OLT Offshore LNG Toscana, measured at fair value, as well as on a going concern basis. The company did not detect any particular risks connected with the Company's business and/or any uncertainties that might cast doubt on its ability to continue as a going concern.
These separate financial statements are stated in euro, the company's functional currency. Data included in the notes, unless otherwise specified, are expressed in thousands of euro. Due to rounding, there could be cases in which the detailed tables contained in this document show a difference of around one thousand euro. It is believed that these cases do not alter the reliability and informative value of these separate financial statements.

Lastly, in accordance with CONSOB Resolution No. 15519 of 27 July 2006 regarding the format of financial statements, specific additional columns have been added to the Income Statement and the Statement of Financial Position to highlight transactions with related parties.

Publication of the financial statements

The separate Financial Statements were authorised for publication by the Board of Directors of Iren S.p.A. at its meeting on 24 March 2025. The Board of Directors allowed the Chairperson and the Chief Executive Officer to make such amendments to the financial statements as may be necessary or appropriate for the completion of the document in the period up to the date of approval by the Shareholders' Meeting. The shareholders' meeting that will be called to approve the financial statements has the right to request amendments to the financial statements.

Use of estimates and assumptions by management

Estimates

Preparation of the separate Financial Statements entails making estimates, opinions and assumptions that have an effect on the amounts of revenue, costs, assets and liabilities, including contingent liabilities, and on the information provided. These estimates and assumptions are based on past experience and other factors considered reasonable in the case in question, particularly when the value of assets and liabilities is not readily apparent from comparable sources.
Estimates and assumptions were used in applying the accounting standards, in particular to measure the following items of the financial statements:

- impairment of non-financial assets: assets such as property, plant and equipment, investment property, intangible assets, right-of-use assets, goodwill and equity investments in associates/joint ventures are impaired when their carrying amount exceeds their recoverable amount, represented by the higher of fair value, net of costs to sell, and value in use. The recoverable amount is sensitive to the estimates and assumptions used to determine the amount of cash flows and the discount rates applied. However, possible variations in the basic assumptions on which these calculations are based could produce different recoverable amounts.
- Expected losses on financial assets: at the end of each reporting date, the company recognises a loss allowance for trade receivables and other financial assets measured at amortised cost, debt instruments measured at fair value through other comprehensive income, contract assets and all other assets within the scope of impairment. Loss allowances for financial assets are based on assumptions regarding the risk of default and the measurement of expected credit losses. In making these assumptions and selecting the inputs to calculate the expected credit loss, management uses its professional judgement, based on past experience, current market conditions, as well as forward-looking estimates at the end of each reporting date.
- Determining the useful life of non-financial assets. In determining the useful life of property, plant and equipment and intangible assets with a finite useful life, the Company considers not only the future economic benefits - contained in the assets - enjoyed through their use, but also many other factors, such as physical deterioration, obsolescence of the product or service provided by the asset (e.g. technical, technological or commercial), legal restrictions or other similar constraints (e.g. safety, environmental, etc.) on the use of the asset, if the useful life of the asset depends on the useful life of other assets.
- The determination of the fair value of derivative instruments and certain financial assets. The fair value of financial instruments is determined on the basis of prices directly observable on the market, where available, or, for unlisted financial instruments, using specific valuation techniques (mainly based on present value) that maximise the use of inputs observable on the market. In the rare circumstances where this is not possible, the inputs are estimated by management taking into account the characteristics of the instruments being valued. For further details on financial instruments measured at fair value, please refer to chapter VI Financial Risk Management of Iren S.p.A.. Changes in the assumptions made in estimating input data could affect the fair value recognised for these instruments, especially in the current context in which markets are volatile and the economic outlook highly uncertain and subject to rapid changes. When valuations are subject to significant measurement uncertainty due to the current environment and there is a wide range of possible fair value estimates, the company is required to apply judgement in determining the point within that range that is most representative of fair value under the circumstances.
- Hedge accounting. Hedge accounting is applied to derivatives in order to reflect the effects of risk management strategies in the financial statements. To this end, the company documents at the inception of the transaction, the relationship between the hedging instrument and the hedged item, as well as the risk management objectives and strategy. In addition, the company assesses, both at the inception of the relationship and on a systematic basis, whether hedging instruments are highly effective in offsetting changes in the fair value or cash flows of hedged items. Based on the opinion of the Directors, the assessment of effectiveness based on the existence of an economic relationship between hedging instruments and hedged items, the dominance of credit risk in changes in value and the hedge ratio, as well as the measurement of ineffectiveness, are evaluated by means of a qualitative assessment or a quantitative calculation, depending on the specific facts and circumstances and the characteristics of the hedging instruments and hedged items. With respect to cash flow hedges of future transactions, management assesses and documents that they are highly probable and present an exposure to changes in cash flows that impacts profit or loss. For more details about the key assumptions on assessing effectiveness and measuring ineffectiveness, please refer to Chapter VI Financial Risk Management of Iren S.p.A..
- The determination of the amount of provisions for future risks and charges. The company is a party to various civil, administrative and tax proceedings connected with the normal course of its business, which could give rise to liabilities of a significant amount, for which it is not always objectively possible to predict the final outcome. The assessment of

the risks connected with the above proceedings is based on complex elements that by their nature entail recourse to the judgement of the Directors, also taking account of elements acquired from external consultants assisting the company, with reference to their classification among contingent liabilities or among liabilities. Provisions have been established to cover all significant liabilities for cases where attorneys have noted the likelihood of an adverse outcome and a reasonable estimate of the amount of the expense. The company determines whether to consider each uncertain tax treatment separately or jointly with one or more uncertain tax treatments, as well as whether to report the effect of uncertainty using the most probable amount method or the expected value method, choosing the one that, according to its projections, best provides for the resolution of the uncertainty, taking into account tax regulations. The company makes significant use of professional judgement in identifying uncertainties about income tax treatments and reviews opinions and estimates made when there is a change in facts and circumstances that could change the conclusion about the acceptability of a particular tax treatment or the estimated effects of the uncertainty, or both. Refer to Note 37 Income Taxes for further details regarding income taxes.
- Onerous Contracts. In order to identify an onerous contract, the company estimates the non-discretionary costs required to perform the obligations assumed (including any penalties) under the contract and the economic benefits expected to be obtained from the same contract.

The estimates and assumptions are regularly revised. Any changes deriving from the revision of accounting estimates are recognised in the period in which they are revised, if the revision refers only to the period under evaluation. Should the revision involve both current and future periods, the variation is recognised in both the year in which the revision occurs and in the related future periods.
The criticality inherent in these evaluations relates to the use of assumptions and judgements regarding issues that are, by their nature, uncertain. In addition, any changes in the conditions underlying the assumptions and judgements could have a significant impact on the results of subsequent years.

II. Accounting policies

The accounting policies adopted in drawing up these separate Financial Statements of Iren S.p.A. at 31 December 2024 are indicated below; the accounting policies described have not changed with respect to those adopted at 31 December 2023.

Property, plant and equipment

- Property, plant and equipment owned
Property, plant and equipment are recognised at contribution, purchase or internal construction cost. This cost includes all directly attributable costs necessary to make the asset available for use (including, when relevant and where a real obligation exists, the present value of the estimated costs of dismantling and removing the asset and reclaiming the site on which it is located), net of trade discounts and rebates.
Financial expense related to the purchase or internal construction of items of property, plant and equipment is capitalised for the part of the cost of the asset until it becomes operative.
If significant items of property, plant and equipment have different useful lives, these components are accounted for separately.
In particular, under this policy, land and buildings located on the land are to be recognised separately; only the buildings are depreciated, while the carrying amount of land is subject to impairment, as described in the section "Impairment losses on non-financial assets" below.
Ordinary maintenance expenses are fully recognised in profit or loss. Other costs of an incremental nature are allocated to the assets to which they refer, in accordance with IAS 16, and depreciated in relation to the residual useful life of the assets to which they refer. Costs that reasonably expect an increase in future economic benefits, such as an increase in useful life, an increase in production capacity, an improvement in product quality or the adoption of production processes that result in a substantial reduction in production costs, are considered to be incremental.
Assets under construction include expenditure related to the construction or improvement of plants incurred until the reporting date. These investments are depreciated from the date they become operational or are available for use.
Property, plant and equipment are depreciated systematically on a straight-line basis annually using economic-technical rates determined in line with their residual useful lives.
The rates applied are set out below. The tables also show the residual term of the lease contracts on the basis of which the right-of-use assets recognised among property, plant and equipment are depreciated:

	Min. rate	Max. rate
Buildings	2.00%	28.60%
Light constructions	10.00%	10.00%
Vehicles	20.00%	25.00%
Sundry equipment	10.00%	10.00%
Furniture and office machines	12.00%	12.00%
Hardware	20.00%	20.00%
Plants	5.00%	28.60%

	Years	
Right-of-use assets as per IFRS 16 - Leases	from	to
Land	12	12
Buildings	3	57
Other assets (motor vehicles)	2	6

The rates for plants, as minimum and maximum rates respectively, refer mainly to electrical and mechanical components auxiliary to the company's office buildings as well as TLC infrastructure.

Grants related to assets are recognised as deferred revenue and taken to profit or loss over the depreciation period of the related item of property, plant and equipment and intangible assets.

- Leased assets
Lessee
IFRS 16 establishes a criterion based on the control (right of use) of an asset to distinguish leases from contracts for services, regardless of the contractual form adopted (lease, rental or hire). The discriminants are: the identification of the asset, the right to replace the same, the right to obtain substantially all the economic benefits deriving from use of the asset and the right to direct the use of the asset underlying the contract.

On the lessee's part, IFRS 16 provides for recognition in the statement of financial position of the assets and related financial liabilities for all lease contracts with a term of more than 12 months, unless the underlying asset has a value at new of less than five thousand euros.
The lease liability is initially measured at the present value of the payments due for the lease, primarily the fixed and/or variable payments contractually provided for and the price to exercise the option if there is a reasonable certainty of exercising it; with regard to the rate to be used for discounting, reference is made to the marginal financing rate inferred from the market value of the listed debt instruments issued by Iren. Subsequently, the liability is reduced by the principal repaid and, if necessary, restated to take account of new valuations or changes. The residual debt must be accounted for by separating the current portion (within 12 months) from the non-current portion.
The right of use of the asset underlying the lease contract is recognised under property, plant and equipment at cost, consisting of the initial measurement of the financial liability increased by any initial costs incurred. The asset is depreciated over the duration of the lease or, if the transfer of ownership at the end of the lease is provided for, over the expected useful life of the underlying asset. The asset may also be reduced as the result of any impairment losses, and adjusted to take into account any redetermination of the lease liability.
In the income statement interest on the debt and depreciation are recognised separately, as is any impairment loss on the right-of-use asset.

Lessor
At the inception of a contract or upon amendment of a contract that contains a lease component, the contract consideration is allocated to each lease component based on its stand-alone price.
At the inception of the lease, the company, in its role as lessor, classifies each of its leases as either a finance lease or an operating lease.
For this purpose, it generally assesses whether the lease transfers substantially all the risks and rewards associated with ownership of the underlying asset. In this case, the lease is classified as a finance lease, otherwise as an operating lease. As part of this assessment, the company considers, among other indicators, whether the lease term covers most of the economic life of the underlying asset.
With respect to sub-leases, the company, as an intermediate lessor, classifies its share in the head lease separately from the sub-lease. For this purpose, it classifies the sub-lease by reference to the right-of-use asset arising from the head lease, rather than by reference to the underlying asset. If the head lease is a short-term lease that it has accounted for by applying the above exemption, the sub-lease is classified as an operating lease.
For contracts containing a lease component and one or more lease and non-lease components, the contract consideration is allocated by applying IFRS 15.
The Company applies the derecognition and impairment provisions of IFRS 9 to the net investment in the lease and periodically reviews the estimates of non-guaranteed residual values used in calculating the gross investment in the lease.
Payments received for operating leases are recognised as income on a straight-line basis over the lease term in "other income".

Intangible assets
Intangible assets are recognised in the statement of financial position when it is probable that the expected future economic benefits attributable to the asset will flow to the company and the cost of the asset can be measured reliably. They are recognised at contribution, acquisition or production cost, including any directly attributable costs.

Development costs are capitalised if all of the following features can be demonstrated:
- the technical feasibility of completing the asset so that it will be available for use or sale;
- the intention to complete the intangible asset and use or sell it;
- the ability to use or sell the intangible asset;
- the ability to reliably measure the expenditure attributable to the asset during its development;
- the availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset;
- it is clear how the asset will generate future economic benefits.

If even one of these requirements is not met, the cost is fully recognised in the period in which it is incurred.

Intangible assets with a finite useful life are amortised systematically over their expected future useful life, such that their carrying amount at the end of the reporting period corresponds to their residual useful life or the amount that can be recovered based on the company's business plans. Amortisation begins when the asset is available for use.

Amortisation of intangible assets is calculated on a straight-line basis over the following useful lives:

	Years	
	from	to
Industrial patents and intellectual property rights	20	20
Software	3	6
Other intangible assets with a finite useful life	5	5

Amortisation begins when the asset is available for use, in other words, when it is able to operate as intended by the company's management. Amortisation expires on the later of either the date on which the asset is classified as held for sale (or included in a disposal group classified as held for sale), pursuant to IFRS 5, or the date on which the asset is derecognised.

Assets under development relate to internal and external costs referring to intangible assets for which the company has not yet acquired the right to and has not started to use in production. These investments are amortised from the date they begin to be used in production.
Under IAS 36, assets under development are tested for impairment annually, or whenever there is any indication of impairment, so as to check that the carrying amount matches the recoverable amount.

Non-current assets held for sale - Discontinued operations
A non-current asset (or group of assets and liabilities held for disposal) is classified as available for sale if its carrying amount will be recovered mainly through a sale transaction rather than through its continued use. Immediately prior to the initial classification of the asset (or disposal group) as held for sale, the carrying amounts of the asset are measured in accordance with the Group's accounting policies. The asset (or disposal group) is then recognised at the lower between its carrying amount and its fair value less costs to sell. Impairment loss on a disposal group is initially taken to goodwill, then to the residual assets and liabilities on a proportional basis, except for inventories, financial assets, deferred tax assets, employee benefits, investment property and biological assets, which continue to be measured in accordance with Group accounting policies. Impairment losses on the initial classification of an asset as held for sale compared to subsequent measurements are recognised in the income statement. Reversals of impairment losses are recognised only to the extent of any accumulated impairment loss.
Discontinued operations represent a part of the company that has been discontinued or classified as held for sale, and:
a. represents an important business unit or geographical segment;
b. forms part of a single coordinated disposal plan or an important autonomous business unit or geographical segment;
c. is a subsidiary acquired solely with a view to resale.

If a single non-current asset is involved (e.g. a property or an investment in an associate), the recognition of profit or loss from the disposal or valuation depends on the nature of the asset.
If it is a discontinued operation and is a material component of the item "Profit/loss from discontinued operations", a single amount is recorded represented by the total of:

I. profit or loss on the discontinued operation, net of tax effects; and
II. the capital gain or loss, net of tax effects, recognised after the fair value measurement, net of costs to sell or actual disposal of the asset.

The income statement of the comparative period is restated in order to guarantee consistent comparison.
If the asset is immaterial, revenue and costs from the discontinued operation continue to be recognised on a line-by-line basis under the related income statement items, whilst the profit/loss from discontinued operations includes only the capital gain or loss referred to under point ii) above.

Impairment losses on non-financial assets
The IFRS require a company to assess whether there are any specific indications of impairment. An impairment test is performed, which consists of estimating the recoverable amount of the asset and comparing it to its carrying amount.
The recoverable amount is the higher of fair value less costs to sell (if an active market exists) and the value in use of the asset. Value in use is the present value of the future cash flows expected to be derived from an asset or Cash-Generating Unit, inclusive of taxes, by applying a discount rate, before taxes, which reflects the current market assessments of the time value of money and risks specific to the asset. If the recoverable amount of an asset is less than its carrying amount, an impairment loss is recognised. If the impairment loss recognised in prior periods no longer exists or has decreased, the carrying amount of the asset or cash-generating unit is increased, with a balancing item in profit or loss, up to the estimated new recoverable amount. The latter amount shall not exceed the carrying amount that would have been determined if no impairment loss had been recognised. The reversal of an impairment loss is not applicable to goodwill.
The value in use is generally defined by discounting the cash flows expected from use of the asset or Cash Generating Units and from the amount expected from its disposal at the end of its useful life.
Assets that are not subject to amortisation (goodwill and other intangible assets with an indefinite useful life) and intangible assets that are not yet available for use are tested for impairment annually, even if no indication of impairment exists.

Financial instruments

All financial instruments, including derivatives, are recognised in the statement of financial position when the company becomes a party to the agreement and therefore acquires a right to receive cash flows or an obligation to pay.

- *Financial assets and liabilities*

At the moment of initial recognition the financial asset or liability is measured at fair value plus or minus, in the case of a financial asset or liability not measured at fair value recognised in the income statement, the transaction costs directly attributable to the acquisition or issue of the financial asset or liability. After initial recognition the financial asset or liability is measured as described below.

Financial assets are classified in three categories: a) financial assets measured at amortised cost; b) financial assets measured at fair value through other comprehensive income (FVOCI); c) financial assets measured at fair value through profit or loss (FVTPL).
The classification under the categories indicated above is made on the basis of the entity's business model and in relation to the characteristics of the cash flows generated by the said assets:

a. a financial asset is measured at amortised cost if the entity's business model envisages that the financial asset is held to collect the related cash flows (therefore, substantially, not to make a profit also from sale of the instrument) and the characteristics of the cash flows of the asset correspond only to payment of principal and interest;
b. a financial asset is measured at Fair Value with a balancing item in Other Comprehensive Income if it is held with the objective both of collecting the contractual cash flows, and of being sold (Hold to Collect and Sell model);
c. finally if it is a financial asset held for trading and in any case does not come within the cases indicated in points a) and b) it is measured at fair value through profit or loss.

At each reporting date all financial assets, with the exception of those measured at fair value recognised in profit (loss) for the year, are subjected to an impairment test to determine whether there is objective evidence that can lead to the belief that the value of the asset is not fully recoverable. In accordance with what is provided for in IFRS 9 the impairment model adopted by Iren Group is based on expected credit losses, where "loss" means the present value of all cash shortfalls considering forward-looking information. According to the general approach concerning all financial assets, the expected credit loss is a function of probability of default (PD) of the loss given default (LGD) and exposure at default (EAD): the PD represents the probability that an asset will not be repaid and will go into default; the LGD is the amount of money lost when a borrower defaults on a loan; the EAD represents the receivable exposure claimed against the counterparty, including any guarantees, collateral, etc. The estimate is made initially on the expected credit losses in the subsequent 12 months; in view of any gradual deterioration of the financial asset, the estimate is adjusted to cover the expected credit losses along the entire life of the financial asset.

Financial liabilities are generally classified as measured at amortised cost, with the exception of derivatives which are measured at fair value through profit or loss. Changes in the fair value of a financial liability designated as measured at fair value through profit or loss, if these are due to a change in the creditworthiness of the liability itself are recognised under other comprehensive income.

- *Equity investments in subsidiaries and associates*

Investments in subsidiaries and associates are measured at cost. In the event of impairment, the carrying amount of the investment is written down. The impairment loss is recognised in the income statement.

- *Other equity investments*

Other equity investments, consisting of non-controlling interests in unlisted companies that the Company intends to keep in its portfolio in the near future, are measured at fair value through profit or loss (FVTPL).

- *Hedging instruments*

The Company holds hedging instruments, acquired for non-speculative purposes, solely to hedge its exposure to interest rate and currency risks.

A hedging relationship qualifies for hedge accounting if all of the following conditions are met:

- at the inception of the hedge there is formal designation and documentation of the hedging relationship and the company's risk management objective and strategy for undertaking the hedge;
- the hedge is expected to be highly effective in offsetting changes in fair value (fair value hedges) or cash flows (cash flow hedges) attributable to the hedged risk;
- for cash flow hedges, an expected future transaction that is hedged must be highly probable and must present an exposure to changes in cash flows that might ultimately affect profit or loss;
- the effectiveness of the hedge can be reliably measured, i.e. the fair value or cash flows of the hedged item and the fair value of the hedging instrument can be reliably measured;
- the hedge is assessed on an ongoing basis and is considered highly effective throughout the entire life of the derivative.

Hedging instruments are recognised at fair value, determined by employing adequate measurement models for each type of financial instrument using, where available, the forward curves of both regulated and unregulated markets (intrinsic value). For options, the fair value is supplemented with the time value component, which is based on their residual life and the volatility of the underlying.
At each reporting date, hedging instruments are tested for effectiveness to check whether the hedge still meets the requirements for designation as effective and can be recognised using hedge accounting. A hedging relationship is effective if:

- there is an economic relationship between the hedged instrument and hedging instrument;
- the credit risk effect does not dominate the change in value that results from the economic relationship;
- the ratio between the quantity of the hedging instrument and the quantity of the hedged instrument in terms of relative weight does not determine an imbalance in terms of the hedge ratio.

If the requirements for the application of hedge accounting are met:

- for a cash flow hedge, changes in the fair value of the hedging instrument are recognised in equity for the effective portion of the hedge (intrinsic value), and in profit or loss for the time value component and any ineffective portion (over-hedging);
- for fair value hedges, changes in the fair value of both the hedging instrument and the hedged item are recognised in profit or loss.

If the hedge does not meet the criteria for hedge accounting, the gains or losses deriving from measurement at fair value of only the hedging instrument are fully recognised in profit or loss.

Considering the provisions of IFRS 7 on the fair value hierarchy, as extended by IFRS 13, for each category of financial instrument measured at fair value the fair value hierarchy is as follows:

- Level 1: quoted prices (unadjusted) on active markets for identical assets or liabilities;
- Level 2: Inputs other than Level 1 quoted prices which are observable for the asset or liability, either directly (as in the case of prices), or indirectly (i.e. derived from prices);
- Level 3: Inputs for the asset or liability which are not based on observable market data.

- *Trade receivables and payables*

Trade receivables and payables, with repayment dates that are in line with normal commercial practices, are not discounted as the time value of money is not material for their measurement, and are recognised at fair value (equal to their nominal value). After initial recognition they are measured at amortised cost.
Trade receivables are shown net of loss allowances determined, in accordance with IFRS 9, applying, instead of the general approach, valid for all financial assets with the exception of those measured at fair value through profit or loss, the simplified approach and, more specifically, the provision matrix model, which is based on identifying the default rates by maturity bands observed on a historical basis, applied for the entire expected life of the receivable and updated on the basis of significant future scenario elements.

- *Cash and cash equivalents*

Cash and cash equivalents include cash on hand, demand deposits and short-term, highly liquid investments (maturities of three months or less from the date of acquisition) that are readily convertible into known amounts of cash and that are subject to an insignificant risk of changes in value.
Cash and cash equivalents, including ancillary charges, are measured at fair value.
Cash on hand and equivalents in hand are measured at their nominal value.

- *Derecognition of financial assets and liabilities*

Financial assets are derecognised whenever one of the following conditions occurs:

- the contractual right to receive the cash flows associated with the asset has expired;
- the company has substantially transferred all the risks and rewards associated with the asset, transferring its rights to receive the cash flows of the asset or assuming a contractual obligation to shift these cash flows to one or more beneficiaries under a contract that meets the requirements under IFRS 9 (pass through test);
- the company has transferred the control of the financial asset but has neither transferred nor retained the risks and rewards associated with the financial asset.

Financial liabilities are derecognised when they are settled, i.e. when the contractual obligation is fulfilled, cancelled or prescribed. When an existing financial liability is replaced by another to the same creditor on substantially different terms, or the terms of an existing liability are substantially modified, such replacement or modification is treated as derecognition of the original liability and recognition of a new liability.
The difference between the respective carrying amounts is taken to profit or loss.

Inventories

Inventories are carried at the lower of cost (purchase cost, transformation and other costs incurred to bring the inventories to their current place and condition) and their expected net realisable or replacement value.
Cost is determined using the weighted average cost method. If the cost of inventories cannot be recovered because they are damaged, have become entirely or partly obsolete or their sales prices have decreased, they are written down to their net realisable value. If the circumstances leading to the write-down no longer exist, the write-down is reversed.

Equity

Share capital, including the various categories of shares, is stated at its nominal value less share capital proceeds to be received.
The purchase cost of treasury shares is recognised as a reduction in equity.
Costs directly attributable to share capital transactions, for new subscriptions, are accounted for reducing equity.
Dividends are recognised as liabilities when they are approved by the Shareholders.

Employee benefits

Post-employment benefits are defined according to plans which, based on their characteristics, are separated into "defined contribution" and "defined benefit" plans.
In defined contribution plans, the company obligation, limited to the payment of State contributions or to a separate fund, is calculated on the basis of contributions due. For the company this category includes post-employment benefits accrued since 1 January 2007, payable to the INPS (the Italian Social Security Institution) fund and the share paid to the additional pension funds.
The liability relating to defined benefit plans, net of any plan assets, is calculated according to actuarial assumptions. For the company, included in this category are post-employment benefits accrued until 31 December 2006 (or the date chosen by the employee if opting for allocation to supplementary funds), the tariff discounts for employees and former employees, additional monthly salaries (Art. 47, national labour agreement for the sector), the loyalty bonus paid to employees and contributions paid to the Premungas fund.
The present value of the liability is calculated for each employee using the projected unit credit method. The total liability is calculated by estimating the amount payable on termination of the employment relations, considering economic, financial and demographic factors. This amount is recognised on a proportional basis over the period of service matured. For post-employment benefits accrued as at 31 December 2006 (or the date chosen by the employee if opting for allocation to supplementary funds), the proportional basis is not applied because at the reporting date the benefits can be considered accrued in full.
The demographic, economic and financial variables are validated annually by an independent actuary.
As regards presentation in the financial statements, the changes in liabilities connected with the obligation related to a defined benefit plan are broken down into three components:

1) operating (service costs), personnel expense;
2) financial (financial expense), net interest income/expense;
3) measuring (remeasurement costs), actuarial gains/losses.

Gains and losses resulting from actuarial calculations for post-employment benefits are immediately recognised in Other comprehensive income, except for the loyalty bonus which is entirely recognised in profit or loss.
As regards disclosures, information is given on the characteristics of the plans and related amounts entered in the financial statements, as well as on the risk resulting from the plans and including a sensitivity analysis of fluctuations in demographic risk.

Provisions for risks and charges

Provisions for risks and charges are set aside to cover liabilities of uncertain amount or maturity that must be recognised when, and only when, the following conditions are met:

- the company has a present obligation (legal or constructive) as a result of a past event at the reporting date;
- it is likely that an outflow of resources embodying economic benefits will be required to settle the obligation;
- a reliable estimate can be made of the amount of the obligation.

Risks for which the related liability is only potential are disclosed in the notes to the financial statements, and no provision is made.
No additional information is provided for events that are remote, i.e. where it is very unlikely they will arise, and no provision is made.
The provisions are recognised at the amount representing the best estimate of the total that the company would pay to settle the obligation, or transfer it to third parties at year end. If the discounting effect on the value of money is significant, the provisions are calculated by discounting expected future cash flows at a pre-tax discount rate that reflects the current market assessment of the time value of money.
On discounting, the time-related increase in the provision is recognised as financial expense.

Revenue from goods and services

Revenue is measured at fair value with respect to the amount received or due, taking account of any trade discounts and reductions connected with quantity. A distinction is made between revenue from operating activities and any financial income accruing up to the date of collection.

For correct recognition of revenue from contracts with customers, reference is made to IFRS 15 which provides for a revenue recognition model based on 5 steps:

1. identify the contract with the customer. Contract means a commercial agreement approved by two or more parties that creates enforceable rights and obligations. A contract is valid when the following conditions are jointly met: a) the parties have approved the contract (in writing or according to usual commercial practices); b) it is possible to identify the customer's rights as regards the goods or services that must be transferred; c) the payment terms are identifiable; d) the contract has commercial substance; e) it is probable that the price will be collected (only the customer's ability and intention to pay are considered);
2. identify the "Performance Obligations" contained in the contract. Where a contract provides for the supply/provision of multiple goods and services, it is assessed whether these should be recognised separately or together, considering their individual characteristics.
   Activities carried out to execute the contract, such as administrative formalities for preparing the contract itself, do not transfer separate goods and services to the customer, and therefore do not represent performance obligations. Non-refundable initial expenses charged to the customer are not revenue unless they refer to separate goods and services.
   If in a contract an entity gives the customer an option to purchase future goods and services, this option constitutes a separate performance obligation only if it gives the customer a benefit that the customer would not have been able to obtain in another way, for example a discount higher than those typically given for those particular goods or services. An option to purchase goods or services at a price that reflects its stand-alone selling price, is not a separate performance obligation even if it can be obtained only by signing the contract in question.
   In this context, it is determined whether the entity is acting as "principal" or "agent," depending on whether or not, respectively, it controls the promised good or service before control thereof is transferred to the customer. When the entity acts as an "agent," particularly with respect to gas and electric grid connection services, revenue is recognised on a net basis;
3. determine the "Transaction Price". The following elements must be considered in determining the transaction price: a) any amounts collected on behalf of third parties, which must be excluded from the price; b) variable components of the price (such as performance bonuses, penalties, discounts, refunds, incentives, etc.); c) financial component, if the payment terms grant the customer a significant extension;
4. allocate the price to the Performance Obligations on the basis of the "Relative Stand Alone Selling Price". For any bundled supplies, the selling price is generally allocated on the basis of the stand-alone price of each good or service, i.e., the price at which the company would sell such good or service separately to the customer;
5. recognise revenue when the Performance Obligation is satisfied. The asset or service is transferred when the customer obtains control over the asset or service and that is when it has the ability to decide and/or direct its use and obtain substantially all its benefits. The transfer of control, and consequently the recognition of revenue may occur at a certain point in time or over time.
   For each obligation fulfilled over time, revenue is recognised by evaluating progress toward complete fulfilment of the obligation. On the asset side, contract assets, specifically identified in the financial statements, represent the right to the price for goods and services transferred to the customer when said right is subject to a condition other than the passage of time.
   When said right is unconditional, i.e. collection of the price depends solely on the passage of time, an asset is recognised. If the customer pays the price before the transfer of goods or services occurs, a contract liability is recognised at the time payment is made (or payment is due); this liability is recognised as revenue when the obligation under the contract is fulfilled.

With reference to the specific activity of Iren S.p.A., i.e. the provision of corporate and technical-administrative services to its investees, the related revenue is recognised upon provision of the services. For each contract, the fees for the individual services rendered are identified and recorded separately.

In the event of contractual amendment, that is a change in the subject and/or the price of the contract approved by the parties, if the amendment introduces new separate goods and/or services and the increase in the contractual price is equal to the stand-alone selling price of the new goods and/or services, the contractual amendment is accounted for as a new contract. If the two aforementioned conditions are not met and the goods and/or services still to be delivered are separate with respect to what has already been transferred to the customer before the amendment, the change is treated as cancellation of the old contract and introduction of a new contract with prospective effect on revenue; otherwise the amendment is treated as continuation of the original contract with retrospective effect on revenue.

The costs of obtaining contracts with customers are capitalised in accordance with the provisions of IFRS 15 and are amortised over the duration of the relationship with the customer. In order to determine this expected period, reference is made to historical experience with churn rates.

Grants related to assets and grants related to income
Grants related to assets are recognised, when they become payable, as deferred revenue and systematically taken as income to profit or loss over the useful life of the asset to which they refer. The deferred revenue related to the grants is recognised in the statement of financial position, under Other liabilities, with suitably separated current and non-current amounts.
Grants related to income are recognised in profit or loss when the recognition criteria are met, i.e. when their recognition as a balancing entry of supply costs related to the grants is certain.

Other income
Other income includes all kinds of revenue not included in the previous types and not of a financial nature.
Income is measured at the fair value of the price received or due and is recognised when:
- the amount of revenue can be estimated reliably;
- it is probable that the economic benefits associated with the transaction will flow to the company.

Costs for the purchase of goods and services
Costs are measured at the fair value of the amount paid or to be paid. Costs for the acquisition of goods and services are recognised when their amount can be reliably determined. Costs for the purchase of assets are recognised upon delivery which, based on outstanding agreements, identifies the moment of transfer of the related risks and rewards. Costs for services are recognised on an accruals basis upon receipt.

Financial income and expense
Financial income and expense are recognised when they accrue on the basis of the interest earned on the net amount of the related financial assets and liabilities using the effective interest rate.
Borrowing costs directly attributable to the acquisition, construction or production of a plant are capitalised when:
- it is likely that it will result in future economic benefits for the company;
- it can be reliably measured.

Dividends on equity investments are recognised when the right to receive payment is established. This usually coincides with the resolution passed by the Shareholders.

Income taxes
Income taxes comprise all the taxes calculated on the company's taxable income.
Current and deferred taxes are recognised as income or expense and included in the profit or loss for the year, except to the extent that the tax arises from a transaction or event that is recognised, in the same or a different year, directly in equity.
Current tax is the expected tax payable on the taxable income for the year, applying the tax legislation enacted or substantially enacted at the reporting date. Deferred tax liabilities are calculated based on the temporary differences between the carrying amounts of assets and liabilities in the financial statements and the amounts used for taxation purposes.
Deferred tax assets are recognised only when their recovery is probable. The amendments to IAS 12 approved by the European Commission with Regulation (EU) 2017/1989 of 6 November 2017 provide some clarifications on the criteria to be adopted to determine whether there are sufficient future taxable incomes against which to use the deductible temporary differences.
Deferred tax assets and liabilities are calculated at the tax rates that are expected to apply for the year in which the differences will be paid.

The Group also exercised the option for the tax consolidation scheme, pursuant to Art. 118 of the new Consolidated Law on Income Tax. This requires that the consolidated companies transfer their IRES debit/credit positions to the Parent Iren S.p.A. The latter then calculates IRES on the algebraic sum of taxable profits/losses of each company taking part in the tax consolidation scheme.
In return for the taxable income earned and transferred to the parent, the consolidated company commits to paying "tax settlements" to the parent equal to the amount of taxes owed on the income transferred, net of the transferred IRES assets.

Uncertainty of income tax treatment
The definition of uncertainty should consider whether a given tax treatment would be acceptable to the Tax Authority. If it is considered probable that the Tax Authority will accept the tax treatment (the term "probable" being understood as "more likely than not"), then the Company recognises and measures its current or deferred tax assets and liabilities by applying the provisions of IAS 12.
Conversely, if the Company believes that it is not likely that the Tax Authority will accept the tax treatment for income tax purposes, it reflects the effect of such uncertainty by using the method that best provides for the resolution of the uncertain tax treatment. The Company decides whether to consider each uncertain tax treatment separately or in conjunction with one or more uncertain tax treatments, choosing the approach that best provides for resolution of the uncertainty. In assessing whether and how uncertainty affects tax treatment, the Company assumes that the Tax Authority does or does not accept uncertain tax treatment on the assumption that the Tax Authority, on audit, will check the amounts it is entitled to examine and that it will be fully aware of all relevant information. The Company reflects the effect of uncertainty in determining current and deferred income taxes, using either the expected value method or the most probable amount method, depending on which method best provides for resolution of the uncertainty. Since uncertain tax positions relate to the definition of income taxes, the Company reports uncertain tax assets/liabilities as current taxes or deferred taxes.

ACCOUNTING STANDARDS, AMENDMENTS AND INTERPRETATIONS APPLIED AS OF 1 JANUARY 2024

As of 1 January 2024, the following accounting standards and amendments to accounting standards, issued by the IASB and endorsed by the European Union, are obligatorily applicable:

Amendments to IFRS 16 - Leases Lease Liability in a Sale and Leaseback
Issued on 22 September 2022, its purpose is to clarify the impact that a sale or leaseback transaction could have on a financial liability with variable payments that are not index- or rate-related.

Amendments to IAS 1 - Classification of liabilities as current or non-current and Non-current liabilities with covenants
Issued on 23 January 2020 and 31 October 2022, they provide clarifications on the classification of liabilities as current or non-current.

Amendments to IAS 7 and IFRS 7 – Supplier Finance Arrangements
Issued on 25 May 2023, it provides clarification on the correct representation of the effects of reverse factoring.

The application of the amendments to the aforementioned IFRS did not have any consequences or, in any case, significant effects on the Group's financial position and performance.

ACCOUNTING STANDARDS, AMENDMENTS AND INTERPRETATIONS ENDORSED BUT NOT YET APPLICABLE AND NOT ADOPTED EARLY BY THE COMPANY

Amendments to IAS 21 – Lack of exchangeability
Issued on 15 August 2023, it amends IAS 21, which did not contain explicit provisions for determining the exchange rate. The amendments introduce requirements for determining when a currency can be translated into another currency and when it is not. The amendment is applicable as of 1 January 2025.

ACCOUNTING STANDARDS, AMENDMENTS AND INTERPRETATIONS NOT YET ENDORSED BY THE EUROPEAN UNION

Amendments to IFRS 9 and IFRS 7 – Amendments to the classification and measurement of financial instruments
Issued in May 2024, in response to questions on the derecognition *of* financial liabilities, the classification of financial assets and related disclosures. The amendments are applicable from 1 January 2026.

Amendments to IFRS 9 and IFRS 7 - Contracts referencing nature-dependent electricity
On 18 December 2024, the IASB issued amendments to improve the reporting by companies of the financial effects of contracts referencing nature-dependent electricity, often structured as power purchase agreements (PPA). The amendments are applicable from 1 January 2026.

IFRS 18 - Presentation and Disclosure of Financial Statements
Published by the IASB on 9 April 2024, it supersedes IAS 1 Presentation of Financial Statements and establishes significant new requirements for the presentation of financial statements, with the intention of improving the comparability and transparency of companies' performance reporting. It is effective for annual reporting periods beginning on or after 1 January 2027.

IFRS 19 Subsidiaries without Public Accountability: Disclosure
Issued on 9 May 2024, it allows eligible subsidiaries (i.e. reporting to a parent that prepares consolidated financial statements in accordance with the IFRS) to apply reduced disclosure requirements when complying with the recognition, measurement and presentation requirements of the IFRS. It is effective for annual reporting periods beginning on or after 1 January 2027.

III. Financial Risk Management of Iren S.p.A.

A summary of the risk management methods is shown hereunder for the risk management and control with respect to the financial instruments (liquidity risk, interest rate risk, credit risk).
As part of its Risk Management activities, the Company uses non-speculative hedging contracts to limit interest rate risk.

LIQUIDITY RISK
Liquidity risk is the risk that financial resources available to the company will be insufficient to cover financial and trade commitments in accordance with the agreed terms and deadlines.
The current and forecast financial position and the availability of adequate credit facilities are constantly monitored, and no critical points have emerged regarding the coverage of short-term financial commitments. At the end of the year, short-term bank credit facilities used by the company were nil.
In addition, having assessed the convenience and advisability from time to time in the context of optimising available financial resources, the Company carries out non-recourse factoring of tax assets, benefiting from the liquidity advance arising therefrom.

In this context, to support the company's liquidity profile and rating level, in addition to current cash and cash equivalents, Iren has a total of 415 million euro, including medium/long-term financing lines agreed and available but not used (215 million euro) and the new committed Sustainability-Linked revolving credit facilities (RCF), agreed in December with Unicredit and BPER (200 million euro).

The table below illustrates the nominal cash flows required to settle financial liabilities:

thousands of euro

Data as at 31/12/2024	Carrying amount	Contractual cash flows	Within 12 months	1-5 years	Over 5 years
Loan and bond liabilities (*)	4,767,023	(5,371,948)	(627,359)	(2,245,480)	(2,499,110)
Hedging of interest rate risk (**)	(8,449)	8,449	5,469	(3,113)	(134)
Lease liabilities	17,001	(18,148)	(5,851)	(11,671)	(626)

(*) The carrying amount of "Loan and bond liabilities" includes both current and non-current portions.
(**) The carrying amount of "Hedging of interest rate risk" includes the fair value of hedging contracts (both positive and negative).

Cash flows required to settle remaining financial liabilities, other than those shown in the above tables, do not differ significantly from the recognised carrying amount.
Financial debt from loans at year-end consisted of 27% in loans and 73% in bonds; it is noted that 90% of the total debt was financed by sustainable funds and that 73% of the residual debt for loans was at fixed rate and 27% at floating rate
For details of the liquidity risk management policies, reference is made to the Notes to the Consolidated Financial Statements included in this report.

INTEREST RATE RISK
Iren is exposed to interest rate fluctuations especially with regard to the measurement of borrowing costs. The strategy is to limit exposure to the risk of interest rate volatility, maintaining at the same time a low cost of funding.
For non-speculative purposes, the risks associated with the increase in interest rates are monitored and, if necessary, reduced or eliminated by *swap* and *collar* contracts with financial counterparties of high credit standing, for the sole purpose of hedging. At the end of the year, all the contracts entered into meet the requisite of limiting the exposure to the risk of fluctuations in interest rates and they also meet the formal requirements for the application of hedge accounting.

The total fair value of the aforementioned interest rate hedges was a positive 8,449 thousand euro as at 31 December 2024. The hedging contracts entered into, together with fixed-rate loans, hedge approximately 95% of loans against interest rate risk, in line with the goal of maintaining adequate protection against significant increases in the interest rate.

For a more complete understanding of the interest rate risks to which the Company is exposed, stress testing was performed on the sensitivity of net financial expense and evaluation portions in derivative contracts to changes in interest rates. As regards financial expense, this analysis was performed on the basis of reasonable assumptions as follows:

- a theoretical increase and decrease of 100 basis points in the Euribor interest rates over the year was applied to net financial debt;
- if there was any existing hedge, interest rate shock was applied to both the debt position and related hedging derivative with an extremely limited net effect on the income statement;
- the change in interest rates is also applied to any portion of interest expense capitalised in the year.

With regard to hedging derivatives at year end, a 100 basis points theoretical increase and decrease was applied to the forward curve of interest rates used to measure the fair value of the hedges.

The table below illustrates the results of the above sensitivity analysis performed with reference to 31 December 2024.

thousands of euro

	Financial expense		Hedging Reserve	
	100 bps increase	100 bps decrease	100 bps increase	100 bps decrease
Cash flow sensitivity (net)				
Net financial debt				
(including hedging contracts)	(4,174)	3,365	-	-
Change in fair value				
Hedging contracts				
(evaluation portions only)	11	8	41,237	(43552)
Total impact from sensitivity analysis	(4,163)	3,373	41,237	(43,552)

RECOGNITION OF DERIVATIVES

Financial derivatives are measured at fair value, determined on the basis of market values or, if unavailable, according to an internal measurement technique.

In order to recognise derivatives, it is necessary to distinguish between transactions that meet all of the IFRS 9 requirements in order to account for them in compliance with the hedge accounting rules and transactions that do not fulfil all of the aforesaid requirements.

Transactions recognised in compliance with hedge accounting rules

These transactions may include:

- fair value hedges: the derivative and the hedged item are recognised at fair value in the statement of financial position and the change in their fair values is recognised directly in the income statement;
- cash flow hedges: the derivative is recognised at fair value with a balancing entry in a specific equity reserve for the effective portion of the hedge and in the income statement for the ineffective portion; when the hedged item arises, the amount suspended in equity is reversed to the income statement.

  Classification in the income statement of the ineffective portion and the deferred amount transferred from equity is based on the nature of the underlying instrument. Specifically, in the case of interest rate risk hedges in financial income and expense.

Transactions not recognised in compliance with hedge accounting rules

The derivative is recognised at fair value in the statement of financial position. The change in the fair value of the derivative is recognised in the income statement and is classified based on the type of underlying instrument; in the case of interest rate risk hedges, in financial income and expense.

As regards the measurement of the derivative in the statement of financial position items, the fair value of the derivative is recognised in non-current financial assets and liabilities if the related underlying item is non-current. Conversely, the derivative is recognised in current financial assets and liabilities if the underlying item is settled within the reporting period.

FAIR VALUE

The following table shows, for each financial asset and liability:
- the carrying amount, including the method of accounting;
- the fair value, including the Level in the relative hierarchy.

In this regard, the various levels were defined as shown below:
- Level 1: quoted prices (unadjusted) on active markets for identical assets or liabilities;
- Level 2: Inputs other than Level 1 quoted prices which are observable for the asset or liability, either directly (as in the case of prices), or indirectly (i.e. derived from prices);
- Level 3: Inputs for the asset or liability which are not based on observable market data.

Loans and bonds

The fair value of loans, level 2, is determined as the sum of estimated future cash flows assocated with assets or liabilities, including the related component of financial income or expense, discounted with reference to the reporting date. This present value is determined by applying the forward interest rate curve at the reporting date.
With regard to bonds, the relative fair value (level 1) is derived from the quotation on the regulated markets of the Irish Stock Exchange (Euronext Dublin) and on the ExtraMOT Pro market of Borsa Italiana.

Derivative hedging contracts

All Iren S.p.A. hedging financial instruments have a fair value which can be classified as level 2. This level is measured through valuation techniques, that take, as a reference, parameters that can be observed on the market (e.g. interest rates, commodity prices) and are different from the prices of the financial instruments, or in any case that do not require a significant adjustment based on data which cannot be observed on the market.

Finally, it should be noted that there have been no transfers between the various levels of the fair value hierarchy and that information on the fair value of financial assets and liabilities not measured at fair value is excluded when their carrying amount is reasonably representative of their fair value.

In order to provide a disclosure as complete as possible, the corresponding figure from the previous year is also indicated.

thousands of euro	Carrying amount				
31.12.2024	Fair value of hedging instruments	Fair Value Through Profit or Loss	Financial assets measured at amortised cost	Other financial liabilities	TOTAL
Financial assets measured at fair value					
Interest rate derivative hedging contracts	21,185				21,185
Assets for variable portion of transfer price OLT Offshore LNG Toscana		21,744			21,744
Other equity investments		2,479			2,479
Total Financial assets measured at fair value	21,185	24,223	-	-	45,408
Financial assets not measured at fair value					
Non-current financial assets with related parties			3,632,576		3,632,576
Trade receivables			119,019		119,019
Loan assets			495,398		495,398
Sundry assets and other assets (*)			62,780		62,780
Cash and cash equivalents			225,452		225,452
Total Financial assets not measured at fair value	-	-	4,535,225	-	4,535,225
Financial liabilities measured at fair value					
Derivative hedging contracts (rate and commodities)	(12,736)				(12,736)
Total Financial liabilities measured at fair value	(12,736)	-	-	-	(12,736)
Financial liabilities not measured at fair value					
Bonds				(3,468,195)	(3,468,195)
Loans				(1,298,828)	(1,298,828)
Other financial liabilities (**)				(269,161)	(269,161)
Trade payables				(122,681)	(122,681)
Sundry liabilities and other liabilities (*)				(98,107)	(98,107)
Total Financial liabilities not measured at fair value	-	-	-	(5,256,972)	(5,256,972)
TOTAL	8,449	24,223	4,535,225	(5,256,972)	(689,074)

thousands of euro	Fair value			
31.12.2024	Level 1	Level 2	Level 3	TOTAL
Financial assets measured at fair value				
Interest rate derivative hedging contracts		21,185		21,185
Assets for variable portion of transfer price OLT Offshore LNG Toscana			21,744	21,744
Other equity investments				-
Total Financial assets measured at fair value	-	21,185	21,744	42,929
Financial assets not measured at fair value				
Non-current financial assets with related parties		3,487,059		3,487,059
Trade receivables				-
Loan assets				-
Sundry assets and other assets (*)				-
Cash and cash equivalents				-
Total Financial assets not measured at fair value	-	3,487,059	-	3,487,059
Financial liabilities measured at fair value				
Derivative hedging contracts (rate and commodities)		-		-
Total Financial liabilities measured at fair value	-	-	-	-
Financial liabilities not measured at fair value				
Bonds	(3,352,358)			(3,352,358)
Loans		(1,302,001)		(1,302,001)
Other financial liabilities (**)				-
Trade payables				-
Sundry liabilities and other liabilities (*)				-
Total Financial liabilities not measured at fair value	(3,352,358)	(1,302,001)	-	(4,654,359)
TOTAL	(3,352,358)	2,206,243	21,744	(1,124,371)

(*) Prepaid expenses and deferred income are excluded
(**) Lease liabilities recognised in accordance with IFRS 16 are excluded

The non-current portion of "Financial assets measured at fair value" includes at Level 3 the asset relating to the variable portion of the sale price of OLT Offshore LNG Toscana, amounting to 21,744 thousand euro as at 31 December 2024, the fair value of which is determined on the basis of the application of the price formula provided for in the contract, taking into account the average profitability of the company relating to its historical financial statements and the discount rates inferred from its financial statements. In this regard, a sensitivity on the fair value of this item is reported, expressing the change in it when the expected profitability and discount rate increase/decrease by one percentage point.

thousands of euro

	+1%	-1%
Profitability (flows)	972	(972)
Discount rate	(695)	728

The fair value level of "Other equity investments" (which refer to companies not listed on regulated markets) is not reported, since the related carrying amount is a reasonable approximation.

thousands of euro	Carrying amount				
31.12.2023	Fair value of hedging instruments	Fair Value Through Profit or Loss	Financial assets measured at amortised cost	Other financial liabilities	TOTAL
Financial assets measured at fair value					
Interest rate derivative hedging contracts	30,611				30,611
Assets for variable portion of transfer price OLT Offshore LNG Toscana		21,599			21,599
Other equity investments		1,279			1,279
Total Financial assets measured at fair value	30,611	22,878	-	-	53,489
Financial assets not measured at fair value					
Non-current financial assets with related parties			3,613,425		3,613,425
Trade receivables			102,022		102,022
Loan assets			37,474		37,474
Sundry assets and other assets (*)			157,393		157,393
Cash and cash equivalents			281,685		281,685
Total Financial assets not measured at fair value	-	-	4,191,999	-	4,191,999
Financial liabilities measured at fair value					
Derivative hedging contracts (rate and commodities)	(22,441)				(22,441)
Total Financial liabilities measured at fair value	(22,441)	-	-	-	(22,441)
Financial liabilities not measured at fair value					
Bonds				(3,021,690)	(3,021,690)
Loans				(1,339,875)	(1,339,875)
Other financial liabilities (**)				(206,243)	(206,243)
Trade payables				(135,702)	(135,702)
Sundry liabilities and other liabilities (*)				(100,822)	(100,822)
Total Financial liabilities not measured at fair value	-	-	-	(4,804,332)	(4,804,332)
TOTAL	8,170	22,878	4,191,999	(4,804,332)	(581,285)

(*) Prepaid expenses and deferred income are excluded
(**) Lease liabilities recognised in accordance with IFRS 16 are excluded

thousands of euro	Fair value			
31.12.2023	Level 1	Level 2	Level 3	TOTAL
Financial assets measured at fair value				
Interest rate derivative hedging contracts		30,611		30,611
Assets for variable portion of transfer price OLT Offshore LNG Toscana			21,599	21,599
Other equity investments				-
Total Financial assets measured at fair value	-	30,611	21,599	52,210
Financial assets not measured at fair value				
Non-current financial assets with related parties		3,372,846		3,372,846
Trade receivables				-
Loan assets				-
Sundry assets and other assets (*)				-
Cash and cash equivalents				-
Total Financial assets not measured at fair value	-	3,372,846	-	3,372,846
Financial liabilities measured at fair value				
Derivative hedging contracts (rate and commodities)		-		-
Total Financial liabilities measured at fair value	-	-	-	-
Financial liabilities not measured at fair value				
Bonds	(2,769,706)			(2,769,706)
Loans		(1,345,346)		(1,345,346)
Other financial liabilities (**)				-
Trade payables				-
Sundry liabilities and other liabilities (*)				-
Total Financial liabilities not measured at fair value	(2,769,706)	(1,345,346)	-	(4,115,052)
TOTAL	(2,769,706)	2,058,111	21,599	(689,996)

CREDIT RISK

From a business point of view, Iren S.p.A. is not particularly exposed to credit risk as it mainly provides professional services to the subsidiaries, according to their needs, based on service agreements signed by the parties.

Financial assets with subsidiaries arise from the centralised procurement of financial resources in order to optimize their use. In particular, centralised management of cash flows at Iren makes it possible to allocate the funds available at the Group level according to the needs that from time to time arise among the individual Companies. Cash movements are recognised in intra-group accounts along with intra-group interest income and expense. A number of investees have an independent financial management structure in compliance with the guidelines provided by the parent.

For details of the credit risk management policies, reference is made to the Notes to the Consolidated Financial Statements included in this report.

IV. Information on transactions with related parties

As indicated in the Directors' Report, contained in this document, the information on main transactions with related parties, carried out for Iren S.p.A. is provided below.

Transactions with subsidiaries

Intra-group Services
In order to make the most of the organisational synergies that can be achieved, Iren's configuration is based on the model of an industrial holding company, with staff structures that are adequate to support the Group's strategic, development, financial, IT, administrative, and control activities. Therefore, Iren is able to provide professional services of a technical-administrative nature in favour of its subsidiaries, which operate in the relevant business field. All these activities are governed by special supply contracts at arm's length.

Financial management
Organisational solutions were adopted with the aim of centralising financial management for the entire Group under the direct responsibility of Iren S.p.A., in order to optimise the structure and conditions of access to third party financing. For this purpose, loans have been contracted by Iren with financial institutions, whereby the funds are subsequently transferred to the Group's companies to support the investments made by these companies based on intra-group facility agreements.
The conditions of intra-group loan agreements have been defined according to the conditions at which the Parent procures on the financial market.

Tax consolidation
The Group also exercised the option for the tax consolidation scheme, pursuant to Art. 117 of the new Consolidated Law on Income Tax. This requires that the consolidated companies transfer their IRES debit/credit positions to the tax consolidation parent IREN S.p.A. The latter then calculates IRES on the algebraic sum of taxable profits/losses of each company taking part in the tax consolidation scheme.
In return for the taxable income earned and transferred to the parent, the consolidated company commits to paying "tax settlements" to the parent equal to the amount of taxes owed on the income transferred, net of the transferred IRES assets.
The companies in the domestic tax consolidation for 2024, not including the Parent Iren Spa, are as follows: Iren Energia S.p.A., IReti S.p.A., Territorio e Risorse S.r.l., Iren Acqua S.p.A., Iren Mercato S.p.A., Iren Ambiente S.p.A., Iren Smart Solution S.p.A., Acam Ambiente S.p.A., Acam Acque S.p.A., Maira S.p.A., Amiat S.p.A. Amiat V S.p.A., Formaira S.p.A., Alfa Solutions S.p.A., Recos S.p.A., Iren Laboratori S.p.A., Iren Ambiente Parma S.r.l., Iren Ambiente Piacenza S.r.l., Asm Vercelli S.p.A., Atena Trading S.r.l., Gia in liquidazione S.r.l., San Germano S.p.A., Rigenera Materiali S.r.l., Bonifiche Servizi Ambientali S.r.l., Uniproject S.r.l. Manduriambiente S.p.A., Scarlino Energia S.p.A., Iren Ambiente Toscana S.p.A. Tb S.p.A. (merged into Valdarno), Futura S.p.A., Ireti Gas S.p.A., Valle Dora Energia S.r.l., Alegas S.r.l., Iren Green Generation S.r.l., Iren Green Generation Tech S.r.l., Valdarno Ambiente S.r.l., Dogliani Energia S.r.l. and I Blu S.r.l., Sei Toscana S.r.l., Semia Green S.r.l. Remat S.r.l., Limes 20 Srl, Limes 2 S.r.l., Am.ter. S.p.A (merged into Ireti), C.r.c.m. S.r.l.

VAT Group
In September 2019, Iren exercised the option for establishment of Group VAT to which the Revenue Agency attributed a new VAT number with effect from 1 January 2020.
The companies that take part in the VAT Group for 2024, not including the Parent Iren S.p.A., are as follows: Iren Energia S.p.A., Ireti S.p.A., Iren Mercato S.p.A., Iren Ambiente S.p.A., Amiat S.p.A, Iren Smart Solutions S.p.A., Iren Acqua Tigullio S.p.A., Iren Acqua S.p.A., Iren Acqua Reggio S.r.l., Iren Laboratori S.p.A., Bonifica Autocisterne S.r.l., Asm Vercelli S.p.A., Atena Trading S.r.l, Acam Ambiente S.p.A., Acam Acque S.p.A., Recos S.p.A., Alfa Solutions S.p.A., Trm S.p.A, San Germano S.p.A., Maira S.p.A., Formaira S.r.l., Territorio e Risorse S.r.l., Rigenera Materiali S.r.l. , Remat S.r.l., Bonifiche Servizi Ambientali s.r.l., Uniproject S.r.l., Manduriambiente S.p.A, Iren Ambiente Toscana S.p.A., Tb S.p.A. (merged into Valdarno), Futura S.p.A., I Blu S.r.l., Iren Ambiente Parma S.r.l., Iren Ambiente Piacenza S.r.l., Asti Energia e Calore S.p.A, Ireti Gas S.p.A., Sei Toscana S.p.A., Valdarno Ambiente S.r.l, Iren Green Generation Tech S.p.A., Valle Dora S.r.l., Dogliani Energia S.r.l., Alegas S.r.l., Ekovision S.r.l., Limes 20 S.r.l., Limes 1 S.r.l., Limes 2 S.r.l., Acquaenna S.c.p.A., Am.ter S.p.A. (merged into Ireti), Iren Acqua Piacenza S.r.l., Semia Green S.r.l. , Agrovoltaica S.r.l., Crcm S.r.l.

Transactions with owners

Iren S.p.A.'s main transactions with owners concern not only property taxes, but also costs for sponsorships, including of a technical nature, within the scope of which the Group's activities were promoted.

Transactions with joint ventures and associates

Among the main transactions carried out by Iren S.p.A. with joint ventures and associates, we can note:
- the reversible fees paid to Iren S.p.A. for the participation of its employees in the Boards of Directors of the related companies;
- the supply of administrative services.

Quantitative information on transactions with related parties is provided in the chapter "X. Annexes to the Separate Financial Statements", considered an integral part of this Note.

Finally, as regards the Directors and Statutory Auditors of Iren S.p.A. with the exception of payment of the fees envisaged for the performance of duties in the management and control bodies, we can report that there were no transactions.
Transactions that consist of assigning remunerations and economic benefits, in any form, to members of the management and control bodies of Iren S.p.A. and Executives with Strategic Responsibilities of IREN Group are also subject to the provisions of the RPT Procedure.

V. Significant events after the reporting date

Full consolidation of EGEA Holding
On 12 November 2024, the Board of Directors of Iren S.p.A. resolved to exercise, as from 1 January 2025, the right to subscribe and pay up the capital increase in EGEA Holding reserved for the same, up to a maximum of 20 million euro (5.882 euro of share capital plus share premium of 19,994,118 euro), to be exercised also in several tranches, for the purpose of financing the development of the PNRR project relating to district heating in Alessandria, to be implemented through Telenergia, a subsidiary of EGEA Holding itself.

Following the acquisition of the Antitrust and Golden Power clearances, on 10 January 2025, Iren S.p.A. subscribed and paid in the capital increase in the amount of 10 million euro (2,941 euro of share capital plus 9,997,059 euro of share premium), coming to hold a total of 52.77%. On the same date, EGEA Holding's Shareholders' Meeting was held, which resolved to appoint a new board member upon nomination by Iren, which now appoints four members of the B.o.D. out of the total seven, thus achieving control and consequent full consolidation of EGEA Holding and its subsidiaries.

Finally, regarding the transaction, on 24 March the Board of Directors of Iren S.p.A. resolved to exercise the call option on 31 March 2025 for the acquisition of the entire remaining investment in EGEA Holding (47.23%), held by MidCo 2024, with the aim of holding all the shares. The consideration offered by Iren for the exercise of the option, determined based on the provisions of the contractual agreements in place, is equal to 74.8 million euros and is subject to the determination and verification mechanisms provided for in the same agreements between the parties.

Hybrid Bond issue
On 16 January 2025, Iren S.p.A. placed its first 'Hybrid Bond' issue, with a nominal value of 500 million euro, issued in a single tranche for the full amount: the settlement date is 23 January 2025. As set forth in the relevant terms and conditions, it is a non-convertible, subordinated, perpetual financial instrument payable only in the event of dissolution or liquidation of the Company.
The fixed annual coupon, payable annually in arrears in April starting in April 2025, is 4.5% and will be paid until the first reset date of 23 April 2030. From that date, unless fully redeemed, the security will accrue interest equal to the five-year Euro Mid Swap rate, increased by an initial margin of 221.2 basis points. The margin will increase by 25 basis points from 2035 and by a further 75 basis points from 2050, for a cumulative amount of 100 basis points.
The issue price was set at 99.448% and, therefore, the effective yield at the first reset date is 4.625% per annum.
The securities, which are intended for qualified investors, are listed on the regulated market of the Irish Stock Exchange (Euronext Dublin) and have been assigned a BB+ rating by the agencies Standard & Poor's Global Ratings and Fitch Ratings as well as an equity content of 50%.

The transaction, which received almost eight times more requests for subscription than the amount offered, totalling orders for 4 billion euro, is aimed at further strengthening the capital structure and sustaining the Group's financial flexibility, and is consistent with the Iren growth strategy aimed at the integration of EGEA, new potential development opportunities for external lines and the realisation of the investments envisaged in the Business Plan, confirming the commitment of Iren to maintaining its current investment grade rating.

VI. Other information

CONSOB COMMUNICATION NO. DEM/6064293 of 28 July 2006

Significant non-recurring events and transactions
During the financial year 2024, the Company was not affected by "non-recurring" events and did not carry out significant transactions identified as such on the basis of the definitions contained, in the Communication. In particular, it was not affected by events which do not reoccur frequently during the normal performance of the business.

Positions or transactions deriving from atypical and/or unusual transactions
In 2024, the Company was not involved in atypical and/or unusual transactions, as defined in the Communication, i.e. transactions that may, due to their significance/relevance, nature of the counterparties, subject of the transaction, methods for determining the transfer price and timing of the event (near year end), give rise to concerns about the correctness/completeness of the financial statements disclosures, conflict of interest, safeguard of the company's assets or protection of non-controlling interests.

DISCLOSURE ON PUBLIC DISBURSEMENTS
With reference to what is provided for on the subject of transparency in the system of public disbursements pursuant to article 35 of Decree-Law no. 34/2019 (Decree "Crescita") we can specify that the National Register of State Aid includes aid, in favour of the company, which must be disclosed. For the related details please see the aforementioned Register, under the terms of article 35, paragraph 125-quinquies.

VII. Notes to the statement of financial position

Unless otherwise stated, the tables below are in thousands of euro.

ASSETS

NON-CURRENT ASSETS

NOTE 1_PROPERTY, PLANT AND EQUIPMENT

The breakdown of property, plant and equipment, including right-of-use assets, is shown in the table

thousands of euro

	Cost as at 31/12/2024	Accumulated depreciation as at 31/12/2024	Carrying amount as at 31/12/2024	Cost as at 31/12/2023	Accumulated depreciation as at 31/12/2023	Carrying amount as at 31/12/2023
Land	15,077	(1,130)	13,947	15,077	(1,120)	13,957
Buildings	150,755	(34,142)	116,613	149,504	(29,356)	120,148
Plant and machinery	20,268	(7,920)	12,348	15,746	(5,478)	10,268
Industrial and commercial equipment	1,794	(838)	956	1,714	(734)	980
Other assets	87,151	(53,914)	33,237	77,770	(43,323)	34,447
Assets under construction and payments on account	50,901	-	50,901	45,034	-	45,034
Total	325,946	(97,944)	228,002	304,845	(80,011)	224,834

below:

The variation in the historical cost of property, plant and equipment, including the right-of-use assets, is as follows:

thousands of euro

	31/12/2023	Increases	Decreases	Other changes	Reclassifica-tions	31/12/2024
Land	15,077	-	-	-	-	15,077
Buildings	149,504	689	(453)	-	1,015	150,755
Plant and machinery	15,746	2,432	-	-	2,090	20,268
Industrial and commercial equipment	1,714	107	(27)	-	-	1,794
Other assets	77,770	10,490	(1,104)	(5)	-	87,151
Assets under construction and payments on account	45,034	8,972	-	-	(3,105)	50,901
Total	304,845	22,690	(1,584)	(5)	-	325,946

Changes in accumulated depreciation are shown below:

thousands of euro

	31/12/2023	Depreciation for the year	Decreases	Other changes	Reclassifica-tions	31/12/2024
Land	(1,120)	(10)	-	-	-	(1,130)
Buildings	(29,356)	(5,235)	447	-	2	(34,142)
Plant and machinery	(5,478)	(2,440)	-	-	(2)	(7,920)
Industrial and commercial equipment	(734)	(107)	3	-	-	(838)
Other assets	(43,323)	(11,700)	1,104	5	-	(53,914)
Total	(80,011)	(19,492)	1,554	5	-	(97,944)

The main categories refer to:

- Land and buildings: this item mainly includes buildings relating to management offices or in support of operating activities;
- Plant and machinery: this item includes the auxiliary systems of buildings, air conditioning systems, telecommunications equipment and some prototypes for development activities;
- Other assets: include motor vehicles and cars, furniture, office machines and IT equipment;
- Assets under construction and payments on account: this item includes all expenses incurred for investments in progress and not yet in operation.

Finally, no assets are pledged against liabilities.

Increases

The increases in the year, of 22,690 thousand euro, refer mainly to:

- extraordinary maintenance, also during realisation, of buildings and auxiliary plants at the various Company Offices;
- upgrading of hardware infrastructure and telecommunications equipment;
- investments in motor vehicles, including those leased and recorded in accordance with IFRS 16;
- investments for the purchase of equipment and furnishings;
- costs incurred for the building renovation of the Piazza Raggi (Genoa) office, which is currently underway.

Depreciation

Ordinary depreciation for 2024, amounting to 19,492 thousand euro, was calculated on the basis of the rates indicated in the section “Accounting policies” and deemed representative of the residual useful life of the assets.

Reclassifications

It should be noted that reclassifications between financial statements items relate to the normal entry into operation of investments made in the previous year.

Right-of-use assets - IFRS 16

IFRS 16 provides for recognition in the statement of financial position of the assets and related financial liabilities for all lease contracts with a term of more than 12 months unless the underlying asset is of low value. The contracts in which Iren S.p.A. acts as lessee refer to property leases and long-term hires of cars and other motor vehicles.
The breakdown of right-of-use assets, divided between historical cost, accumulated depreciation and carrying amount is provided

thousands of euro

	Cost as at 31/12/2024	Accumulated depreciation as at 31/12/2024	Carrying amount as at 31/12/2024	Cost as at 31/12/2023	Accumulated depreciation as at 31/12/2023	Carrying amount as at 31/12/2023
Land	121	(47)	74	121	(37)	84
Buildings	23,101	(11,232)	11,869	23,127	(8,863)	14,264
Other assets	10,483	(5,209)	5,274	9,301	(3,516)	5,785
Total	33,705	(16,488)	17,217	32,549	(12,416)	20,133

in the table below:

The variation in the historical cost of right-of-use assets, is as follows:

thousands of euro

	31/12/2023	Increases	Decreases	31/12/2024
Land	121	-	-	121
Buildings	23,127	414	(440)	23,101
Other assets	9,301	2,140	(958)	10,483
Total	32,549	2,554	(1,398)	33,705

Finally, changes in the accumulated depreciation of right-of-use assets are shown below:

thousands of euro

	31/12/2023	Depreciation for the year	Decreases	31/12/2024
Land	(37)	(10)	-	(47)
Buildings	(8,863)	(2,809)	440	(11,232)
Other assets	(3,516)	(2,652)	959	(5,209)
Total	(12,416)	(5,471)	1,399	(16,488)

NOTE 2_ INTANGIBLE ASSETS WITH A FINITE USEFUL LIFE

The breakdown of intangible assets, divided between historical cost, accumulated amortisation and net amount is as follows:

thousands of euro

	Cost as at 31/12/2024	Accumulated amortisation as at 31/12/2024	Carrying amount as at 31/12/2024	Cost as at 31/12/2023	Accumulated amortisation as at 31/12/2023	Carrying amount as at 31/12/2023
Development costs	47	(47)	-	47	(47)	-
Industrial patents and intellectual property rights	286,048	(179,102)	106,946	238,829	(140,748)	98,081
Concessions, licences, trademarks and similar rights	34	(4)	30	34	(4)	30
Other intangible assets	9,601	(9,600)	1	9,601	(9,591)	10
Assets under development and payments on account	6,627	-	6,627	11,463	-	11,463
Total	302,357	(188,753)	113,604	259,974	(150,390)	109,584

The change in the historical cost of intangible assets is as follows:

thousands of euro

	31/12/2023	Increases	Decreases	Other changes	Reclassifications	31/12/2024
Development costs	47	-	-		-	47
Industrial patents and intellectual property rights	238,829	39,510	(28)		7,737	286,048
Concessions, licences, trademarks and similar rights	34	-	-		-	34
Other intangible assets	9,601	-	-		-	9,601
Assets under development and payments on account	11,463	3,078	-	(177)	(7,737)	6,627
Total	259,974	42,588	(28)	(177)	-	302,357

Changes in the accumulated amortisation are shown below:

thousands of euro

	31/12/2023	Amortisation for the year	Decreases	Other changes	Reclassifications	31/12/2024
Development costs	(47)	-	-	-	-	(47)
Industrial patents and intellectual property rights	(140,748)	(38,375)	21			(179,102)
Concessions, licences, trademarks and similar rights	(4)	-	-	-	-	(4)
Other intangible assets	(9,591)	(9)	-			(9,600)
Total	(150,390)	(38,384)	21	-	-	(188,753)

The main categories refer to:

- Industrial patents and intellectual property rights: the item consists of software use licenses and costs incurred for the internal production of software created in order to adapt and update the licensed applications; these assets are amortised over a five-year period;
- Assets under development: this item consists mainly of costs incurred for new implementations and studies relating to IT projects, concerning applications supporting operating and administrative activities.

Increases

Increases in the year, amounting to 42,588 thousand euro, primarily refer to the purchase, internal development (including ongoing development), implementation and adaptation of software for administrative, commercial and customer management within the Group.

Decreases

Decreases for the year of 28 thousand euro relate to the revision of certain estimates recorded in previous years.

NOTE 3_INVESTMENTS IN SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES

Investments in subsidiaries and joint ventures

Data on investments in direct subsidiaries, i.e., the lead companies of the Group's business chains, as at 31 December 2024 can be found in the appropriate section of the Annexes.

The carrying amounts of the investments shown below have changed from the previous year because on 1 August 2024, Iren S.p.A. completed the acquisition of 50% of the share capital of EGEA Holding S.p.A.

The company is a NewCo, into which the operating units of EGEA S.p.A., EGEA Commerciale S.r.l. and EGEA Produzioni e Teleriscaldamento S.r.l. were previously transferred. ("EGEA PT"), as part of the negotiated crisis settlement procedure pursuant to Legislative Decree 14/2019 ("Crisis Code") of the same companies.

thousands of euro

	Cost of equity investment	Equity at 31/12/2024	Delta SE - Cost of equity investment
Subsidiaries			
Iren Ambiente	243,437	288,277	44,840
IRETI	1,039,100	1,136,587	97,487
Iren Energia	1,139,112	1,246,700	107,588
Iren Mercato	142,383	206,148	63,765
Total subsidiaries	2,564,032	2,877,712	313,680
Joint ventures			
Egea Holding (*)	86,543	85,000	1,543
Total Joint Ventures	86,543	85,000	1,543
Overall total	2,650,575	2,962,712	315,223

(*) The carrying amount of Equity refers to the pro-rata share for Iren S.p.A. and does not consider the profit for the year ended 31 December 2024.

The impairment per BU presented in the Note "Goodwill" of the consolidated financial statements is also used for the valuation of equity investments in subsidiaries held by Iren S.p.A. and allows to conclude that, with reference to these investments, there are no indications of impairment.

NOTE 4_OTHER EQUITY INVESTMENTS

This item relates to investments in companies over which Iren S.p.A. has neither control nor significant influence. These equity investments are measured at fair value but, as the most recent information available for measuring the fair value is insufficient and the cost represents the best estimate of the fair value, they are recognised at cost.
As of the date of these separate financial statements, the item refers to the investments held in the consortium company Competence Industry Manufactoring 4.0 in the amount of 200 thousand euro (175 thousand euro at 31 December 2023), in the company Tech4planet in the amount of 2,010 thousand euro (1,104 thousand euro at 31 December 2023) and in the limited partnership MITO Tech Ventures SLP RAIF-SICAV, organised as a reserved alternative investment fund, in the amount of 269 thousand euro (not present at 31 December 2023).

NOTE 5_NON-CURRENT FINANCIAL ASSETS

The total of the item amounted to 3,687,506 thousand euro (3,677,676 thousand euro as at 31 December 2023).

thousands of euro

	31/12/2024	31/12/2023
Cash pooling arrangement - subsidiaries	3,585,848	3,543,161
Loan assets with subsidiaries	58,729	82,265
Fair value of derivatives – non-current portion	21,185	30,611
Sundry assets	-	40
Other financial assets	21,744	21,599
Total	3,687,506	3,677,676

For details on the item "Cash pooling arrangement", see the table showing "Transactions with related parties" in the Annexes to this document.
The fair value of derivative contracts, for the non-current portion, amounted to 21,185 thousand euro (30,611 thousand euro as at 31 December 2023). For comments please see the chapter "Financial risk management of Iren S.p.A.".
The item "Other financial assets" consists of the variable portion of the sale price of the investment in OLT Offshore LNG Toscana and the related loan, measured at fair value with changes recognised in profit or loss.

As at 31 December 2023, there were also financial assets related to a participation in a film production under tax credit in the amount of 40 thousand euro.

NOTE 6_OTHER NON-CURRENT ASSETS

They amounted to 1,222 thousand euro (1,231 thousand euro as at 31 December 2023) and mainly consisted of grants accrued for innovation projects in the amount of 1,165 thousand euro (1,173 thousand euro as at 31 December 2023) and amounts due from owners in the amount of 41 thousand euro related to administrative services (unchanged from 31 December 2023).

NOTE 7_DEFERRED TAX ASSETS

This item refers to taxes related to temporary differences between the carrying amount and tax base of assets and liabilities in the statement of financial position. These taxes were calculated by applying the rates envisaged when the temporary differences reverse.
In accordance with IAS 12, the item includes the net effect of deferred tax assets and deferred tax liabilities for IRES.
As at 31 December 2024, the item amounted to 8,777 thousand euro (4,021 thousand at 31 December 2023).
For further information, reference is made to the note to the income statement "Income taxes" and to the Annexes concerning the details on temporary differences related to deferred taxation.

CURRENT ASSETS

NOTE 8_INVENTORIES

The item amounted to 5,643 thousand euro (6,020 thousand euro as at 31 December 2023). Inventories include stocks of items used by all Group companies (technical clothing, hardware, stationery and signs).
The inventory write-down provision, which was established in FY 2020 with the aim of taking into account the technical obsolescence and slow movement of certain materials, amounted to 287 thousand euro (342 thousand euro at 31 December 2023).

NOTE 9_TRADE RECEIVABLES

thousands of euro

	31/12/2024	31/12/2023
From customers	982	978
From subsidiaries	117,178	101,763
From joint ventures and associates	1,650	266
From other related parties	2	-
Loss allowance	(793)	(985)
Total	119,019	102,022

Trade receivables from customers
These relate to receivables for services rendered to third-party customers.

Trade receivables from subsidiaries
These relate to normal trade transactions performed at arm's length, and refer mainly to corporate services, of a technical/administrative nature provided to the Group companies. The details of these receivables by counterparty are annexed in the "Transactions with related parties" section of the Annexes to the Financial Statements.

Trade receivables from joint ventures and associates
This item refers to fees that may be charged back for offices held by Iren employees in the associates, as well as to the charge-back of insurance costs borne by the Parent. The increase in this item in 2024 is mainly due to the corporate Energy Management services provided to the company Egea Holding.
The details by counterparty are annexed in the section "Transactions with related parties".

Loss allowance

The item amounted to 793 thousand euro (985 thousand euro as at 31 December 2023). No accrual was made during the year, but a release was made in order to adjust the allowance to the amount of expected credit losses on the basis of the simplified approach envisaged by IFRS 9, where "loss" means the present value of all future cash shortfalls, considering forward-looking information, taking into due consideration historical data.

thousands of euro

	31/12/2023	Accruals	Releases	31/12/2024
Loss allowance	(985)	-	192	(793)

NOTE 10_CURRENT TAX ASSETS

This item amounted to 6,337 thousand euro (55 thousand euro at 31 December 2023) and refers to IRES advances for 3,972 thousand euro (not present at 31 December 2023), to IRES assets for 2,310 thousand euro (not present at 31 December 2023) and to IRAP advances for 55 thousand euro (unchanged compared to 31 December 2023).

NOTE 11_SUNDRY ASSETS AND OTHER CURRENT ASSETS

These are as follows:

thousands of euro

	31/12/2024	31/12/2023
From subsidiaries for VAT group	25,193	27,605
From subsidiaries for tax consolidation scheme	14,565	93,087
VAT assets	15,765	28,887
Other tax assets	3,105	1,591
Current tax assets	58,628	151,170
Advances to suppliers	991	2,879
From others	1,857	2,113
Other current assets	2,848	4,992
Prepaid expenses	11,051	26,538
Total	72,527	182,700

As noted in the chapter "Transactions with related parties", in September 2019 Iren exercised the option for establishment of the VAT Group to which the Revenue Agency attributed a new VAT number with effect from 1 January 2020.

The option for the Group tax consolidation scheme was exercised by the Group. This requires that the consolidated companies transfer their IRES assets/liabilities to the Parent Iren S.p.A.
The other tax assets shown in the table consist mainly of amounts due from the tax authorities for tax assets, while prepaid expenses relate largely to the portion pertaining to future IT services.

NOTE 12_CURRENT FINANCIAL ASSETS

The item amounted to a total of 483,398 thousand euro (25,433 thousand euro as at 31 December 2023). All financial assets recognised in this item are due within 12 months. The carrying amount of these assets approximates their fair value as the impact of discounting is negligible.

Current financial assets relate to:

thousands of euro

	31/12/2024	31/12/2023
Loan assets with subsidiaries	25,576	24,508
Loan assets with others	457,822	925
Total	483,398	25,433

Loan assets with subsidiaries
These refer to interest accrued on financing, particularly on the cash pooling arrangement.

Loan assets with others
These amount to 457,822 thousand euro (925 thousand euro at 31 December 2023) and primarily relate to loan assets with banks. Specifically, financial deposits amounted to 450,000 thousand euro (not present at 31 December 2023) and consisted of funds used in the technical form of "time deposits" with maturity dates up to July 2025, constituted on the funds deriving from the Bond issue of September 2024. The remaining balance refers to assets for interest on time deposits in the amount of 4,027 thousand euro (not present as at 31 December 2023) and amounts due from banks in the amount of 3,146 thousand euro (59 thousand euro at 31 December 2023). Financial prepayments of 497 thousand euro (866 thousand euro at 31 December 2023) were also recognised.

NOTE 13_CASH AND CASH EQUIVALENTS

Cash and cash equivalents may be analysed as follows:

thousands of euro

	31/12/2024	31/12/2023
Bank and postal deposits	225,452	281,685
Cash and similar on hand	-	-
Total	225,452	281,685

Cash and cash equivalents consist of available bank and postal deposits.
Iren S.p.A. does not hold cash equivalents, intended as short-term and highly liquid investments readily convertible into known amounts of cash and subject to an insignificant risk of changes in value.

NOTE 14_ASSETS HELD FOR SALE

This item had a nil balance at 31 December 2024, as at 31 December 2023.

LIABILITIES

NOTE 15_EQUITY

Equity may be analysed as follows:

thousands of euro

	31/12/2024	31/12/2023
Share Capital	1,300,931	1,300,931
Reserves and Retained Earnings	773,269	763,757
Profit for the year	212,507	172,285
Total	2,286,707	2,236,973

Share capital
Share capital amounts to 1,300,931,377 euro (unchanged compared to 31 December 2023), which is fully paid up and comprises 1,300,931,377 ordinary shares with a nominal value of 1 euro each.
In 2020 and 2021, following the relative shareholders' resolutions, the Company repurchased treasury shares for a total of 17,855,645 for a price of 38,690 thousand euro recognised as a reduction of equity in the item "Reserves and Retained Earnings".

Reserves and Retained Earnings

The breakdown of this item is as follows:

thousands of euro

	31/12/2024	31/12/2023
Treasury shares	(38,690)	(38,690)
Share premium reserve	133,019	133,020
Legal reserve	119,707	111,093
Hedging reserve	(4,093)	6,209
Other reserves and Retained earnings	563,326	552,125
Total	773,269	763,757

Treasury shares
In November 2021, the share buyback transaction authorised by the Board of Directors in the year 2020 was concluded.
The Ordinary Shareholders' Meeting held 04 May 2023 once again authorised the Board of Directors to repurchase and dispose of treasury shares, also on a fractional basis, pursuant to article 2357 et seq. of the Italian Civil Code.
The Board of Directors could have carried out transactions for there purchase and disposal of treasury shares for a maximum of 45,532,598 shares, such as not to exceed a further 3.5% of the share capital, in addition to the 17,855,645 shares already present in the portfolio equal to 1.37% of the share capital. The share buy-back programme, valid for eighteen months from the date of the shareholders' resolution, ended in November 2024.
During the 2024 financial year, however, no transaction was carried out in this regard and as at 31 December 2024, there were 17,855,645 shares for a total consideration of 38,690 thousand euro (unchanged compared to 31 December 2023), exposed to a reduction in equity in the item "Reserves and retained earnings".

Hedging reserve
Changes in the fair value of effective hedging derivatives are recognised with a corresponding balancing item directly in equity under the hedging reserve. These contracts were concluded to hedge exposure to the risk of interest rate fluctuations on floating rate loans.

Other reserves and Retained earnings
These comprise mainly the goodwill arising on the merger of AMGA into AEM Torino and the subsequent merger of Enìa into Iride, from retained earnings, and the actuarial reserve consisting of actuarial gains and losses on the measurement of post-employment benefits.

The increase in 2024 is mainly due to the carrying forward of profits for the previous financial year not distributed (11,241 thousand euro).

Dividends

On 27 June 2024, the Ordinary Shareholders' Meeting of Iren S.p.A. approved the Company's separate financial statements at 31 December 2023 and the Directors' Report, and resolved to distribute a dividend of 0.1188 euro per ordinary share, confirming the proposal made by the Board of Directors. At the ex-dividend date, the number of outstanding shares was 1,283,075,732 and, consequently, the total amount of dividends distributed was 152,429,396.96 euro.

CAPITAL MANAGEMENT

The capital management policies of the Board of Directors involve maintaining a high level of capital to uphold relations of trust with investors, creditors and the market, and also allowing future business development.
The Board of Directors monitors the return on capital and the level of dividends for distribution to shareholders, and aims to maintain a balance between achieving extra yield by recourse to indebtedness and the benefits and security offered by a solid financial position.

For further details, reference should be made to the statement of changes in equity.

NON-CURRENT LIABILITIES

NOTE 16_NON-CURRENT FINANCIAL LIABILITIES

Non-current financial liabilities amounted to 4,272,105 thousand euro (3,858,011 thousand euro as at 31 December 2023) and consist of:

Bonds

These amounted to 2,992,914 thousand euro due after 12 months (2,522,470 thousand euro as at 31 December 2023). The item consisted of positions referred to Public and Private Bond issues, accounted for at amortised cost, against a total nominal value outstanding at 31 December 2024 of 3,024,000 thousand euro (2,550,000 thousand at 31 December 2023).
The details of Bonds with maturity after 12 months are as follows:

- Green Bonds maturing October 2027, coupon 1.5%, amount 500 million euro, all outstanding (amount at amortised cost 496,993 thousand euro);
- Green Bonds maturing October 2029, coupon 0.875%, amount 500 million euro, all outstanding (amount at amortised cost 497,337 thousand euro);
- Bonds maturing July 2030, coupon 1%, outstanding amount 484 million euro (500 million euro at 31 December 2023; amount at amortised cost 478,037 thousand euro);
- Green Bonds maturing January 2031, coupon 0.25%, amount 500 million euro, including TAP issue of October 2021, all outstanding (amount at amortised cost 490,510 thousand euro)
- Green Private Placement maturing August 2028, coupon 2.875%, outstanding amount 40 million euro (50 million euro at 31 December 2023; amount at amortised cost 39,758 thousand euro);
- Green Bonds issued in January 2024, maturing July 2032, coupon 3.875%, amount 500 million euro, all outstanding (amount at amortised cost 495,887 thousand euro);
- Green Bonds issued in September 2024, maturing September 2033, coupon 3.625%, amount 500 million euro, all outstanding (amount at amortised cost 494,391 thousand euro).

The bonds were subscribed by Italian and foreign institutional investors, are listed on the Irish Stock Exchange and were assigned Fitch and S&P ratings.
The change in the total carrying amount compared to 31 December 2023 is due to:

- two new Green Bond issues in January and September 2024, totalling 1,000 million euro;
- the repurchase, in July 2024, of outstanding Bond units totalling 50 million euro;
- the reclassification within 12 months of the Green Bonds maturing in September 2025, coupon 1.95%, outstanding amount 476 million euro (500 million euro as at 31 December 2023; amount at amortised cost 475,282 thousand euro);
- the allocation of accrued financial expense, calculated on the basis of the amortised cost method.

Non-current bank loans

Non-current bank loans relate exclusively to the non-current portion of loans/credit lines due after 12 months granted by banks, and amounted to 1,254,865 thousand euro (1,298,321 thousand euro as at 31 December 2023).
Non-current bank loans, all at floating rate, can be analysed by maturity (referring to the portion due after 12 months), as follows:

thousands of euro

	TOTAL
min/max rate	2.962% - 4.302%
maturity	2026-2039
2026	49,563
2027	309,499
2028	466,583
2029	66,583
subsequent	362,637
Total after 12 months as at 31/12/2024	1,254,865
Total after 12 months as at 31/12/2023	1,298,321

All loans are denominated in euro.

The changes in non-current loans during the year are summarised as follows:

thousands of euro

	31/12/2023 Total after 12 months	Increases	Decreases	Adjustment of amortised cost	31/12/2024 Total after 12 months
TOTAL	1,298,321	-	(43,962)	506	1,254,865

Total non-current loans at 31 December 2024 decreased compared to 31 December 2023, as a combined result of:

- reduction of 43,962 thousand euro, owing to the reclassification of the portions of loans maturing within the next 12 months as current;
- increase of 506 thousand euro due to recognition of the loans at amortised cost.

Non-current lease liabilities

This item relates to the portion of the Company's lease, rental and hire liabilities due after 12 months, recognised in accordance with IFRS 16, and amounted to 11,590 thousand euro (14,779 thousand euro as at 31 December 2023). This figure will be gradually reduced on the basis of repayment of the lease principal.

Other financial liabilities

The item amounted to 12,736 thousand euro (22,441 thousand euro at 31 December 2023) and refers to the fair value of derivative contracts entered into by Iren to hedge its exposure to the interest rate risk of floating-rate loans.

NOTE 17_EMPLOYEE BENEFITS

Changes in this item in 2024 were as follows:

thousands of euro

	31/12/2023	Obligations accrued during the year	Financial expense	Disbursements for the year	Intra-group transfers	Actuarial (gains)/losses	31/12/2024
Post-employment benefits	10,671	-	314	(941)	22	(33)	10,033
Additional salary payments	789	25	24	(54)	-	49	833
Loyalty bonus	407	17	12	(61)	-	(28)	347
Tariff discounts	1,720	-	51	(146)	-	(32)	1,593
Premungas	474	-	14	(125)	-	67	430
Total	14,061	42	415	(1,327)	22	23	13,236

The tariff discounts include benefits related to the supply of natural gas for domestic use. Following the signing of specific agreements with the trade unions, the "Energy discount" awarded up to 30 September 2017 to employees in service was converted into other forms of employee benefits.

Actuarial assumptions

The above-mentioned liabilities are measured by independent actuaries. The liability relating to the defined benefit plans is calculated in accordance with actuarial assumptions and is recognised on an accruals basis in line with the service necessary to obtain benefits.
For the purpose of defining the present value of the obligations, the future service is estimated based on assumptions related to changes in the total number of employees and employee remuneration. Future service represents the amount that would be paid out to each employee in the event of continuing working activity with another company, retirement, death, resignation or a request for an advance.
The following factors were considered in deciding which discount rate to adopt in the measurement approach provided by IAS 19:
- stock market of reference;
- the measurement date;
- expected average term of the liabilities.

The average residual term of liabilities was obtained as the weighted average residual term of liabilities related to all benefits.
The economic and financial assumptions adopted in the calculations are the following:

Annual discount rate	2.69% -3.38%
Annual inflation rate	2.00%
Annual rate of increase of Post-employment benefits	3.00%

In accordance with the provisions of IAS 19, the following additional information is supplied:
- sensitivity analysis for each material actuarial assumption at year end, showing the effects that would have resulted from changes in the actuarial assumptions reasonably possible at that date, in absolute terms;
- contributions for the following year;
- indication of the average maturity of the obligation for defined benefit plans.

This information is shown in the following table.

	Change in liabilities according to changes in discount rate		Service cost 2025	Duration of the plan	Disbursements 2025
	+0.25%	-0.25%			
Post-employment benefits	(142)	145	-	6.50	1,235
Additional salary payments (seniority bonus)	(15)	15	25	9.70	9
Loyalty bonus	(4)	4	15	9.12	45
Tariff discounts	(29)	30	-	7.65	135
Premungas	(4)	5	-	4.70	76

NOTE 18_PROVISIONS FOR RISKS AND CHARGES

Details and changes are shown in the table below:

thousands of euro

	31/12/2023	Increases	Decreases	31/12/2024	Non-current portion
Provision for early retirement	7,730	392	(259)	7,863	7,734
Other provisions for risks and charges	6,513	5,544	(2,085)	9,972	9,972
Total	14,243	5,936	(2,344)	17,835	17,706

Provision for early retirement

The provision refers to expenses associated with early retirement of some personnel that provide for retirement incentives for some employees, on a voluntary basis among the Group's personnel who are potentially involved. The transaction should be seen in the wider context of professional and demographic rebalancing of Iren Group's personnel, in view of a plan to recruit young individuals.
The incentive, completely chargeable to Iren Group (in application of Art. 4 of Law no. 92/2012), will enable the personnel who meet the legal requisites to retire ahead of the date of eligibility.
The provisions represent the estimated payment to the employees involved in the Plan, through the social security institution, of a benefit of an amount equal to the pension that would be payable on the basis of the current rules ("early retirement") with payment to the social security institution of the contribution until the minimum requirements for retirement are reached (in accordance with the aforementioned Law 92/2012), and a sum, for each of the employees involved, as a one-off payment as an incentive.

Other provisions for risks and charges

Among other provisions, the increases mainly refer to the adjustment of the provision for long-term incentive plans and for Inps contributions referring to previous years (former Inpdap management); the decreases mainly refer to releases due to the termination of labour disputes and litigation with suppliers for which there is no longer a need to maintain the relative provisions and to utilisations for the year.

NOTE 19_DEFERRED TAX LIABILITIES

Deferred tax liabilities are due to temporary differences between the carrying amount and tax base of assets and liabilities recognised in the financial statements and have been calculated by applying the rates expected when the temporary differences will reverse.
In accordance with IAS 12, the item includes the net effect of deferred tax assets and deferred tax liabilities for IRES.
As at 31 December 2024, the items fully offset each other, similar to as at 31 December 2023.
For further information, reference is made to the note to the income statement "Income taxes" and to the Annexes concerning the details on temporary differences related to deferred taxation.

NOTE 20_SUNDRY LIABILITIES AND OTHER NON-CURRENT LIABILITIES

This item amounts to 1,305 thousand euro (1,198 thousand euro as at 31 December 2023) and mainly refers to portions of grants received on innovation projects, relating to future years for an amount of 1,280 thousand euro (1,128 thousand euro as at 31 December 2023).

CURRENT LIABILITIES

NOTE 21_CURRENT FINANCIAL LIABILITIES

All financial liabilities recognised in this item are due within 12 months. The carrying amount of these liabilities approximates their fair value as the impact of discounting is negligible.

Current financial liabilities can be analysed as follows:

thousands of euro

	31/12/2024	31/12/2023
Bank loans	544,112	563,929
Financial liabilities with subsidiaries	244,235	182,777
Current lease liabilities	5,411	5,025
Other financial liabilities	58	310
Total	793,816	752,041

Bank loans

The related amounts are as follows:

thousands of euro

	31/12/2024	31/12/2023
Loans - current portion	43,962	41,554
Other current loans	475,282	499,220
Other current borrowings from banks	500	9,404
Accrued expenses and deferred income	24,368	13,751
Total	544,112	563,929

Other current loans
This is the Green Bonds with maturity September 2025, coupon 1.95%, outstanding amount 476 million euro (500 million euro as at 31 December 2023). The carrying amount is shown at amortised cost in the amount of 475,282 thousand euro. As at 31 December 2023, this item amounted to 499,220 thousand euro and related to the Eurobond maturing in September 2024.

Financial liabilities with subsidiaries
Current financial liabilities with subsidiaries, amounting to 244,235 thousand euro as at 31 December 2024 (182,777 thousand euro as at 31 December 2023) refer to the cash pooling arrangement with Group companies that have a credit position with Iren S.p.A. The amount includes an estimate of the related accrued interest expense still to be paid.

Current lease liabilities
These refer to the portion of the Company's lease, rental and hire liabilities due within 12 months; they amounted to 5,411 thousand euro (5,025 thousand euro as at 31 December 2023).

Other financial liabilities
They amounted to 58 thousand euro (310 thousand euro as at 31 December 2023) and mainly refer to commissions on committed credit lines, settled in January 2025.

Accrued expenses and deferred income
The increase compared to 31 December 2023 is attributable to the two new Green Bond issues in 2024, the accruals of which as at 31 December 2024 amounted to 13,500 thousand euros.

NOTE 22_TRADE PAYABLES

thousands of euro

	31/12/2024	31/12/2023
To suppliers	105,921	119,990
To subsidiaries	16,243	15,586
To associates	22	13
To owners	464	73
To other related parties	31	40
Total	122,681	135,702

All trade payables are due within 12 months. The carrying amount of these payables approximates their fair value as the impact of discounting is negligible.

NOTE 23_SUNDRY LIABILITIES AND OTHER CURRENT LIABILITIES

All amounts recognised in this item are due within 12 months. The carrying amount of these liabilities approximates their fair value as the impact of discounting is negligible.

thousands of euro

	31/12/2024	31/12/2023
Amounts due to subsidiaries for VAT group	33,470	40,056
Amounts due to subsidiaries for tax consolidation scheme	23,390	22,588
IRPEF liability	345	154
Other tax liabilities	4,136	4,033
Current tax assets	61,341	66,831
Amounts due to employees	12,438	11,047
Amounts due to social security institutions	5,745	5,571
Sundry liabilities	17,300	16,242
Other current liabilities	35,483	32,860
Deferred income	34	34
Total	96,858	99,725

Amounts due to social security institutions consist mainly of withholdings and contributions to be paid to INPS and INPDAP.
Deferred income, amounting to 34 thousand euro (unchanged compared to 31 December 2023), refers to reimbursements for surety expenses.
The sundry liabilities refer mostly to adjustments of premiums related to insurance policies entered into in favour of the Group.

NOTE 24_CURRENT TAX LIABILITIES

This item was not measured as at 31 December 2024. At 31 December 2023 it amounted to 68,615 thousand euro and referred to Ires liabilities.

NOTE 25_PROVISIONS FOR RISKS AND CHARGES - CURRENT PORTION

The current portion of the provisions for risks and charges amounted to 128 thousand euro (105 thousand euro as at 31 December 2023) and refers to the provision for early retirement.

For more details on the breakdown see Note “Provisions for risks and charges”.

FINANCIAL POSITION

Net financial debt, calculated as the difference between current and non-current financial debt and current and non-current financial assets, can be broken down as follows:

thousands of euro

	31/12/2024	31/12/2023
Non-current financial assets	(3,687,506)	(3,677,676)
Non-current financial debt	4,272,105	3,858,011
Non-current net financial debt	**584,599**	**180,335**
Current financial assets	(708,850)	(307,118)
Current financial debt	793,816	752,041
Current net financial debt	**84,966**	**444,923**
Net financial debt	**669,565**	**625,258**

Net Financial position with related parties

Non-current financial assets relate to the cash pooling arrangement and loans to subsidiaries and associates for 3,632,577 thousand euro.
Current financial assets relate to invoices issued (1,110 thousand euro) and to be issued (24,466 thousand euro) to subsidiaries for interest on the cash pooling arrangement and loans.
Current financial liabilities for 244,235 thousand euro refer to amounts due to subsidiaries for cash pooling arrangements and loans and related interest.

For additional information, see the annexed tables on transactions with related parties.

The net financial position according to the structure proposed by ESMA in the document of 04 March 2021 *Guidelines on disclosure requirements under the Prospectus Regulation and* implemented by Consob with *Attention Reminder No. 5/21 of 29 April 2021* is shown below.

thousands of euro

	31/12/2024	31/12/2023
A. Cash	(225,452)	(281,685)
B. Cash equivalents	-	-
C. Other current financial assets	(450,000)	-
D. Liquidity (A) + (B) + (C)	**(675,452)**	**(281,685)**
E. Current financial debt (including debt instruments, but excluding the current portion of non-current financial debt)	744,443	705,462
F. Current portion of the non-current financial debt	49,373	46,579
G. Current financial debt (E + F)	**793,816**	**752,041**
H. Net current financial debt (G - D)	**118,364**	**470,356**
I. Non-current financial debt (excluding current portion and debt instruments)	1,279,191	1,335,541
J. Debt instruments	2,992,914	2,522,470
K. Commercial and other non-current debt	-	-
L. Non-current financial debt (I + J + K)	**4,272,105**	**3,858,011**
M. Total financial debt (H + L)	**4,390,469**	**4,328,367**

The table below reports on the changes during the year in current and non-current financial liabilities.

	thousands of euro
Current and non-current financial liabilities 31.12.2023	4,610,052
Monetary changes as reported in the statement of cash flows	
New non-current loans	1,000,000
Repayment of non-current loans	(591,553)
Repayment of finance leases	(5,357)
Change in other financial liabilities	69,537
Interest paid	(140,923)
Dividends paid	(135,918)
Non-monetary changes	
New finance leases	2,555
Fair value change in derivatives	(9,705)
Interest and other financial expense	114,803
Dividends resolved	152,430
Current and non-current financial liabilities 31.12.2024	5,065,921

VIII. Notes To the Income Statement

Unless otherwise stated, the tables below are in thousands of euro.

REVENUE

NOTE 26_REVENUE FROM GOODS AND SERVICES

Revenue from services provided can be broken down as follows:

thousands of euro

	FY 2024	FY 2023
Services to subsidiaries	318,120	292,181
Services to joint ventures and associates	1,176	46
Services to others	203	68
Total	319,499	292,295

Revenue from services refers to corporate, administrative and technical services provided to Group companies and associates.
On 1 August 2024, Iren S.p.A. finalised the acquisition of 50% of EGEA Holding S.p.A..
The company is a NewCo, into which the operating units of EGEA S.p.A., EGEA Commerciale S.r.l. and EGEA Produzioni e Teleriscaldamento S.r.l. were previously transferred. ("EGEA PT"), as part of the negotiated crisis settlement procedure pursuant to Legislative Decree 14/2019 ("Crisis Code") of the same companies.
The increase in the item "services to joint ventures and associates" is due to new corporate services provided to this company.
For additional information, see the annexed tables on transactions with related parties.

NOTE 27_OTHER INCOME

Other income includes:

thousands of euro

	FY 2024	FY 2023
Revenue for personnel at other companies	7,151	7,527
Sale of materials	2,604	2,433
Lease income	557	551
Grants related to income	943	519
Insurance settlements	54	57
Capital gains on sale of assets	43	11
Penalties to suppliers	72	116
Revenue from previous years	189	977
Other revenue and income	185	629
Total	11,798	12,820

Revenue for personnel at other companies refer to rechargeable fees for director position held by Iren employees at Group companies and to the charge-back of costs relating to personnel seconded to subsidiaries.
The sale of materials mainly relates to sales to subsidiaries, as a result of the procurement and centralised management of materials for common use by the Group's businesses.
Revenue from previous years mainly regards the settlement of prior items with reference to estimates made in previous years and adjustments also to prior years' invoices.
Grants related to income mainly refer to grants of a fiscal nature related to investments made by the company and to grants accrued in respect of innovation projects.

COSTS

NOTE 28_RAW MATERIALS, CONSUMABLES, SUPPLIES AND GOODS

Costs for raw materials, consumables, supplies and goods are as follows:

thousands of euro

	FY 2024	FY 2023
Raw materials and inventory materials	4,264	4,852
Purchase of fuels	4,313	4,788
Change in inventories	408	(946)
Accrual/(use) of inventory write-down provision	(55)	67
Total	8,930	8,761

These costs refer mainly to the purchase of materials for common use by subsidiaries (technical clothing, hardware, stationery and signs) and fuel for Group vehicles.
The inventory write-down provision amounting to 287 thousand euro (342 thousand euro in 2023) was set up in order to take into account the technical obsolescence and slow movement of certain materials.

NOTE 29_SERVICES AND USE OF THIRD-PARTY ASSETS

Costs for services are broken down as follows:

thousands of euro

	FY 2024	FY 2023
Technical and administrative services from subsidiaries and Group companies	16,196	14,884
Third-party works, maintenance and industrial services	24,986	21,651
Snow ploughing	1,539	1,378
Expenses related to personnel (canteen, training, business travel)	14,332	12,505
Technical, administrative and commercial consulting and advertising expenses	23,681	24,637
Legal and notary fees	3,429	3,326
Insurance	23,709	20,630
Bank and postal expenses	353	586
Telephone expenses	4,178	4,520
Internal utilities (electricity, water, gas, cleaning, etc.)	12,960	11,693
IT expenses	57,612	58,877
Board of Statutory Auditors' fees	181	171
Other costs of services	640	4,905
Total	183,796	179,763

Use of third-party assets amounted to 926 thousand euro (944 thousand euro in the 2023 financial year) and relate mainly to short-term rentals of technical equipment as well as the rental of exhibition space for promotional events.
Secondarily, this item includes short-term leases or when the underlying asset is of low value, which the group has decided to exclude from the scope of application of IFRS 16.

NOTE 30_OTHER OPERATING EXPENSES

Other operating expenses are as follows:

thousands of euro

	FY 2024	FY 2023
Membership fees	2,804	2,554
General expenses	1,720	2,451
Taxes and duties	2,198	2,209
Capital losses on sale of assets	2	-
Charitable donations	2,441	1,654
Other sundry operating expenses	295	394
Total	9,460	9,262

The item “taxes and duties” mainly refers to the charges for IMU property tax on the Company’s plants and buildings, as well as vehicle circulation taxes.

NOTE 31_CAPITALISED EXPENSES FOR INTERNAL WORK

Capitalised expenses for internal work amounted to 8,064 thousand euro (6,927 thousand euro in financial year 2023) and refer to labour costs mainly for the study, creation and implementation of software and IT projects.

NOTE 32_PERSONNEL EXPENSE

Personnel expense is broken down as follows:

thousands of euro

	FY 2024	FY 2023
Gross remuneration	63,777	59,479
Social security contributions	19,054	17,741
Other long-term employee benefits	42	43
Other personnel expense	11,521	13,670
Directors’ fees	556	718
Total	94,950	91,651

Other personnel expense includes social security and recreational contributions, the contribution paid to the supplementary health care fund, insurance for accidents occurring outside working hours, the portion of post-employment benefits, and contributions to be paid by the employer to supplementary pension funds.

The composition of personnel is as follows:

	31/12/2024	31/12/2023	Yearly average
Senior managers	50	52	51
Junior managers	144	137	141
White collar workers	894	880	893
Blue collar workers	62	73	67
Total	1,150	1,142	1,152

NOTE 33_AMORTISATION AND DEPRECIATION

Amortisation and depreciation for the year amounted to 57,876 thousand euro (49,495 thousand euro in 2023).

thousands of euro

	FY 2024	FY 2023
Depreciation	19,492	18,371
Amortisation	38,384	31,124
Total	57,876	49,495

Depreciation of property, plant and equipment includes the depreciation for the year of right-of-use assets recognised in accordance with IFRS 16.
For further details on amortisation and depreciation, refer to the tables of changes in property, plant and equipment and intangible assets.

NOTE 34_PROVISIONS AND IMPAIRMENT LOSSES

thousands of euro

	FY 2024	FY 2023
Impairment losses on loans and receivables	(192)	(89)
Provisions for risks	-	-
Release of provisions	(1,817)	(25)
Total	(2,009)	(114)

No impairment losses on loans and receivables were recognised during 2024, similarly to 2023. However, a release was made to the loss allowance in order to adjust it to the amount of expected credit losses on the basis of the simplified approach envisaged by IFRS 9, where "loss" means the present value of all cash shortfalls considering forward-looking information.

Details of changes in provisions are provided in the note to the Statement of financial position item "Provisions for risks and charges".

NOTE 35_FINANCIAL INCOME AND EXPENSE

Financial income

The breakdown of financial income is shown in the following table:

thousands of euro

	FY 2024	FY 2023
Dividends	222,346	196,592
Bank interest income	23,338	382
Interest income from subsidiaries	98,485	83,634
Other financial income	184	34
Total	344,353	280,642

Interest income on receivables/loans from subsidiaries increased due to the higher interest rate and credit stock for intra-group loans; the increase in bank interest income is due to the income from invested liquidity.

Financial expense

The breakdown of financial expense is shown in the following table:

thousands of euro

	FY 2024	FY 2023
Interest expense on loans	62,900	46,279
Interest expense on bonds	59,704	39,966
Hedging effect of derivatives	(16,770)	(16,339)
Interest expense on bank current accounts	1,082	9,461
Interest expense on committed lines	666	14
Expense incurred on derivatives	1,197	222
Interest expense with subsidiaries	5,250	2,628
Interest cost – Employee benefits	415	521
Financial expense on lease liabilities	595	338
Financial expense from discounting	158	-
Other financial expense	189	80
Total	115,386	83,170

Interest expense on loans and bonds includes the expense relating to the measurement at amortised cost.
Interest expense on loans, net of the effect of derivative contracts, increased as a result of higher interest rates.
Interest expense on bonds increased due to the increase in the stock for new bond issues in January and September 2024.
Interest expense on bank current accounts decreased as a result of the lower stock compared to the previous year.
Interest expense with subsidiaries increased as a result of higher stock and interest rates.

NOTE 36_GAINS (LOSSES) ON EQUITY INVESTMENTS

This caption had a nil balance in both 2024 and 2024.

NOTE 37_INCOME TAXES

Income taxes amounted to 1,890 thousand euro (2,533 thousand euro in financial year 2023) and can be broken down as follows:

- IRES of 2,669 thousand euro (benefit of 2,406 thousand euro in 2023);
- deferred tax expense, given by the reversal of taxable temporary differences, of 1,490 thousand euro (869 thousand in 2023);
- no deferred tax income was recognised in 2024 or 2023;
- taxes related to previous years for 711 thousand euro (742 thousand euro in financial year 2023).

Under the terms of Art. 96 of the Consolidated Law on Income Tax, the interest expense rules provide for their deductibility up to a maximum of 30% of the Gross Operating Profit ("fiscal" GOP) with the option to carry forward any surpluses of non-deductible interest expense to subsequent years and, if Group taxation is implemented, with the right to offset such surpluses with any "fiscal" GOP surpluses accrued from other group companies.
For Iren S.p.A., in 2024, application of the rules pursuant to Art. 96 of the Consolidated Law on Income Tax entailed forming surpluses of net non-deductible interest expense.

The table below shows the reconciliation between standard and effective IRES tax rates. The reconciliation between standard and effective IRAP rate was not significant.
Only current taxes and not deferred taxes are included in the table. Therefore, the changes made to the theoretical tax relate to both temporary and final changes.

The table below also shows the breakdown of the tax rate for 2024 and 2023.

	Ires rate reconciliation	FY 2024	FY 2023
A)	Pre-tax profit	214,397	169,751
B)	Theoretical tax charge (24% rate)	51,455	40,740
C)	Temporary differences taxable in future years		
	Alloc. loss allowance – tax assets	-	-
D)	Temporary differences deductible in future years	13,706	10,504
	Fees to independent auditors and directors	-	-
	Plus minus amortisation	*694*	*600*
	Alloc. Provisions and interest expense	*5,544*	*9,904*
	MBO and Remuneration Policies	*6,976*	-
	Other	*492*	-
E)	Reversal of previous year temporary differences	(6,835)	(3,463)
	MBO and Remuneration Policies	(3,950)	-
	Use of provisions and interest expense	(2,207)	(3,463)
	Plus minus amortisation	(418)	-
	Other	(260)	-
F)	Differences which will not carry forward	(208,323)	(185,105)
	Non-taxable share of dividends (95%) received as at 31/12	(211,229)	(186,763)
	Other	*2,906*	*1,657*
G)	Taxable income (A)+C)+D)+E)+F))	12,944	(8,313)
H)	Current taxes for the year	2,669	(2,407)
	Income/expenses from consolidation	*3,107*	(1,995)
	Art Bonus	(437)	(411)
M)	Rate	1%	(1%)

The table below shows the composition of deferred tax assets and liabilities for the two years, broken down by type of temporary difference, and the resulting effects.

thousands of euro

	FY 2024	FY 2023
Deferred tax assets		
Non-taxable provisions	5,431	4,721
Differences in non-current assets	423	357
Derivatives	783	783
Other	3,030	2,304
Total	9,667	8,165
Deferred tax liabilities		
Differences in non-current assets	819	819
Derivatives	(383)	2,870
Loss allowance	11	11
Other	444	444
Total	890	4,144
Net deferred tax assets	8,777	4,021

NOTE 38_OTHER COMPREHENSIVE INCOME

Other comprehensive expense came to 10,343 thousand euro (40,752 thousand euro in 2023).
Specifically, other comprehensive income that will be subsequently reclassified to profit or loss relates to:
- the effective portion of fair value losses on cash flow hedges, 13,558 thousand euro, which refers to derivatives hedging changes in interest rates;
- the tax effect of 3,254 thousand euro.

Other comprehensive income that will not be subsequently reclassified to profit or loss relates to:
- actuarial losses on defined benefit plans, of 52 thousand euro;
- the tax effect of 12 thousand euro.

IX. Guarantees and contingent liabilities

GUARANTEES PROVIDED

Personal guarantees amounted to 1,098,205 thousand euro (1,219,531 thousand euro as at 31 December 2023) broken down as follows:

- 41,879 thousand euro of bank and insurance sureties provided to various Entities. Among the above, it is worth noting sureties granted in favour of:
  - Revenue Agency for 11,277 thousand euro to guarantee VAT refund requests for 2023 and pending charges;
  - Municipality of Turin, for 27,476 thousand euro, as definitive guarantee in the AMIAT/TRM tender AMIAT/TRM;
  - FCT Holding for 2,000 thousand euro, as definitive guarantee in the Amiat/TRM tender procedure;
  - Atersir/Ato for 320 thousand euro to guarantee the management of the integrated water service;
- 1,055,026 thousand euro in guarantees granted on behalf of subsidiaries, primarily to guarantee credit facilities and their transactions (mainly commercial contracts/Parent Guarantees on behalf of Iren Mercato Spa);
- 1,300 thousand euro of guarantees given on behalf of Associates.

X. Annexes to the separate financial statements

List of investments in subsidiaries, joint ventures and associates

Company	Registered office	Currency	Share capital	% interest
SUBSIDIARIES				
Iren Ambiente S.p.A.	Piacenza	Euro	63,622,002	100.00
IReti S.p.A.	Reggio Emilia	Euro	196,832,103	100.00
Iren Energia S.p.A.	Turin	Euro	918,767,148	100.00
Iren Mercato S.p.A.	Genoa	Euro	61,356,220	100.00
JOINT VENTURES				
Egea Holding S.p.A.	Alba (CN)	Euro	50,000	50.00

Statement of Equity with additional information

Amounts in euro

Item/Description	31.12.2024	31.12.2023	31.12.2022
SHARE CAPITAL	1,300,931,377	1,300,931,377	1,300,931,377
EQUITY-RELATED RESERVES			
Share premium reserve (1)	133,019,647	133,019,647	133,019,647
Negative goodwill	56,792,947	56,792,947	56,792,947
Treasury shares negative reserve	(38,690,317)	(38,690,317)	(38,690,317)
INCOME-RELATED RESERVES			
Legal reserve	119,706,828	111,092,597	98,158,206
Other reserves:			
Extraordinary reserve	53,766,557	53,766,557	53,766,557
Hedging reserve	(4,094,593)	6,209,267	46,913,947
Actuarial reserve	(3,363,608)	(3,324,248)	(3,276,424)
Other untaxed reserves	1,402,976	1,402,976	1,402,976
Retained earnings	454,728,567	443,487,570	338,872,468
TOTAL	2,074,200,381	2,064,688,373	1,987,891,384
Non-distributable amount	1,514,967,535	1,506,353,304	1,493,418,913
Distributable residual amount	559,232,846	558,335,069	494,472,471

(1) Distributable to shareholders after the legal reserve has reached one fifth of the share capital

KEY:
A: share capital increase
B: payments to cover losses
C: shareholder distribution

Amounts in euro

Possible utilisation	Available portion	Summary of uses over the last three years	
		Payments to cover losses	Other reasons
B	1,300,931,377		
A, B	133,019,647		
A, B, C	56,792,947		
	(38,690,317)		
B	119,706,828		
A, B, C	53,766,557		
	(4,094,593)		
	(3,363,608)		
A, B, C	1,402,976		
A, B, C	454,728,567		
	2,074,200,381		
	1,514,967,535		
	559,232,846		

Deferred tax assets and liabilities - 2024

		differences		
	Opening balance	formation	reversal	remaining
Deferred tax assets				
Non-taxable provisions	19,672	5,874	2,917	22,629
Differences in non-current assets	1,487	694	418	1,763
Derivatives	3,264	-	-	3,264
Other	9,599	7,009	3,984	12,624
Total taxable amount/deferred tax assets	34,022	13,577	7,319	40,280
Deferred tax liabilitis				
Differences in non-current assets	3,411			3,411
Loss allowance	44			44
Derivatives	11,960		13,558	(1,598)
Other	1,852			1,852
Total taxable amount/deferred tax liabilities	17,266	-	13,558	3,708
Net deferred tax assets (liabilities)	16,756	13,577	(6,239)	36,572

thousands of euro

taxes to profit or loss	taxes to equity	IRES (Corporate income tax)	IRAP (Regional business tax)	total
697	12	5,431		5,431
66		423		423
-		783		783
726		3,030		3,030
1,490	12	9,667	-	9,667
		819		819
		11		11
	(3,254)	(383)		(383)
		444		444
-	(3,254)	890	-	890
1,490	3,266	8,777	-	8,777

Deferred tax assets and liabilities - 2023

	differences			
	initial	formation	payment	remaining
Deferred tax assets				
Non-taxable provisions	14,851	9,328	4,508	19,672
Differences in non-current assets	1,729	622	864	1,487
Derivatives	3,264	-	-	3,264
Other	9,106	1,963	1,470	9,599
Total taxable amount/deferred tax assets	28,950	11,913	6,842	34,022
Deferred tax liabilities				
Differences in non-current assets	3,411	-	-	3,411
Loss allowance	44	-	-	44
Derivatives	65,519	-	53,559	11,960
Other	464	1,388		1,852
Total taxable amount/deferred tax liabilities	69,437	1,388	53,559	17,266
Net deferred tax assets (liabilities)	(40,487)	10,525	(46,717)	16,756

thousands of euro

taxes to profit or loss	taxes to equity	IRES (Corporate income tax)	IRAP (Regional business tax)	total
1,128	29	4,721	-	4,721
(58)	-	357	-	357
-	-	783	-	783
(201)	319	2,304	-	2,304
869	348	8,165	-	8,165
-	-	819	-	819
-	-	11	-	11
-	(12,854)	2,870		2,870
-	333	444	-	444
-	(12,521)	4,144	-	4,144
869	12,869	4,021	-	4,021

Related party transactions

thousands of euro

	Trade Receivables	Loan assets, Cash and cash equivalents	Sundry assets	Trade Payables	Financial Liabilities
OWNERS					
Municipality of Genoa	-	-	-	579	-
Municipality of Parma	-	-	-	-	-
Municipality of Piacenza	-	-	-	52	-
Municipality of Reggio Emilia	2	-	-	33	-
Municipality of Turin	-	-	-	20	-
FCT Holding S.p.A.	-	-	-	-	-
FSU - Finanziaria Sviluppo Utilities S.r.l.	-	41	-	-	-
SUBSIDIARIES					
ACAM Acque S.p.A.	3,068	212,354	874	53	-
ACAM Ambiente S.p.A.	955	11,362	1,123	194	-
Acquaenna S.c.p.a.	-	58,386	-	-	-
Agrovoltaica S.r.l.	1	563	-	-	-
Alegas S.r.l.	30	14,736	31	-	-
Alfa Solutions S.p.A.	898	-	843	525	9,082
AMIAT S.p.A.	7,124	81,475	96	3,310	-
AMIAT V. S.p.A.	30	13,572	-	-	-
AMTER S.p.A.	119	12,602	9	44	-
ASM Vercelli S.p.A.	1,637	69,088	29	1,343	-
Asti Energia e Calore S.p.A.	7	2,685	-	4	-
ATENA Trading S.r.l.	113	2,594	1,080	28	-
Bonifica Autocisterne S.r.l.	35	-	1	-	480
Bonifiche Servizi Ambientali S.r.l.	264	-	450	23	16,497
Consorzio GPO	-	-	-	-	2,022
CRCM S.r.l.	11	-	-	-	537
Dogliani Energia S.r.l.	2	2,760	-	-	-
Ekovision S.r.l.	1	202	-	2	-
Formaira S.r.l.	1	82	2	-	-
Futura S.p.A.	4	22,704	4	119	-
I. Blu S.r.l.	449	31,722	-	24	-
Iren Acqua Piacenza S.r.l.	91	-	-	-	1
Iren Acqua Tigullio S.p.A.	537	29,813	1,042	-	-
Iren Acqua Reggio S.r.l.	8,188	102,255	-	-	-
IREN Ambiente S.p.A.	10,044	468,396	9	817	-
IREN Ambiente Parma S.r.l.	1,981	-	1,222	16	16,332
IREN Ambiente Piacenza S.r.l.	1,650	-	4	16	7,112
Iren Ambiente Toscana S.p.A.	56	68,945	-	100	-
IREN Energia S.p.A.	22,894	417,389	2	1,745	-
Iren Green Generation S.r.l.	64	43,044	-	-	-
Iren Green Generation Tech S.r.l.	206	125,500	1,373	-	7
IREN Mercato S.p.A.	21,763	42	15,989	2,913	139,466
Iren Smart Solutions S.p.A.	4,728	247,445	2,164	1,808	-
IRETI S.p.A.	15,282	1,030,947	4,907	1,880	-
Iren Laboratori S.p.A.	879	-	135	14	7,067

Related party transactions

thousands of euro

	Sundry liabilities	Revenue and income	Costs and other charges	Financial income	Financial expense
OWNERS					
Municipality of Genoa	-	-	752	-	-
Municipality of Parma	-	-	-	-	-
Municipality of Piacenza	-	-	91	-	-
Municipality of Reggio Emilia	-	2	187	-	-
Municipality of Turin	-	-	31	-	-
FCT Holding S.p.A.	-	-	-	-	-
FSU - Finanziaria Sviluppo Utilities S.r.l.	-	-	-	-	-
SUBSIDIARIES					
ACAM Acque S.p.A.	351	7,160	225	5,275	-
ACAM Ambiente S.p.A.	445	3,336	246	361	-
Acquaenna S.c.p.a.	633	-	-	1,610	-
Agrovoltaica S.r.l.	-	1	-	2	-
Alegas S.r.l.	820	235	-	399	-
Alfa Solutions S.p.A.	-	1,817	1,278	-	276
AMIAT S.p.A.	2,772	28,128	4,085	2,118	-
AMIAT V. S.p.A.	99	177	-	295	-
AMTER S.p.A.	270	153	44	249	-
ASM Vercelli S.p.A.	187	4,119	1,343	2,047	-
Asti Energia e Calore S.p.A.	9	11	-	88	-
ATENA Trading S.r.l.	-	557	28	116	-
Bonifica Autocisterne S.r.l.	-	65	-	-	17
Bonifiche Servizi Ambientali S.r.l.	549	452	23	-	430
Consorzio GPO	-	-	-	-	73
CRCM S.r.l.	-	11	-	-	10
Dogliani Energia S.r.l.	64	14	-	50	-
Ekovision S.r.l.	17	1	-	6	-
Formaira S.r.l.	12	7	-	-	1
Futura S.p.A.	56	81	119	613	-
I. Blu S.r.l.	2,022	673	292	1,103	-
Iren Acqua Piacenza S.r.l.	-	91	-	-	-
Iren Acqua Tigullio S.p.A.	1,272	1,729	-	705	-
Iren Acqua Reggio S.r.l.	1,496	8,685	180	1,949	1
IREN Ambiente S.p.A.	8,046	35,707	1,441	86,193	-
IREN Ambiente Parma S.r.l.	966	1,960	62	53	342
IREN Ambiente Piacenza S.r.l.	692	1,675	21	-	301
Iren Ambiente Toscana S.p.A.	548	121	100	1,692	-
IREN Energia S.p.A.	11,007	49,822	2,841	82,828	-
Iren Green Generation S.r.l.	235	93	-	802	-
Iren Green Generation Tech S.r.l.	818	925	-	3,224	-
IREN Mercato S.p.A.	2,047	70,958	5,146	30,140	2,063
Iren Smart Solutions S.p.A.	6,375	11,936	2,219	8,422	-
IRETI S.p.A.	-	66,580	2,560	74,078	-
Iren Laboratori S.p.A.	349	2,674	365	-	234

Related party transactions

thousands of euro

	Trade Receivables	Loan assets, Cash and cash equivalents	Sundry assets	Trade Payables	Financial Liabilities
SUBSIDIARIES					
Iren Acqua S.p.A.	4,665	185,647	5,500	329	-
IRETI Gas S.p.A.	6,320	73,694	1,423	-	-
Limes 1 S.r.l.	6	8,561	-	-	1,196
Limes 2 S.r.l.	12	12,326	143	-	1,414
Limes 20 S.r.l.	108	14,436	-	-	-
Maira S.p.A.	13	-	125	-	4,419
Manduriambiente S.p.A.	1	-	162	-	20,391
Nord Ovest Servizi S.p.A.	18	-	-	-	-
ReCos S.p.A.	296	27,575	-	-	-
RE MAT S.r.l	59	3,999	-	-	-
Rigenera Materiali (Ri. Ma.) S.r.l.	136	18,043	-	16	-
Salerno Energia Vendite S.p.A.	204	91,348	-	-	-
San Germano S.p.A.	1,534	37,188	-	1	-
Scarlino Energia S.p.A.	249	17,488	-	163	17,337
SEI Toscana S.r.l.	266	71,125	160	11	-
Semia Green S.r.l.	41	2,553	-	-	-
TB S.p.A.	16	-	63	-	882
Territorio e Risorse S.r.l.	39	20,833	-	-	-
TRM S.p.A.	32	-	-	746	-
Uniproject S.r.l.	6	-	79	-	-
Valdarno Ambiente S.r.l.	22	2,073	-	-	-
Valle Dora Energia S.r.l.	3	12,649	752	-	-
JOINT VENTURES					
Acque Potabili S.p.A.	135	-	-	-	-
EGEA Holding S.p.A.	1,304	-	-	-	-
ASSOCIATES					
Aguas de San Pedro S.A. de C.V.	1	-	-	-	-
ARCA S.r.l.	56	-	-	2	-
ASA S.c.p.a.	34	-	-	-	-
ASA Livorno S.p.A.	62	-	-	-	-
Asti Servizi Pubblici S.p.A.	-	-	-	-	-
CSAI - Centro Servizi Ambientali Impianti S.p.A.	-	-	-	20	-
EGUA S.r.l.	3	-	-	-	-
Mondo Acqua S.p.A.	2	-	-	-	-
Piana Ambiente S.p.A.	62	-	-	-	-
STU Reggiane S.p.A.	8	-	-	-	-
SUBSIDIARIES MUNICIPALITY OF GENOA	-	-	-	1	-
SUBSIDIARIES MUNICIPALITY OF PARMA	-	-	-	-	-
SUBSIDIARIES MUNICIPALITY OF PIACENZA	-	-	-	3	-
SUBSIDIARIES MUNICIPALITY OF REGGIO EMILIA	-	-	-	-	-
SUBSIDIARIES MUNICIPALITY OF TURIN	-	-	4	6	-
	118,827	3,670,242	39,801	16,959	244,243

Related party transactions

thousands of euro

	Sundry liabilities	Revenue and income	Costs and other charges	Financial income	Financial expense
SUBSIDIARIES					
Iren Acqua S.p.A.	2,328	9,655	335	5,129	-
IRETI Gas S.p.A.	-	12,896	1	2,463	-
Limes 1 S.r.l.	62	6	-	295	1
Limes 2 S.r.l.	80	13	-	473	1
Limes 20 S.r.l.	163	142	-	241	-
Maira S.p.A.	9	76	-	-	120
Manduriambiente S.p.A.	473	51	-	-	713
Nord Ovest Servizi S.p.A.	-	6	-	-	-
ReCos S.p.A.	699	623	-	750	-
RE MAT S.r.l	525	59	-	83	-
Rigenera Materiali (Ri. Ma.) S.r.l.	157	143	-	161	-
Salerno Energia Vendite S.p.A.	-	16	-	2,347	-
San Germano S.p.A.	3,084	2,134	224	1,063	-
Scarlino Energia S.p.A.	-	44	-	125	644
SEI Toscana S.r.l.	4,857	158	60	2,237	-
Semia Green S.r.l.	277	41	-	31	-
TB S.p.A.	32	45	-	4	27
Territorio e Risorse S.r.l.	838	238	-	540	-
TRM S.p.A.	708	487	206	-	-
Uniproject S.r.l.	-	6	-	-	-
Valdarno Ambiente S.r.l.	418	22	-	39	4
Valle Dora Energia S.r.l.	18	73	-	433	-
JOINT VENTURES					
Acque Potabili S.p.A.	-	49	-	-	-
EGEA Holding S.p.A.	-	164	-	-	-
ASSOCIATES					
Aguas de San Pedro S.A. de C.V.	-	-	-	-	-
ARCA S.r.l.	-	209	34	-	-
ASA S.c.p.a.	-	34	-	-	-
ASA Livorno S.p.A.	-	34	-	-	-
Asti Servizi Pubblici S.p.A.	-	(7)	-	-	-
CSAI - Centro Servizi Ambientali Impianti S.p.A.	-	-	44	-	-
EGUA S.r.l.	-	3	-	-	-
Mondo Acqua S.p.A.	-	2	-	-	-
Piana Ambiente S.p.A.	-	-	-	-	-
STU Reggiane S.p.A.	-	8	20	-	-
SUBSIDIARIES MUNICIPALITY OF GENOA	-	-	75	-	-
SUBSIDIARIES MUNICIPALITY OF PARMA	-	-	10	-	-
SUBSIDIARIES MUNICIPALITY OF PIACENZA	-	-	1	-	-
SUBSIDIARIES MUNICIPALITY OF REGGIO EMILIA	-	-	-	-	-
SUBSIDIARIES MUNICIPALITY OF TURIN	-	-	183	-	-
	56,886	327,385	24,871	320,831	5,259

Reconciliation of IFRS financial statements with reclassified financial statements (Consob Communication no. 6064293 of 26 July 2006)

thousands of euro

IFRS STATEMENT OF FINANCIAL POSITION		RECLASSIFIED STATEMENT OF FINANCIAL POSITION	
Property, plant and equipment	228,003		
Intangible assets with a finite useful life	113,604		
Investment property	-		
Investments in subsidiaries, associates and joint ventures	2,650,574		
Other equity investments	2,479		
Total (A)	2,994,660	Non-current Assets (A)	2,994,660
Other non-current assets	1,222		
Other non-current liabilities	(1,304)		
Total (B)	(82)	Other non-current assets (Liabilities) (B)	(82)
Inventories	5,643		
Trade receivables	119,019		
Current tax assets	6,337		
Sundry assets and other current assets	72,527		
Trade payables	(122,681)		
Sundry liabilities and other current liabilities	(96,858)		
Current tax liabilities	-		
Total (C)	(16,013)	Net working capital (C)	(16,013)
Deferred tax assets	8,777		
Deferred tax liabilities	-		
Total (D)	8,777	Deferred tax assets (Liabilities) (D)	8,777
Employee benefits	(13,236)		
Provisions for risks and charges	(17,706)		
Provisions for risks and charges - current portion	(128)		
Total (E)	(31,070)	Provisions for risks and employee benefits (E)	(31,070)
		Net invested capital (G=A+B+C+D+E)	2,956,272
Equity (F)	2,286,708	Equity (F)	2,286,708
Non-current financial assets	(3,687,506)		
Non-current financial liabilities	4,272,105		
Total (G)	584,599	Non-current financial debt (G)	584,599
Current financial assets	(483,398)		
Cash and cash equivalents	(225,452)		
Current financial liabilities	793,816		
Total (H)	84,966	Current financial debt (H)	84,966
		Net financial debt (I=G+H)	669,565
		Own funds and net financial debt (F+I)	2,956,272

Reconciliation between total financial debt (ESMA communication of 4 March 2021) and net financial debt

thousands of euro

	31/12/2024	31/12/2023
A. Cash	(225,452)	(281,685)
B. Cash equivalents	-	-
C. Other current financial assets	(450,000)	-
D. Liquidity (A) + (B) + (C)	(675,452)	(281,685)
E. Current financial debt (including debt instruments, but excluding the current portion of non-current financial debt)	744,443	705,462
F. Current portion of the non-current financial debt	49,373	46,579
G. Current financial debt (E + F)	793,816	752,041
H. Net current financial debt (G - D)	118,364	470,356
I. Non-current financial debt (excluding current portion and debt instruments)	1,279,191	1,335,541
J. Debt instruments	2,992,914	2,522,470
K. Commercial and other non-current debt	-	-
L. Non-current financial debt (I + J + K)	4,272,105	3,858,011
M. Total financial debt (H + L)	4,390,469	4,328,367
(-) C. Other current financial assets	450,000	-
(+) Non-current financial assets (statement of financial position item)	(3,687,506)	(3,677,676)
(+) Current financial assets (statement of financial position item net of fair value of commodity derivatives)	(483,398)	(25,433)
Net financial debt	669,565	625,258

Independent auditors' fees

Pursuant to art. 149-duodecies of the Regulation implementing Legislative Decree 58/1998, the fees for the year due to KPMG S.p.A. can be summarised as follows:

thousands of euro

	Statutory audit	Non-audit services		Total
		Services for the purpose of issuing an attestation	Other services	
Iren S.p.A.	298	319	-	617

STATEMENT REGARDING THE SEPARATE FINANCIAL STATEMENTS PURSUANT TO ART. 81-TER OF CONSOB REGULATION NO. 11971 OF 14 MAY 1999 AS SUBSEQUENTLY AMENDED AND SUPPLEMENTED

1. The undersigned Gianluca Bufo, Chief Executive Officer, and Giovanni Gazza, Manager in charge of financial reporting of Iren S.p.A., taking into account the provisions of art. 154-bis, paragraphs 3 and 4, of Legislative Decree 58 of 24 February 1998, hereby certify:
   - the adequacy in relation to the characteristics of the company and
   - the effective application of the administrative and accounting procedures in preparing the separate financial statements during 2024.
2. It is also hereby certified that:

   2.1 the separate financial statements:

   a) are prepared in compliance with the applicable International Financial Reporting Standards endorsed by the European Community pursuant to Regulation (EC) No. 1606/2002 of the European Parliament and Council, of 19 July 2002;

   b) correspond to the results of the books and accounting records;

   c) provide a true and fair representation of the financial position and performance of the Issuer and the group companies included in the consolidation scope;

   2.2 the Directors' Report includes a reliable analysis of the operating performance and results, and of the situation of the issuer and of all companies included in the consolidation scope, together with a description of the major risks and uncertainties to which they are exposed.

24 March 2025

The Chief Executive Officer	Manager in charge of financial reporting under Law 262/05
Gianluca Bufo	Giovanni Gazza

(signed on the original)

Report of the Independent Auditors on the Separate Financial Statements

KPMG S.p.A.
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(The accompanying translated separate financial statements of Iren S.p.A. constitute a non-official version which is not compliant with the provisions of Commission Delegated Regulation (EU) 2019/815. This independent auditors' report has been translated into English solely for the convenience of international readers. Accordingly, only the original Italian version is authoritative.)

Independent auditors' report pursuant to article 14 of Legislative decree no. 39 of 27 January 2010 and article 10 of Regulation (EU) no. 537 of 16 April 2014

To the shareholders of
Iren S.p.A.

Report on the audit of the separate financial statements

Opinion

We have audited the separate financial statements of Iren S.p.A. (the "company"), which comprise the statement of financial position as at 31 December 2024, the income statement and the statements of comprehensive income, changes in equity and cash flows for the year then ended and notes thereto, which include material information on the accounting policies.

In our opinion, the separate financial statements give a true and fair view of the financial position of Iren S.p.A. as at 31 December 2024 and of its financial performance and cash flows for the year then ended in accordance with the IFRS Accounting Standards issued by the International Accounting Standards Board and endorsed by the European Union, as well as the Italian regulations implementing article 9 of Legislative decree no. 38/05.

Basis for opinion

We conducted our audit in accordance with the International Standards on Auditing (ISA Italia). Our responsibilities under those standards are further described in the "*Auditors' responsibilities for the audit of the separate financial statements*" section of our report. We are independent of the company in accordance with the ethics and independence rules and standards applicable in Italy to audits of financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in the audit of the separate financial statements of the current year. These matters were addressed in the context of our audit of the separate financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Recoverability of the carrying amount of investments in subsidiaries

Notes to the separate financial statements: note II "Accounting policies" and note 3 "Investments in subsidiaries, joint ventures and associates"

Key audit matter	Audit procedures addressing the key audit matter
The separate financial statements at 31 December 2024 include investments in subsidiaries of €2,564 thousand, accounting for approximately 34% of total assets. Considering the current structure of the Iren Group, the assessment of the recoverability of the carrying amount of investments in subsidiaries recognised in the company's separate financial statements coincides with the assessment of the recoverability of the carrying amount of goodwill performed for the purposes of the consolidated financial statements, because the company's subsidiaries and related investees are organised in individual business unites that make up the cash-generating units (CGUs) or groups of CGUs identified for the purposes of testing goodwill for impairment. The directors have calculated the subsidiaries' estimated recoverable amount, based on their value in use, using the discounted cash flow model and the cash flows derived from the business plan approved by the company's board of directors on 25 June 2024 (the "plan"), updated based on the 2025 budget forecasts and with an explicit horizon until 2027. The model is very complex and entails the use of estimates which, by their very nature, are uncertain and subjective, about: • the expected cash flows, calculated by taking into account the general economic performance and that of the subsidiaries' sector, the actual cash flows for recent years and the projected growth rates; • the financial parameters used to calculate the discount rate. For the above reasons, we believe that the recoverability of the carrying amount of investments in subsidiaries is a key audit matter.	• Analysing the process adopted by the company to prepare the impairment test. • Analysing the criteria used to identify the CGUs and/or groups of CGUs and trace their carrying amounts to the separate financial statements. • Assessing the consistency of the cash flows used for impairment testing with the cash flows forecast in the plan. • Checking any discrepancies between the previous year business plans' figures and actual figures, in order to check the accuracy of the estimation process adopted by the directors; • Analysing the expected cash flows and the reasonableness of the main assumptions used to calculate the groups of CGUs' and/or CGUs' value in use. • Involving experts in the assessment of the reasonableness of the valuation models and related assumptions. • Assessing the appropriateness of the disclosures provided in the notes.

Responsibilities of the company's directors and board of statutory auditors ("Collegio Sindacale") for the separate financial statements

The directors are responsible for the preparation of separate financial statements that give a true and fair view in accordance with the IFRS Accounting Standards issued by the International Accounting Standards Board and endorsed by the European Union, as well as the Italian regulations implementing article 9 of Legislative decree no. 38/05 and, within the terms established by the Italian law, for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Iren S.p.A.
Independent auditors' report
31 December 2024

The directors are responsible for assessing the company's ability to continue as a going concern and for the appropriate use of the going concern basis in the preparation of the separate financial statements and for the adequacy of the related disclosures. The use of this basis of accounting is appropriate unless the directors believe that the conditions for liquidating the company or ceasing operations exist, or have no realistic alternative but to do so.

The *Collegio Sindacale* is responsible for overseeing, within the terms established by the Italian law, the company's financial reporting process.

Auditors' responsibilities for the audit of the separate financial statements

Our objectives are to obtain reasonable assurance about whether the separate financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISA Italia will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these separate financial statements.

As part of an audit in accordance with ISA Italia, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- identify and assess the risks of material misstatement of the separate financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control;
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors;
- conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the separate financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the company to cease to continue as a going concern;
- evaluate the overall presentation, structure and content of the separate financial statements, including the disclosures, and whether the separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance, identified at the appropriate level required by ISA Italia, regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with the ethics and independence rules and standards applicable in Italy and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, the measures taken to eliminate those threats or the safeguards applied.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the separate financial statements of the current year and are, therefore, the key audit matters. We describe these matters in our auditors' report.

Other information required by article 10 of Regulation (EU) no. 537/14

On 13 June 2019, the company's shareholders appointed us to perform the statutory audit of its separate and consolidated financial statements as at and for the years ending from 31 December 2021 to 31 December 2029.

We declare that we did not provide the prohibited non-audit services referred to in article 5.1 of Regulation (EU) no. 537/14 and that we remained independent of the company in conducting the statutory audit.

We confirm that the opinion on the separate financial statements expressed herein is consistent with the additional report to the *Collegio Sindacale*, in its capacity as audit committee, prepared in accordance with article 11 of the Regulation mentioned above.

Report on other legal and regulatory requirements

Opinion on the compliance with the provisions of Commission Delegated Regulation (EU) 2019/815

The company's directors are responsible for the application of the provisions of Commission Delegated Regulation (EU) 2019/815 with regard to regulatory technical standards on the specification of a single electronic reporting format (ESEF) to the separate financial statements at 31 December 2024 to be included in the annual financial report.

We have performed the procedures required by Standard on Auditing (SA Italia) 700B in order to express an opinion on the compliance of the separate financial statements with Commission Delegated Regulation (EU) 2019/815.

In our opinion, the separate financial statements at 31 December 2024 have been prepared in XHTML format in compliance with the provisions of Commission Delegated Regulation (EU) 2019/815.

Opinion and statement pursuant to article 14.2.e)/e-bis)/e-ter) of Legislative decree no. 39/10 and article 123-bis.4 of Legislative decree no. 58/98

The company's directors are responsible for the preparation of a directors' report and a report on corporate governance and ownership structure at 31 December 2024 and for the consistency of such reports with the related separate financial statements and their compliance with the applicable law.

We have performed the procedures required by Standard on Auditing (SA Italia) 720B in order to:

- express an opinion on the consistency of the directors' report and certain specific information presented in the report on corporate governance and ownership structure required by article 123-bis.4 of Legislative decree no. 58/98 with the separate financial statements;

- express an opinion on the compliance of the directors' report, excluding the section that includes the consolidated sustainability statement, and certain specific information presented in the report on corporate governance and ownership structure required by article 123-bis.4 of Legislative decree no. 58/98 with the applicable law;
- issue a statement of any material misstatements in the directors' report and certain specific information presented in the report on corporate governance and ownership structure required by article 123-bis.4 of Legislative decree no. 58/98.

In our opinion, the directors' report and the specific information presented in the report on corporate governance and ownership structure required by article 123-bis.4 of Legislative decree no. 58/98 are consistent with the company's separate financial statements at 31 December 2024.

Moreover, in our opinion, excluding the section which includes the consolidated sustainability statement, the directors' report and the specific information presented in the report on corporate governance and ownership structure required by article 123-bis.4 of Legislative decree no. 58/98 have been prepared in compliance with the applicable law.

With reference to the above statement required by article 14.2.e-ter) of Legislative decree no. 39/10, based on our knowledge and understanding of the entity and its environment obtained through our audit, we have nothing to report.

Our opinion on compliance with the applicable law does not extend to the directors' report's section which includes the consolidated sustainability statement. Our conclusion on the compliance of this section with the legislation governing its preparation and with the disclosure requirements of article 8 of Regulation (EU) 2020/852 is included in the assurance report prepared in accordance with article 14-bis of Legislative decree no. 39/10.

Turin, 2 April 2025

KPMG S.p.A.

(signed on the original)

Fabio Monti
Director of Audit

Report of the Board of Statutory Auditors to the Shareholders' Meeting

"***Report of the Board of Statutory Auditors to the Annual Shareholders' Meeting pursuant to Art. 153 of Legislative Decree No. 58 of 24 February 1998 (TUF) and Art. 2429, paragraph 2, of the Italian Civil Code"***

To the Annual Shareholders' Meeting of Iren S.p.A.

Introduction: legislative, regulatory and professional ethics sources

The Board of Statutory Auditors was appointed by the Shareholders at the Shareholders' Meeting held on 27 June 2024, until such time as the Shareholders' Meeting is held to approve the financial statements for the year ending 31 December 2026, on the basis of two lists submitted, namely: (i) list 1, submitted by the Shareholders "Finanziaria Sviluppo Utilities" (FSU S.r.l.), "Finanziaria Città di Torino Holding S.p.A." (FCT Holding S.p.A.), Municipality of Reggio Emilia (as duly indicated in the published list), holders of a total of 1,016,654,954 voting rights equal to 49.67% of the total voting rights (2,046,851,963) voted by the majority; (ii) list 2, submitted, under the umbrella of Assogestioni, by several Italian and foreign asset management companies, on behalf of their mutual funds, holding a total of 39,561,503 voting rights equal to 4.70% of the total voting rights.

The Auditors elected from the majority list are: Ugo Ballerini, Donatella Busso and Simone Caprari (standing members) and Lucia Tacchino (alternate member); the auditors elected from the minority list are Sonia Ferrero and Fabrizio Riccardo Di Giusto (standing members) and Carlo Bellavite Pellegrini (alternate member).

The Shareholders' Meeting also appointed Sonia Ferrero as Chairman of the Board of Statutory Auditors for FYs 2024, 2025 and 2026.

Pursuant to the TUF and Italian Legislative Decree No. 39/2010, the engagement for the statutory audit was assigned to KPMG S.p.A. by the Shareholders' Meeting of 13 June 2019 for the period 2021-2029. The assignment also included the asseveration of the sustainability disclosure, pursuant to article 3, paragraph 10 of Legislative Decree no. 254/2016. Pursuant to articles 8 and 18, paragraph 1 of Legislative Decree no. 125 of 6 September 2024, KPMG S.p.A. was appointed to perform the limited assurance engagement of Iren Group's consolidated sustainability report for the year ended 31 December 2024, presented in the specific section of the Report on Operations.

During FY 2024, the Board of Statutory Auditors, also in its capacity as Internal Control and Audit Committee, carried out the supervisory activities required by law (and, in particular, by article 149 of the TUF), by the Rules of Conduct of the Boards of Statutory Auditors of listed companies issued by the Consiglio Nazionale dei Dottori Commercialisti e degli Esperti Contabili (Italian Professional Order of Tax Advisors), by CONSOB recommendations on corporate controls and the activities of the Board of Statutory Auditors (in particular, Communication no. DAC/RM 97001574 of 20 February 1997 and communication no. DEM 1025564 of 6

April 2001, subsequently supplemented by communication no. DEM/3021582 of 4 April 2003 and communication no. DEM/6031329 of 7 April 2006) and by the indications contained in the Corporate Governance Code (January 2020), to which the Company adhered by resolution of the Board of Directors on 18 December 2020.

Supervision of compliance with the law and the articles of association

During the financial year ended 31 December 2024, the Board of Statutory Auditors monitored compliance with the law and the Articles of Association in force, as well as compliance with the principles of proper management.

To this end, the Board of Statutory Auditors made use of the information flows put in place by the Company, which are deemed suitable to ensure that the Statutory Auditors can verify the compliance of the organisational structure, internal procedures, corporate acts and resolutions of the corporate bodies with the applicable laws, statutory provisions and regulations.

In order to carry out its audits, the Board of Statutory Auditors held a total of 19 meetings in 2024 (of which 7 in its previous composition and 12 in its current composition), in one case jointly with the Control, Risks and Sustainability Committee, and received information from the heads of the various corporate departments.

In addition, the Board of Statutory Auditors:

- attended the only Shareholders' Meeting;
- attended Board meetings (a total of 17 during 2024);
- attended all meetings of the Control, Risks and Sustainability Committee (a total of 18 in 2024);
- attended Appointments and Remuneration Committee meetings (a total of 15 in 2024);
- attended Related Party Transactions Committee meetings (a total of 8 in 2024).

Supervision of compliance with the principles of proper management

The Board of Statutory Auditors reports that, also through its attendance of Board of Directors' meetings, it obtained from the directors, in compliance with the periodicity required by law, the due information on the activities performed and on the most significant economic, equity and financial transactions carried out by the Company and the Group.

Based on the information thus obtained by the Board of Statutory Auditors, the resolutions passed and the transactions consequently implemented comply with the law and the Articles of Association and do not show any potential conflicts of interest with the Company, are not manifestly imprudent, risky, atypical or unusual, nor do they conflict with the decisions taken by the Shareholders' Meeting or such as to compromise the integrity of the Company's assets or conflict with the Company's interests.

The Board of Statutory Auditors believes that the principles of proper management have been respected and, on the basis of the information acquired, considers that the management choices are inspired by the principle of correct information and reasonableness.

The Board of Statutory Auditors would like to draw the Shareholders' Meeting's attention to a number of significant events that occurred during FY 2024.

With regard to Paolo Signorini (Chief Executive Officer and General Manager from 30 August 2023 to 7 May 2024 and Director until 27 June 2024), during its meeting of 25 June 2024, the Board of Directors resolved to dismiss Paolo Signorini from his role as Senior Manager of Iren S.p.A. for just cause, due to the objective incompatibility of his work performance with the contingent situation that had arisen. The precautionary detention measures taken against Mr. Signorini on 7 May 2024, in connection with the investigation by the Public Prosecutor's Office of Genoa and confirmed even after the requests made by his defence, resulted in fact, in the irreversible and therefore no longer merely temporary impossibility of exercising his functions of Senior Manager of Iren S.p.A. The Board of Directors therefore confirmed the organisational configuration approved at the extraordinary meeting called on 7 May (immediately after having learnt of the measures taken in respect of Mr Signorini, limiting his personal freedom), which saw the temporary reallocation of the powers previously held by the former Chief Executive Officer to the other two Delegated Bodies, with the aim of ensuring stability and continuity in corporate management.

On 27 June 2024, the Shareholders' Meeting of IREN, on the proposal of the shareholder FSU S.r.l., appointed Prof. Paola Girdinio as a member of the Board of Directors of the Company, to replace Director Paolo Signorini (co-opted pursuant to article 2386(1) of the Italian Civil Code by the Board of Directors on 30 August 2023 and therefore in office until the "next Shareholders' Meeting" coinciding, in terms of time, with that of 27 June 2024).

Iren has also carried out two specific audits, one by the internal function in charge as soon as the news of the precautionary detention order against Mr. Signorini was acquired, and one by an independent and qualified advisor, in order to thoroughly analyse the activities carried out by Mr. Signorini in Iren (from the date of his appointment until his arrest), and to assess the correctness of his work, taking into account the proxies and powers attributed to him. On the basis of the results of the aforementioned specific audits, no circumstances have arisen such as to have a material impact on the company's economic and financial situation or critical issues with regard to the maintenance of the internal control system.

The Board of Statutory Auditors concurred with the decision to carry out the described audits (both by the appointed corporate department and by the appointed external consultant) and, in consideration of the results of said audits, conducted specific in-depth examinations from which no circumstances emerged that needed to be reported to this Shareholders' Meeting. However, it was agreed with the Delegated Bodies to carry out an induction activity for the Board of Directors and the Board of Statutory Auditors on the subject of independence and interest in the boards of listed companies.

As regards the 'EGEA Transaction', the Board of Statutory Auditors, in recalling the more extensive information provided in the Directors' Report, points out that on 1 August 2024, Iren S.p.A. finalised the acquisition of 50% of the share capital of EGEA Holding S.p.A., a newly incorporated company into which the operating branches of EGEA S.p.A., EGEA Commerciale S.r.l. and EGEA Produzioni e Teleriscaldamento S.r.l. were previously transferred. ("EGEA PT"), as part of the negotiated crisis settlement procedure pursuant to Italian Legislative Decree No. 14/2019 (the "Crisis Code") of the same companies. The acquisition took place through a contribution of 85 million euro, consisting of a capital increase of 25,000 euro and a share premium of 84,975,000 euro. The other 50% of the company is held by MidCo 2024 S.r.l., which is wholly owned by EGEA S.p.A..

Under the terms of the investment agreement, Iren also has (*i*) a call option on the shareholding in MidCo 2024 S.r.l. with a duration of four years, exercisable as from 31 March 2025; (*ii*) the right, as from 1 January 2025, to subscribe a reserved capital increase of 42.5 million euro, already resolved by the EGEA Holding shareholders' meeting, which would bring Iren's stake up to 60% of EGEA Holding, in order to pursue further development investments, mainly in the district heating and integrated water service sectors. In this regard, on 12 November 2024, the Board of Directors of Iren S.p.A. resolved to exercise, starting 1 January 2025, the right to subscribe and pay up the above-mentioned capital increase up to a maximum of 20 million euro (5,882 euro of share capital plus 19,994,118 euro in premium), to be exercised also in several tranches, such as to bring Iren's shareholding in EGEA Holding up to 55.26%, for the purpose of financing the development of the PNRR project relating to district heating in Alessandria, to be implemented through Telenergia S.r.l., a subsidiary of EGEA Holding.

The transaction aims to re-launch EGEA industrial activities, mainly regulated, integrating them into the business portfolio while guaranteeing employment levels, and to expand and develop the presence of Iren in the lower Piedmont region in a manner compatible with the Group's financial sustainability targets.

For all other significant transactions, the Board of Statutory Auditors refers to the Directors' Report.

With regard to significant events occurring after 31 December 2024, the Statutory Auditors acknowledge the full consolidation of EGEA Holding, following the resolution of the Board of Directors on 12 November 2024 to exercise, as of 1 January 2025, the right to subscribe and pay up the capital increase in EGEA Holding reserved for the same, up to a maximum of 20 million euro (5,882 euro in share capital plus a share premium of 19,994,118 euro), to be exercised in several tranches. Following the acquisition of the Antitrust and Golden Power clearances, on 10 January 2025, Iren S.p.A. subscribed and paid in the capital increase in the amount of 10 million euro (2,941 euro of share capital plus 9,997,059 euro of share premium), coming to hold a total of 52.77%. On the same date, EGEA Holding's shareholders' meeting was held, which resolved to appoint a new board member upon nomination by Iren, which now appoints four members of EGEA Holding's board out of the total seven, resulting in the control and consequent full consolidation of EGEA Holding and its subsidiaries.

Finally, the Board of Statutory Auditors notes that on 16 January 2025, Iren S.p.A. placed its first "Hybrid Bond", with a nominal value of 500 million euro, issued in a single tranche for the entire amount: the settlement date is 23 January 2025. As set forth in the relevant terms and conditions, it is a non-convertible, subordinated, perpetual financial instrument payable only in the event of dissolution or liquidation of the Company. The fixed annual coupon, payable annually in arrears in April starting in April 2025, is 4.5% and will be paid until the first reset date of 23 April 2030. From that date, unless fully redeemed, the security will accrue interest equal to the five-year Euro Mid Swap rate, increased by an initial margin of 221.2 basis points. The margin will increase by 25 basis points from 2035 and by a further 75 basis points from 2050, for a cumulative amount of 100 basis points. The issue price was set at 99.448% and, therefore, the effective yield at the first reset date is 4.625% per annum. The securities, which are intended for qualified investors, are listed on the regulated market of the Irish Stock Exchange (Euronext Dublin) and have been assigned a BB+ rating by the agencies Standard & Poor's Global Ratings and Fitch Ratings as well as an equity content of 50%. The transaction, which received requests for subscriptions almost eight times greater than the amount offered, totalling orders for 4 billion euro, is aimed at further strengthening the Group's capital structure and supporting its financial flexibility, and is consistent with Iren's growth strategy aimed at the integration of EGEA, new potential development opportunities for external lines and the realisation of the investments envisaged in the Industrial Plan, confirming Iren's commitment to maintaining its current investment grade rating.

Supervision of the adequacy of the organisational set-up

In the course of its audits, the Board of Statutory Auditors monitored the adequacy of the organisational set-up - in terms of structure, procedures, competences and responsibilities - to the size of the Company and the nature and pursuit of its corporate purpose.

In this regard, the Board of Statutory Auditors believes that, to the extent of its competence, this organisational structure is, on the whole, adequate.

More specifically, the Statutory Auditors recall that on 10 September 2024, the Board of Directors of Iren S.p.A. co-opted, by resolution approved by the Board of Statutory Auditors (pursuant to art. 2386, paragraph 1, Italian Civil Code, in replacement of Tiziana Merlino, who resigned as Director as of 1 September 2024) Gianluca Bufo as new Board Member, also appointing him as Chief Executive Officer and General Manager of the Company, with the conferral of the relevant proxies and powers. The administrative body of the Company, with the appointment of Gianluca Bufo, made an "internal" choice, given the latter's position as a key manager within the Group in relation to his role as Director of the Market Business Unit and Director of Energy Management of Iren S.p.A., as well as CEO of Iren Mercato S.p.A.. On the same date, the Board of Directors defined the structure of proxies and powers among Iren S.p.A.’s executive directors, establishing it in line with the one prior to 7 May 2024. On the same date, the composition of the Control, Risks and Sustainability Committee was also reconstituted with the appointment of Director Prof. Paola Girdinio, to replace Tiziana Merlino, who resigned from her position as Director.

The Board of Statutory Auditors recalls that the Board of Directors is responsible for establishing the organisational structure of the company, defining the corporate structure of the group, and verifying the existence of the internal controls necessary to monitor the performance of the company and the group. The Report on Operations, to which reference is made, explains these aspects in detail.

The Board of Statutory Auditors reports that it has supervised the organisational and procedural activities implemented pursuant to Legislative Decree No. 231/2001, verifying the updating of the 231 Model and maintaining a periodic exchange of information with the Supervisory Board. The Board of Statutory Auditors also examined the half-yearly report and the annual report of the Supervisory Board for 2024, on which it has no observations to make.

Supervision of the adequacy of the internal control system

The Board of Statutory Auditors has verified that the Company has put in place an internal control and risk management system, also with reference to the Group, aimed at enabling the identification, measurement, management and monitoring of the main corporate risks.

In particular, the Board of Statutory Auditors notes that risks are detected and assessed in the Company's Enterprise Risk Management (ERM) process, in order to ensure the identification of appropriate controls of the organisation's main risks, which are also monitored by the Control, Risk and Sustainability Committee and periodically (at least once a year) submitted to the Board of Directors, which takes them into account when developing strategy.

In order to supervise the adequacy of the Company's internal control system, the Board of Statutory Auditors liaised and coordinated with the Risk and Sustainability Control Committee, the Directors with delegated powers, the head of the Internal Audit Department, the head of the Risk Management Department and the Supervisory Board.

The Board of Statutory Auditors attended the meetings of the Appointments and Remuneration Committee, acquiring useful information for the exercise of its supervisory activities.

The Board of Statutory Auditors also notes that the Control, Risks and Sustainability Committee operated in accordance with the provisions of the Corporate Governance Code. The cooperation with the Control, Risks and Sustainability Committee was fruitful and effective and, among other things, made it possible to coordinate the respective activities and ensured a joint assessment and effective coordination of the overall internal control and risk management system.

The Board of Statutory Auditors reviewed the half-yearly reports of the Internal Audit Department on its activities during 2024 and the audit reports.

The Statutory Auditors carried out their own checks on the process of preparing the half-yearly financial report and the annual financial statements and assessed, through periodic meetings with the auditors, the adequacy of the accounting statements and their consistency for the purposes of the half-yearly financial report and the annual financial statements.

The Board of Statutory Auditors also reports that, in compliance with Law 179/2017 on "Provisions for the protection of whistleblowers making reports of offences or irregularities of which they have become aware in the context of a public or private employment relationship" (referred to as the "Whistleblowing Law"), the Company has implemented an appropriate global and integrated group-wide whistleblowing system, with the aim of detecting and promptly handling any unlawful conduct and/or violations concerning suspicious conduct that does not comply with the Company's Code of Ethics.

The Board of Statutory Auditors met with the person responsible for activities related to the General Data Protection Regulation (EU) 2016/679 (GDPR) and reviewed the related periodic reports.

Furthermore, the Board of Statutory Auditors, in its capacity as the Internal Control and Audit Committee, not only established a continuous flow of information with the Risk and Sustainability Control Committee, but also held regular meetings with the independent auditors, taking note of the certification issued by the latter on the absence of significant deficiencies in the internal control system.

The Report on Corporate Governance and Ownership Structure for FY 2024 gives an account of the conclusions reached by the Directors regarding the confirmation of the adequacy and effectiveness of the organisational, administrative and accounting structure of the Company and its main subsidiaries.

The Directors prepared the Report on Remuneration Policy and Compensation Paid, which was approved by the Board of Directors on 1 April 2025. In this context, the Directors explained the principles adopted for determining the remuneration of the members of the management and control bodies and of key managers. Furthermore, the same report contains the table relating to the remuneration paid to the members of the board of directors and control bodies and to other key managers, as well as the table relating to the information on the shareholdings in the company's capital held by them.

The Board of Statutory Auditors, in consideration of the supervisory activities carried out, and taking into account the assessments of the adequacy, effectiveness and actual functioning of the internal control system formulated by the Risk and Sustainability Control Committee and the Board of Directors, considers, to the extent of its competence, that this system is, on the whole, adequate.

Supervision of the adequacy of the administrative accounting system and the statutory audit activities

The Board of Statutory Auditors monitored the Company's administrative and accounting system and its reliability in correctly representing management events, by obtaining information from the Financial Reporting Manager and the heads of the relevant departments, by examining the documentation prepared by the Company and by analysing the work carried out by the independent auditing firm.

In particular, the Board of Statutory Auditors notes that the Financial Reporting Manager has issued the certification that the financial statements provide a true and fair view of the financial position, results of operations and cash flows of the Company and the investees included in the scope of consolidation. On the basis of the information obtained, the declarations made by the Financial Reporting Manager are complete.

The Board of Statutory Auditors, in consideration of the supervisory activities carried out, and taking into account the assessments of the adequacy, effectiveness and actual functioning of the organisational, administrative and accounting structure formulated by the Board of Directors, considers, to the extent of its competence, that this system is, as a whole, adequate and reliable in representing management events.

During the financial year ended 31 December 2024, the Board of Statutory Auditors met regularly with the auditing company, KPMG S.p.A., for the purpose of exchanging relevant data and information pursuant to article 150, paragraph 3 of the TUF.

At these meetings, the independent auditing firm did not communicate any facts or anomalies of such significance that they should be reported in this report.

The supervision of the auditing activity referred to in article 19 of Legislative Decree no. 39 of 27 January 2010, was conducted by the Board of Statutory Auditors in the context of the aforementioned meetings with the appointed independent auditing firm, which illustrated the quarterly audits performed and their results, the auditing strategy, as well as the key issues encountered in the performance of the activity. These meetings did not reveal any critical issues that would affect the Company's individual financial statements or the consolidated financial statements.

The Board of Statutory Auditors also assessed the work plan prepared by KPMG S.p.A., finding it appropriate to the characteristics and size of the Group, and monitored the effectiveness of the statutory audit process, noting that it was carried out in accordance with the audit plan and according to the International Standards on Auditing applicable in Italy (ISA Italia).

The reports of the company KPMG S.p.A. on the annual and consolidated financial statements were issued, pursuant to article 14 of Legislative Decree no. 39 of 27 January 2010, and 10 of Regulation (EU) no. 537 of 16 April 2014, on 2 April 2025.

With regard to opinions and attestations, the independent auditing firm has:

- issued an opinion stating that the separate and consolidated financial statements of Iren S.p.A. give a true and fair view of the financial position of Iren and the Group as of 31 December 2024, of the results of operations and of cash flows for the year then ended in accordance with the International Financial Reporting Standards issued by the International Accounting Standards Board and adopted by the European Union, as well as with the measures issued in implementation of article 9 of Legislative Decree no. 38/2005;

- issued an opinion on the consistency of the report on operations and the specific information contained in the Report on Corporate Governance and Ownership Structure indicated in article 123-*bis*, paragraph 4, of Legislative Decree No. 58/1998 with the consolidated financial statements of Iren Group as of 31 December 2024;

- Issued an opinion on the compliance of the Report on Operations, excluding the section on consolidated sustainability reporting, and the specific information contained in the Report on Corporate Governance and Ownership Structure indicated in article 123-*bis*, paragraph 4, of Legislative Decree No. 58/1998 with legal requirements. However, this opinion of compliance with the law does not extend to the section of the report on operations relating to the consolidated sustainability report, the conclusions of which are formulated in the certification report pursuant to article 14-*bis* of Legislative Decree No. 39/2010 by KPMG S.p.A.;

- reported nothing to be reported with reference to the statement referred to in article 14, paragraph 2, letter e-*ter*), of Legislative Decree no. 39/2010, issued on the basis of the knowledge and understanding of the company and its context acquired in the course of the audit activity.

The audit report also includes an indication of the key aspects of the audit, in relation to which, however, no separate opinion is expressed, as they were addressed in the audit and in forming the opinion on the financial statements as a whole.

The Board of Statutory Auditors notes that article 154-*ter*, paragraph 1.1, of the TUF (effective as of 1 February 2022), requires the directors to take care of the application of the provisions of Commission Delegated Regulation (EU) 2019/815 of 17 December 2018 (the "ESEF Regulation"). Paragraph 1.2 of the aforementioned article 154-*ter* (also effective as of 1 February 2022) also provided that the independent auditing firm, in its audit report pursuant to article 14 of Legislative Decree No. 39/2010, shall express an opinion on the compliance of the draft financial statements and the consolidated financial statements, included in the annual financial report, with the provisions of the ESEF Regulation.

The Board of Statutory Auditors monitored the application of the provisions of the ESEF Regulation by the Directors and confirms that the auditors have issued an opinion on the conformity of the draft annual financial statements and the consolidated financial statements, included in the annual financial report, with the provisions of the ESEF Regulation.

On 2 April 2025, the independent auditors also submitted to the Board of Statutory Auditors, in its capacity as Internal Control and Accounts Auditing Committee, the additional report required by article 11 of Regulation (EU) No. 537/2014, from which no significant shortcomings in the internal control system in relation to the financial reporting process were found to be worthy of being brought to the attention of those responsible for governance activities. The Board of Statutory Auditors shall inform the Company's Board of Directors of the results of the statutory audit, transmitting for this purpose the additional report, accompanied by any observations, pursuant to article 19 of Legislative Decree No. 39/2010. With regard to the previous year, the Board of Statutory Auditors informed the Board of Directors about the results of the statutory audit, as required by law.

As an annex to the additional report referred to in the previous paragraph, the auditing firm submitted to the Board of Statutory Auditors the declaration of independence, as required by article 6 of Regulation (EU) no. 537/2014, from which no situation emerged that could compromise its independence. Finally, the Board of Statutory Auditors took note of the transparency report prepared by the independent auditing firm and published on its website pursuant to article 18 of Legislative Decree no. 39/2010.

The Board of Statutory Auditors stresses that further tasks entrusted to the independent auditing firm are governed by a separate Guideline "Entrusting of assignment to the independent auditing firm" in compliance with the reference legislation. The amounts are shown in the Notes to the Separate Financial Statements and in the Notes to the Consolidated Financial Statements under the heading “Independent Auditors’ Fees”, where those relating to statutory audit services and those relating to services other than statutory audit services (services aimed at issuing a certification, which also include the certification of sustainability reporting pursuant to article 81-*ter*, paragraph 1, of Consob Regulation No. 11971 of 14 May 1999, as amended and supplemented) are indicated separately.

The Board of Statutory Auditors confirms that the latter do not exceed the limits laid down in the relevant regulations.

Following operations pursued during the year - that, in particular, increased the size of the Group with the entry of new companies - or other dynamics, resulting in the need to change (increasing or decreasing) the object and/or scope of the statutory or accounts auditing services, the Board of Directors - in accordance with the provisions of the Framework Agreement entered into with KPMG on 25 November 2019 and subsequently supplemented -, resolved on the signing, also on behalf of the affected consolidated subsidiaries as at 31 December 2024, of a supplementary agreement that, by way of acknowledgement, accounts for an increase in the fees in favour of the independent auditing firm to take into account, amongst other aspects, the above change in the scope and the audit scope. The individual subsidiaries engaged KPMG by means of special acts of engagement, following resolutions by the competent bodies.

Taking into account the declaration of independence issued by KPMG S.p.A., the fact that the value of the non-audit assignments does not exceed the limit provided for in article 4 of Regulation (EU) 537/14, and the fact that no assignments have been given to companies belonging to its network by the Company and the Group companies, we consider that there are no critical aspects regarding the independence of KPMG S.p.A. (also as sustainability auditor).

The statutory auditor also declared that no non-audit services were provided as are prohibited under article 5, paragraph 1, of Regulation (EU) 537/2014.

<u>Supervision of consolidated sustainability reporting (CSRD)</u>

In recent years, the European Union has undertaken a series of reforms with the aim of achieving a leading position in sustainable transition compared to the rest of the world. With its commitment to climate neutrality to be achieved by 2050, the arrival of the structural measures linked to the Industrial Green Deal and the presentation of the roadmap for Sustainable Finance by the EBA (European Banking Authority), Europe is working towards the creation of an increasingly sustainable economic-financial system, aimed at making companies aware of and responsible for their impact on the planet. In the context of the European Green Deal is the approval and publication on 16 December 2022 in the EU Official Journal of Directive No. 2022/2464 on the Corporate Sustainability Reporting Directive (CSRD). The CSRD amended Directive 2013/34/EU on the disclosure of non-financial information for large companies. Italy implemented the Directive with Legislative Decree No. 125 of 6 September 2024, which was published in the Official Journal on 10 September 2024 and entered into force on 25 September 2024. (hereinafter, “Legislative Decree No. 125/2024”).

The main objective of CSRD is to improve sustainability reporting, thus not only equating the relevance of ESG results with those reported in traditional statutory financial statements, but also recognising their natural connection.

The Sustainability Statement has been included in the Report on Operations of the consolidated financial statements, in order to ensure greater integration between financial and non-financial information.

In order to ensure greater comparability between disclosures, it was necessary to adopt the ESRS (European Sustainability Reporting Standard, the development of which is entrusted to the EFRAG - European Financial Reporting Advisory Group).

A sustainability matter is material for a company when it fulfils the criteria defined for either impact materiality or financial materiality or both: companies are obliged to provide sustainability information both on the impact of their activities on people and the environment (inside-out approach) and on how sustainability factors affect them and their results (outside-in approach), with an approach defined as 'double materiality'.

Legislative Decree No. 125/2024 amended Legislative Decree No. 58/1998, adding paragraph 5-*ter* to article 154-*bis*, which provides that the delegated administrative bodies and the Financial Reporting Manager shall certify, in a specific report, that the sustainability statement included in the Report on Operations has been prepared in accordance with the reporting standards applied pursuant to Directive 2013/34/EU of the European Parliament and of the Council of 26 June 2013 and the legislative decree adopted in implementation of article 13 of Law no. 15 of 21 February 2024 and with the specifications adopted pursuant to article 8, paragraph 4 of Regulation (EU) 2020/852 of the European Parliament and of the Council of 18 June 2020. The same attestation may be rendered by a manager other than the Financial Reporting Manager, with specific skills in sustainability reporting, appointed, subject to the mandatory opinion of the control body, in accordance with the procedures and in compliance with the professionalism requirements set out in the Articles of Association.

The Board of Statutory Auditors acknowledges that the Company, in its meeting of 18 December 2024, amended the Articles of Association, introducing article 33-bis (entitled 'Manager in charge of certifying the compliance of sustainability reporting'), to provide for and regulate the Company's right to appoint a manager other than the Financial Reporting Manager to certify the Sustainability Report. On the same date, the Board of Directors, with the favourable opinion of the Board of Statutory Auditors, then appointed the Group's Sustainability Manager, Selina Xerra, as the Manager in charge of certifying the compliance of sustainability reporting.

The Board of Statutory Auditors also notes that the responsibility for ensuring that the report is prepared and published in accordance with the law lies with the directors.

The supervisory body must monitor compliance with the provisions of Legislative Decree No. 125/2024.

As part of this activity, the Board of Statutory Auditors monitored the existence of an adequate organisational, administrative, reporting and control system set up by the Company to enable a correct and complete representation of the sustainability report. To this end, the Board met with the manager in charge of sustainability and part of the working party involved in the process of drafting the sustainability report , acquiring information on the materiality analysis carried out by the Company to define the areas of the sustainability report relevant to Iren Group, the involvement of subsidiaries, the procedures and operational tools adopted to collect data/information and their subsequent analysis, control and consolidation.

The Executive Deputy Chairman (as the delegated body in this regard) and the Executive in charge of certifying the Group's sustainability reporting attested that the sustainability reporting included in the Report on Operations was prepared in accordance with the reporting standards applied pursuant to directive 2013/34/EU of the European Parliament and of the Council of 26 June 2013and the legislative decree adopted in implementation ofarticle 13 of Law No. 15 of 21 February 2024 and with the specifications adopted pursuant toarticle 8, paragraph 4 of Regulation (EU) 2020/852 of the European Parliament and of the Council of 18 June 2020.

The sustainability report is subject to limited assurance.

Article 18, paragraph 1, of Legislative Decree No. 125/2024 provides that appointments conferred pursuant to article 3, paragraph 10 of Legislative Decree No. 254/2016 (attestation of the Non-Financial Statement - NFS) remain valid until the agreed expiry date, except for the possibility of early termination, with the assignment of a new appointment. The Board of Statutory Auditors informs the Shareholders that the Board of Directors has deemed it appropriate not to grant a new assignment, considering, in the best interest of the Company and Iren Group, the assignment already granted to KPMG S.p.A. to be valid (as reported to in the Introduction). In view of the additional procedures that the auditor was called upon to perform in connection with the new CSRD provisions, the originally agreed remuneration was supplemented by an amount of 101,423 euro for each remaining year of the mandate.

The definition of the integration of the remuneration took place following a negotiation between the competent corporate structures and KPMG S.p.A., based on the criteria defined when the original mandate was granted and adjusted with subsequent Addenda; therefore, it was not necessary to submit the decision on said integration to the Shareholders' Meeting, since the Board of Directors, as the competent body, had provided for it.

The Board of Statutory Auditors met with the representatives of the said auditing firm and reviewed the report pursuant to article 14-*bis* of Legislative Decree No. 39/2010 on the consolidated sustainability report, issued on 2 April 2025.

Since the work performed by KPMG S.p.A. in connection with the sustainability report is a limited audit, the opinion is expressed in terms of negative assurance.

The report states, in fact, that on the basis of the work carried out, KPMG S.p.A. did not receive any evidence to suggest that:

• Iren Group's consolidated sustainability reporting for the year ended 31 December 2024 was not prepared, in all material respects, in accordance with the reporting standards adopted by the European Commission pursuant to Directive 2013/34/EU(European Sustainability Reporting Standards, 'ESRS');

• the information contained in the "European Taxonomy" section of the consolidated sustainability report was not prepared, in all material respects, in accordance with article 8 of Regulation (EU) No. 852 of 18 June 2020 (hereinafter also referred to as the "Taxonomy Regulation").

The Board of Statutory Auditors will inform the Company's Board of Directors as to the outcome of the sustainability certification activity (as provided for by article 19, paragraph 1, letter a) of Legislative Decree No. 39/2010).

Supervision of the concrete implementation of corporate governance rules

The Company, as previously reported, has adhered to the Corporate Governance Code of listed companies of Borsa Italiana S.p.A., as set forth in the Report on Corporate Governance and Ownership Structure for FY 2024, approved by the Board of Directors on 1 April 2025 and made available on the Company's website by the legal deadline. This Report was prepared in accordance with the instructions of the Rules of the Markets organised and managed by Borsa Italiana S.p.A..

The Report in question details the governance system adopted by the Company. This system complies with and adheres to the rules of the governance model prescribed by the above-mentioned Corporate Governance Code, and the prescribed principles are effectively and correctly applied.

In particular, the Board of Statutory Auditors acknowledges that it has verified the evolution of governance also in light of the considerations contained in the Corporate Governance Report on the recommendations contained in the letter of the Chairman of the Corporate Governance Committee of 17 December 2024 and, in this context, that it has positively assessed the interest placed by the Company in the topics covered by said recommendations, such as the focus on pre-directory reporting. The Board of Statutory Auditors will ensure that the new recommendations for 2025, such as the transparency and effectiveness of the remuneration policy and the adequate justification of the choice of an executive role for the chairman, are given due consideration.

The Board of Statutory Auditors acknowledges having participated in all induction activities organised by the Company.

Supervision of transactions with subsidiaries and parent companies

In consideration of the model adopted by the Group with IREN S.p.A. as an industrial holding company equipped with adequate centralised staff structures, as well as the management and coordination activity carried out, the Company provides professional services of a technical-administrative nature in favour of the subsidiaries, operating in the reference businesses. These activities are governed by special supply contracts at arm's length.

The Board of Statutory Auditors monitored the adequacy of the instructions issued by the Company to its subsidiaries pursuant to article 114, paragraph 2 of the TUF, and the proper flow of information between them, and considers that the Company is able to fulfil its disclosure obligations under the law. The information flow to the central auditor, articulated on the various levels of the corporate control chain, active throughout the financial year and functional to the control of annual and infra-annual accounts, was deemed effective.

The Board of Statutory Auditors also acknowledges that it has exchanged information, pursuant to article 151, paragraphs 1 and 2, of the TUF, with the boards of statutory auditors of the main subsidiaries; as a result of these exchanges of information, no critical issues worthy of mention emerged.
It is noted that the Parent Company does not control companies established and regulated by the laws of non-EU countries. Furthermore, it is noted that Iren S.p.A. is not subject to management and coordination by another company.

Supervision of related party transactions

The Board of Statutory Auditors did not find the existence of any atypical and/or unusual transactions with Group companies or with related parties, finding confirmation of this in the indications provided by the Board of Directors, the independent auditors and the head of the Internal Audit Department.
The Directors' Report on Operations contains adequate information on intra-group and related party transactions, all of which are congruent, in the Company's interest and settled at market conditions. The economic impact of related party transactions is reported in Note IV to the Company's annual financial statements and Note VII to the consolidated financial statements; their impact on cash flows is reported directly in the statement of cash flows.
With regard to these transactions, the Board of Statutory Auditors considers the information provided by the Directors in their Report on Operations and in the Notes to the Financial Statements to be adequate.

Omissions and reprehensible facts noted

No complaints pursuant to article 2408 of the Italian Civil Code or complaints of any kind from third parties were received during FY 2024.
The results of the supervision did not identify any omissions or reprehensible facts.

Opinions rendered

During the financial year ended 31 December 2024 and up to the date of preparation of this Report, the Board of Statutory Auditors issued the following favourable opinions:
- on the process of assessing whether independent directors meet the independence requirements, as set forth in the Corporate Governance Code and the TUF;
- where applicable, on services of the independent auditing firm KPMG other than the statutory audit;
- approved, pursuant to article 2386, paragraph 1, of the Civil Code, on 10 September 2024, the co-option as director of Gianluca Bufo (who was subsequently assigned certain executive powers);
- on the allocation of remuneration to directors holding special offices, pursuant to article 2389, paragraph three of the Italian Civil Code;
- on the approval of the annual activity plan prepared by the head of the Internal Audit Department, pursuant to article 6, Recommendation No. 33, letter c) of the Corporate Governance Code;
- on the appointment of the manager in charge of certifying the compliance of sustainability reporting;

- on the assessment on the correct use of accounting standards and their uniformity for the purposes of preparing the consolidated financial statements, carried out by the Control and Risk Committee, pursuant to article 6, Recommendation No. 35, letter a) of the Corporate Governance Code, in agreement with the Financial Reporting Manager.

Self-assessment

The Board of Statutory Auditors carried out a self-assessment of the independence of its members, as a result of which it confirmed the existence of the requirements required by law and by the Corporate Governance Code; it is hereby acknowledged that no Statutory Auditor had any interest, on his own behalf or on behalf of third parties, in any transaction of the Company during FY 2024.

The Board of Statutory Auditors also started the self-assessment process, with reference to FY 2024, on the composition and functioning of the Board of Statutory Auditors, with the help of a consulting firm, the outcome of which will be reported to the Board of Directors.

The members of the Board of Statutory Auditors complied with the accumulation of offices provided for in article 144-*terdecies* of the Issuers' Regulation.

The Board of Statutory Auditors also verified the correct application of the assessment criteria and procedures adopted by the Board of Directors to evaluate the independence of its members in accordance with the criteria set forth by law and the Corporate Governance Code.

Proposals to the Shareholders' Meeting concerning the financial statements for the financial year ending 31 December 2024, their approval, the allocation of the period result and matters within the competence of the Board of Statutory Auditors

The Board of Statutory Auditors examined the draft financial statements as at 31 December 2024.

The Board of Statutory Auditors verified compliance with the legal provisions concerning the preparation of the Report on Operations and, also in this regard, there are no observations to report.

The financial statements for the year ended 31 December 2024, prepared by the Directors in accordance with the law and duly submitted by them to the Board of Statutory Auditors (together with the Report on Operations and the Notes to the Financial Statements), show a profit for the year of 212,507,129.19 euro.

The Board of Statutory Auditors, considering also the results of the activities performed by the independent auditors, for the profiles of its own competence, does not find any reasons to oppose the approval of the financial statements for the year ended 31 December 2024, as drafted and approved by the Board of Directors in the meeting of 24 March 2025, nor the proposal for the allocation of the period result as formulated by the same Board of Directors, as follows

- 10,625,356.46 euro, 5% of the period profit, to the legal reserve;
- a maximum of 166,909,495.67 euro a as dividend to Shareholders (corresponding to 0.1283 euro for each of the maximum of 1,300,931,377 ordinary shares constituting the Company’s share capital, noting that treasury shares, if any, will not benefit from the dividend);
- to a specific retained earnings reserve, the remaining amount of at least 34,972,277.06 euro.

The dividend will be paid starting from 25 June 2025, with coupon detachment 23 June 2025 and record date 24 June 2025.

Reggio Emilia, 02 April 2025

The Board of Statutory Auditors

Sonia Ferrero - Chairman

Ugo Ballerini - Standing Auditor

Donatella Busso - Standing Auditor

Simone Caprari - Standing Auditor

Fabrizio Riccardo Di Giusto - Standing Auditor

(signed on the original)

Summary of the resolutions of the Shareholders' Meeting

The Ordinary Shareholders' Meeting:

- having taken note of the Financial Statements for the year ended 31 December 2024 and the Integrated Directors' Report;
- having taken note of the Report of the Board of Statutory Auditors;
- having taken note of the Report of the Independent Auditors KPMG S.p.A..

approves

1) Iren S.p.A.'s Financial Statements for the year ended 31 December 2024.

and, by separate resolution,

2) the proposal for the allocation of the profit for the year amounting to Euro 212,507,129.19 as follows:
    - Euro 10,625,356.46, equal to 5% of the years' profit, to the legal reserve ;
    - Euro 166,909,495.67 as dividends to Shareholders, corresponding to Euro 0.1283 for each of the maximum 1,300,931,377 ordinary shares constituting the Company's share capital, specifying that the treasury shares will not benefit from the dividend; the dividend will be payable starting from 25 June 2025, with coupon detachment on 23 June 2025 and record date on 24 June 2025;
    - To a specific retained earnings reserve, the residual amount of at least Euro 34,972,277.06.

iren

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