



SHAREHOLDERS' MEETING 2020

29th April 2020

01

2019 GOALS

Pages 3-14

- *Company profile*
- *Economic and Financial KPIs*
- *Business model*
- *Dividend policy*
- *Digital projects*
- *People*
- *M&A*

02

FUTURE OVERVIEW

Pages 15-18

- *Strategic framework*
- *Capex plan*
- *Growth*

03

BUSINESS UNITS

Pages 19-35

- *BU Networks*
- *BU Waste*
- *BU Energy*
- *BU Market*

04

SUSTAINABILITY

Pages 36-44

- *Water resources*
- *Circular economy*
- *Decarbonization*
- *Resilient cities*
- *People*
- *Costumers*
- *Communities and territories*
- *Local committees*



01

2019 GOALS



CUSTOMERS:

- ~1.815M in the energy sector
- ~2.8M served inhabitants in the water service
- ~3.1M served inhabitants in the waste sector
- ~0.9M served inhabitants in district heating

QUASI REGULATED ACTIVITIES
(24% OF EBITDA)

UNREGULATED ACTIVITIES
(30% OF EBITDA)



Energy Infrastructure

- RAB Electricity distribution: 447m€
- RAB Gas distribution: 696m€
- **4.2% electricity network leaks (vs. national avg. 6.4%)**



Water Service

- RAB water cycle management: 1,057m€
- **33.4% water network leaks (vs. national avg. 41.4%)**



Urban Waste Collection

- 1.7m tons municipal waste collected
- **67.3% of sorted waste collection (vs. national avg. 58.1%)**

Hydroelectric Green Certificates

- 330 GWh GCs produced through hydro
- **638K tons CO₂ emission avoided from hydro**

District Heating

- 95 mcm of district heated volumes
- **915K tons CO₂ emission avoided from cogeneration**

Urban Waste Disposal

- 3 Waste To Energy plants (total capacity ~800Kton/y)
- **100% energy or material recovery from total waste managed**

Generation

- 2,700 MW of generation capacity
- **76% of electricity produced by environmentally friendly sources**

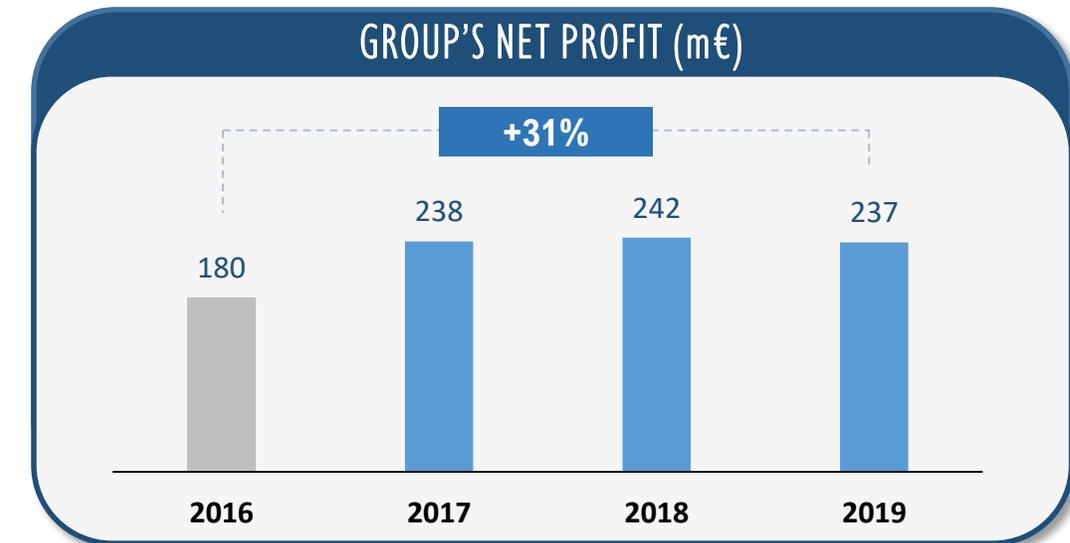
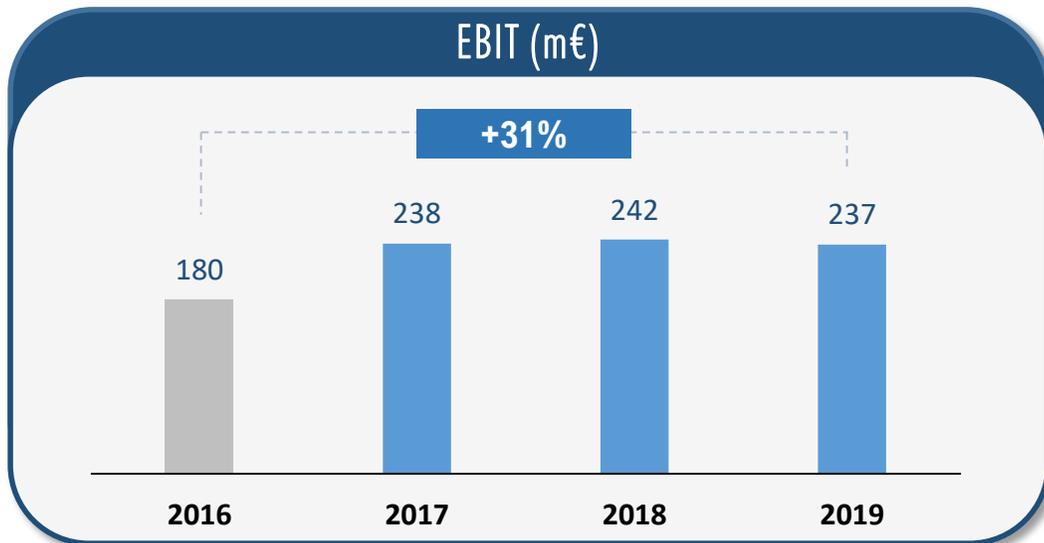
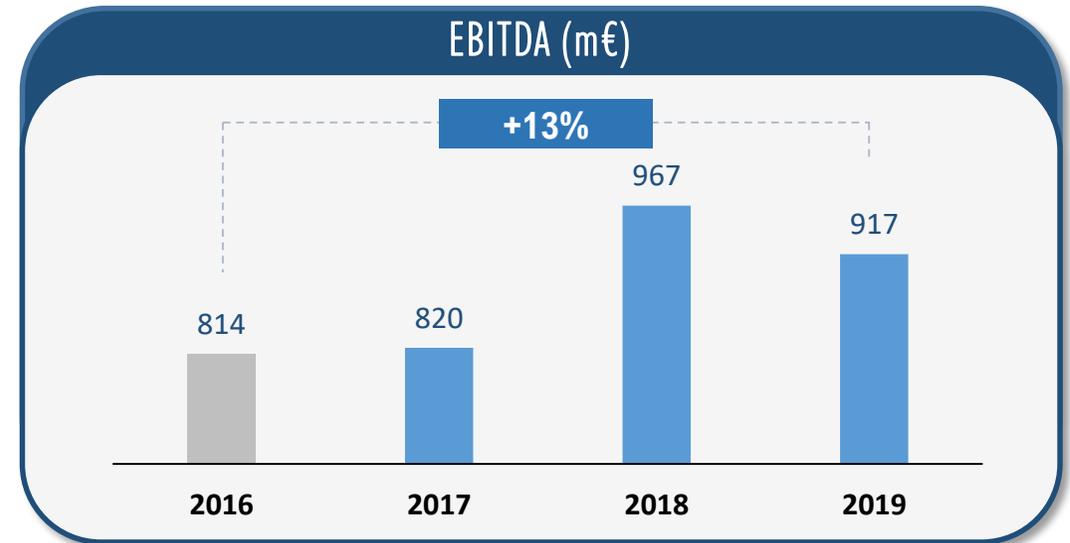
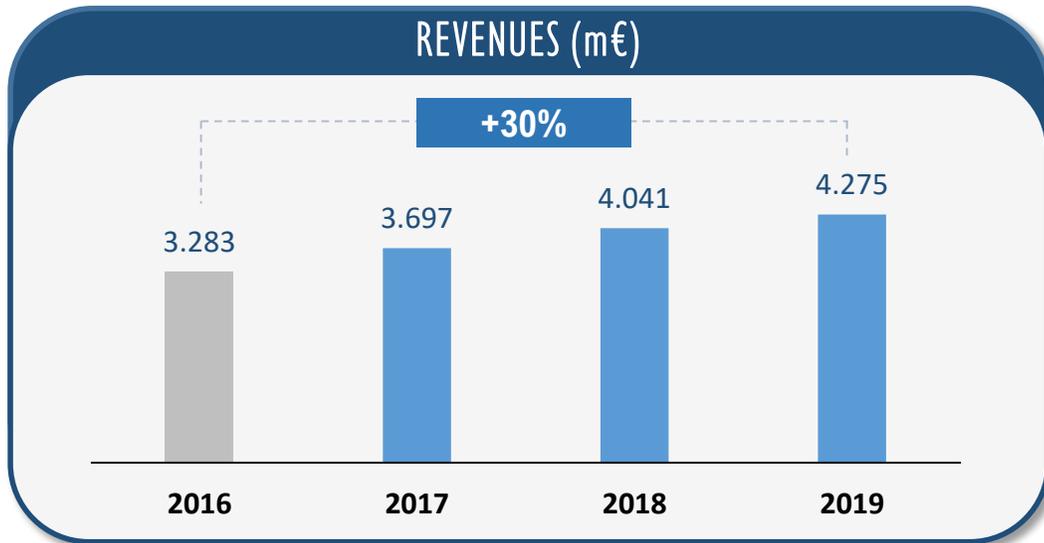
Energy Market

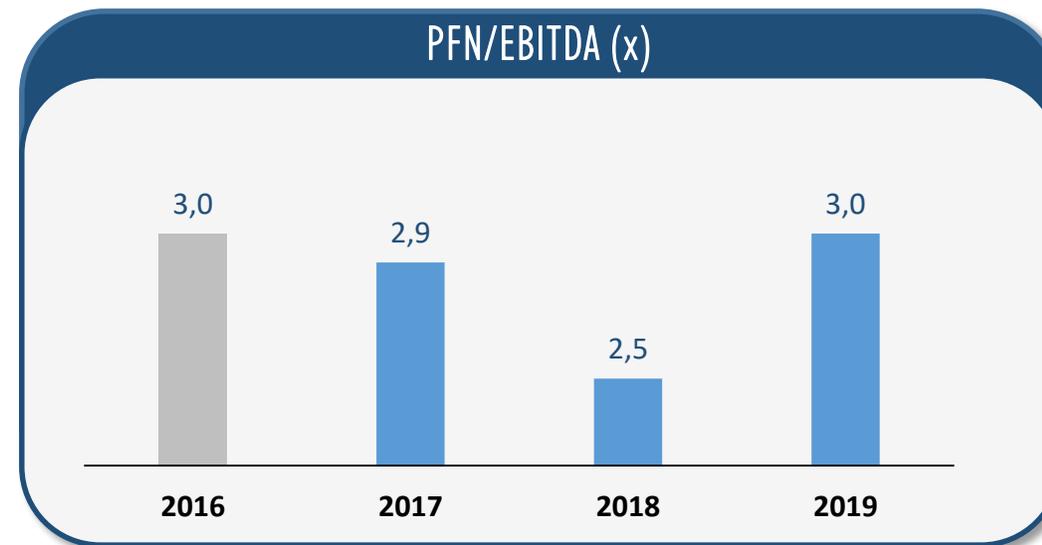
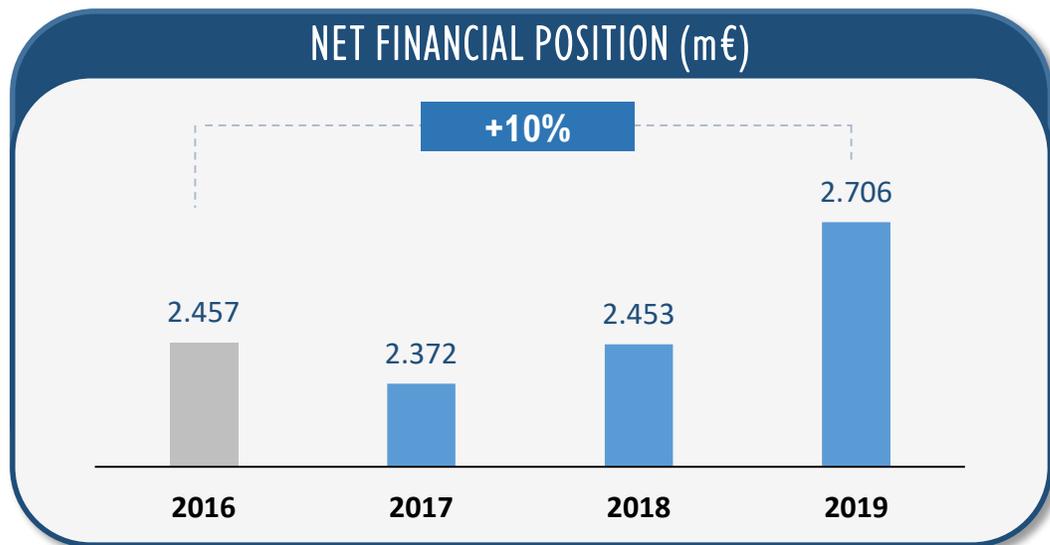
- ~9.4 TWh electricity sold to end clients
- ~2.8 bcm gas sold*
- **90% customer satisfaction**

Special Waste

- ~775K tons of special waste managed
- **193K tons special waste to energy recovery**

ECONOMIC PERFORMANCE OF THE LAST 3 YEARS





FitchRatings

BBB

Outlook: stable

The 2019 **net financial position** growth was due to:

- Higher capex (+17%) to sustain the growth of the Group
- M&A transactions (90m€)
- IFRS16 Accounting principle (120m€)

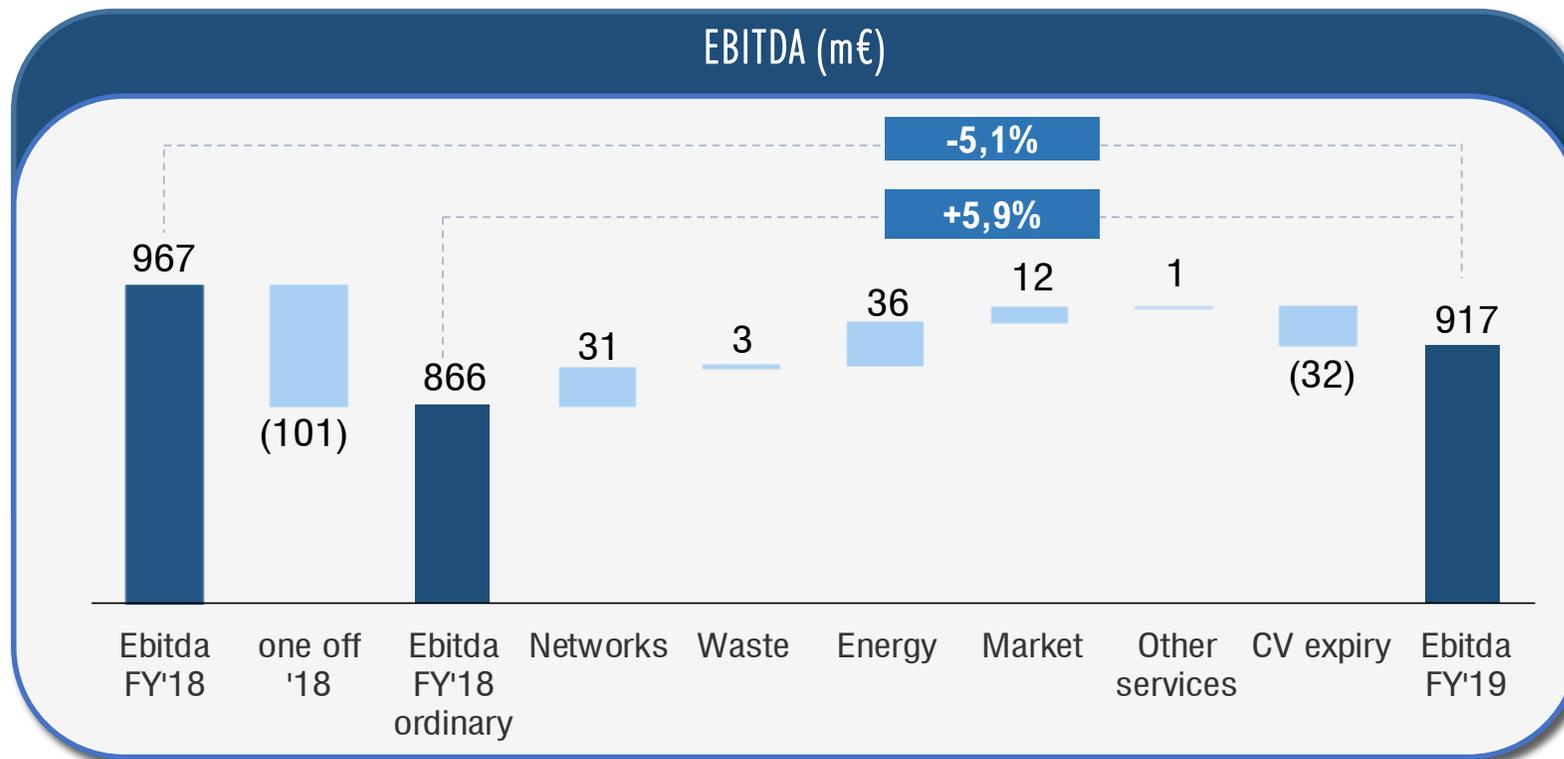
ECONOMIC RESULTS

	m€	FY '18	FY '19	Δ	Δ%
Revenues		4.041	4.275	234	5.8%
Ebitda		967	917	-50	-5,1%
Ebit		530	452	-78	-14.8%
Group net profit		242	237	-5	-2.3%
Tech. Capex		447	524	77	17.2%

FINANCIAL RESULTS

	m€	FY '18	FY '19	Δ	Δ%
PFN		2.453	2.706	253	10,3%
PFN/Ebitda		2,5	3,0	0,5	20,0%
PFN/Ebitda adj.		2,8	3,0	0,2	7,1%

- **Revenues +5,8%:** higher revenues in the water sector, in the energy value chain and from the consolidation of San Germano, SET and ACAM (only first quarter)
- **Ebitda -5,1%:** stripping out 2018 one-off, all the strategic factors and the energy scenario positively contributed. The negative climatic effects partially reduced the result
- **Ebit -14,8%:** higher D&A related to larger investments and consolidation process
- **Group's net profit -2,3%:** better financial results due to lower cost of debt. Absence of OLT devaluation reported in 2018
- **Capex +17,2%:** capex increase to support the organic growth which is in line with business plan assumptions
- **PFN +10,3%:** the consolidation process and the IFRS16 accounting principle led to a debt increase of 215m€



- **Networks:** the important investments contributed to increase the allowed revenues. Positive contribution from synergies and consolidation (ACAM).
- **Waste:** growth led by higher waste treated volumes and external growth.
- **Energy:** positive energy scenario, increase in district heating volumes and in energy efficiency projects.
- **Market:** growth of clients, of energy volumes sold and of New Downstream line of business.

SHARE PRICE PERFORMANCE



HIGH RESILIENCE AGAINST HEADWINDS

EBITDA 2019:
917M€

REGULATED: 46%

QUASI REGULATED:

MERCHANT: 30%

% REG. & QUASI
REG. ACT. 2019

% ON TOTAL
EBITDA

RISKS AND OPPORTUNITIES

Networks

100%

41%

Stable regulatory framework, next gas tenders could represent an upside, systemic need of higher investments.

Waste

90%

17%

Collection is a regulated business and likely treatment and disposal will be, low volatility price scenario and brokerage activities. Systemic need of new treatment and disposal plant could be an opportunity.

Energy

47%

30%

The capacity market and district heating are quasi regulated activities. District heating will be an important growth driver next years. Fears could arise from climatic effects and lower energy demand.

Market

0%

12%

Almost all clients are retail and we can stabilize the volumes. Downside could be due to climatic effects meanwhile opportunities could arise in the market liberalization despite the high competition.

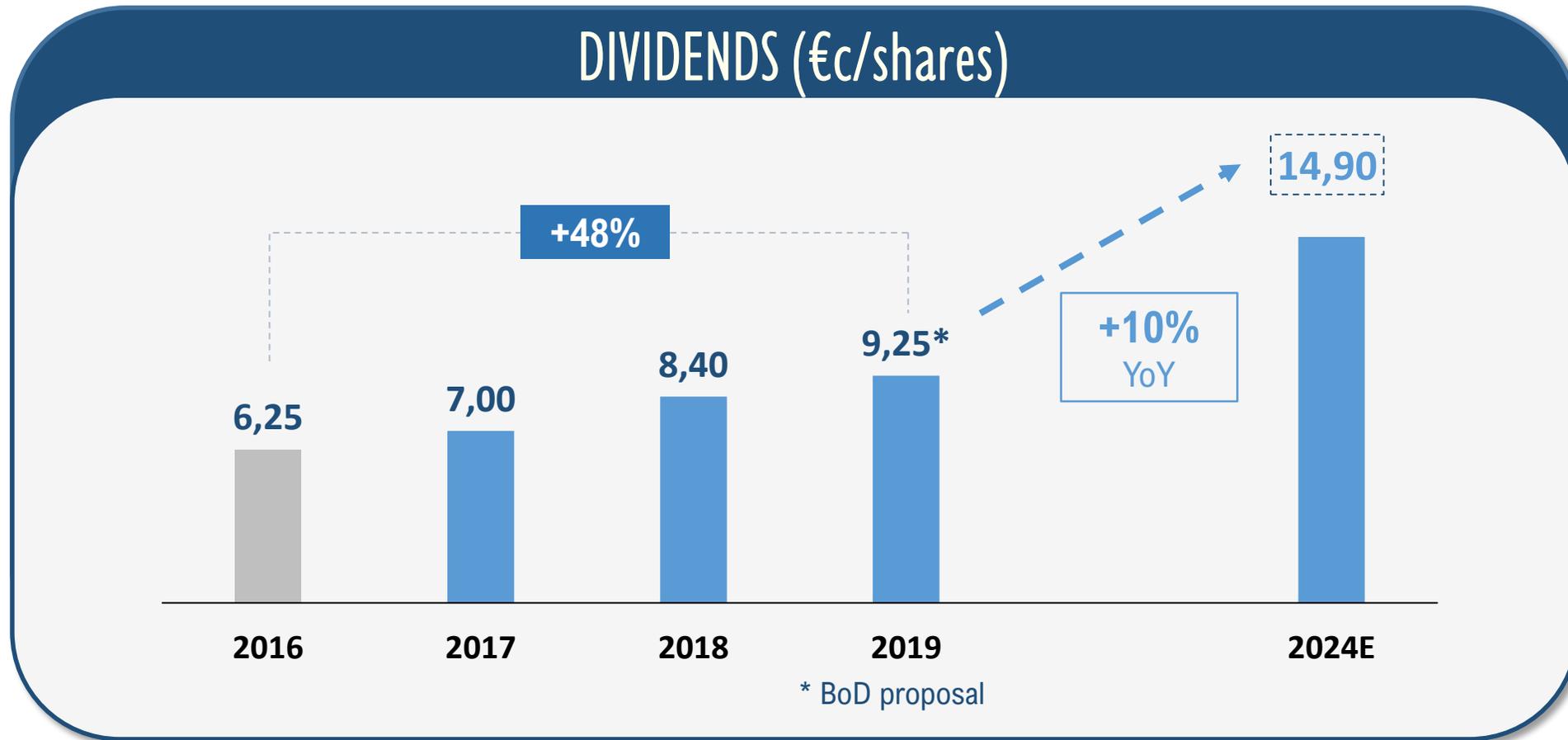
Finance

Well balanced financial structure and good liquidity. All the financing needs are satisfied for the next 2 years, in absence of M&A transactions. Almost all debt is a fixed rate.

People

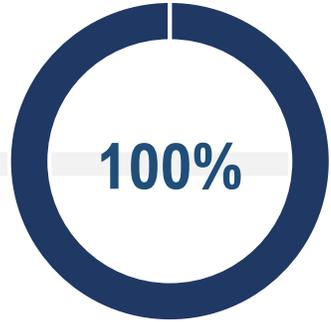
Promote smart and agile workers and ensure the provision of essential services in any scenario.

The volatility of the energy scenario could be reduced thanks to hedging policy



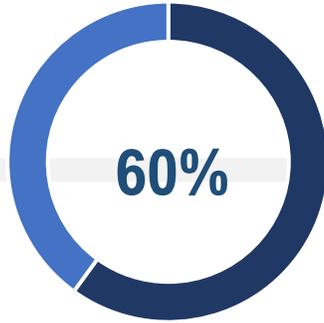
- Since 2016, annual dividend growth rate of 14%
- Confirmation of the increase in future dividends as outlined in the Business Plan

ADVANCED ANALYTICS



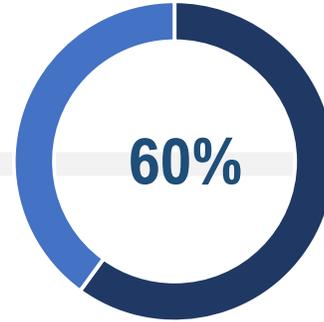
The new unit was established and 2 use cases are ready for industrialization were created

JUST IREN



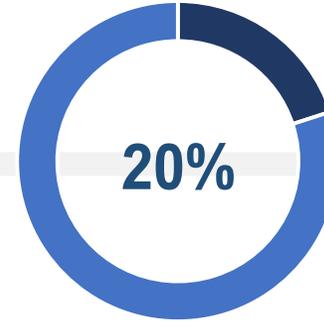
Completed the design of the solution and the realization and testing of the sap and ibm beam components

IREN WAY



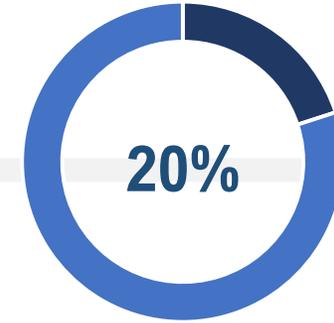
Stream gas: being released.
Stream water: technical analysis is underway, developments on consolidated parts are underway .
Stream ee: technical analysis in progress

FACILITY MANAGEMENT - REAL ESTATE

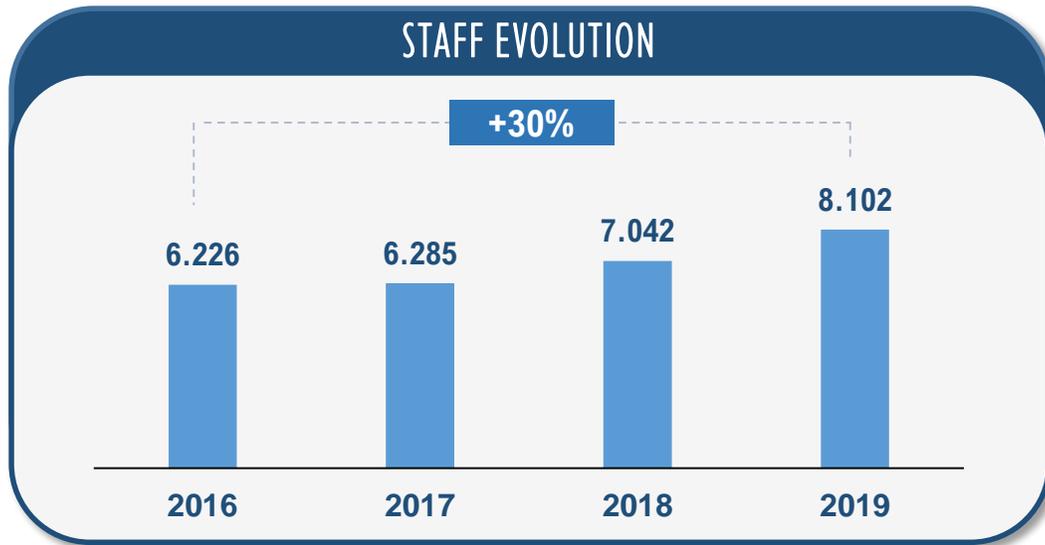


The feasibility study was completed, the tender for system development was entrusted and the project started

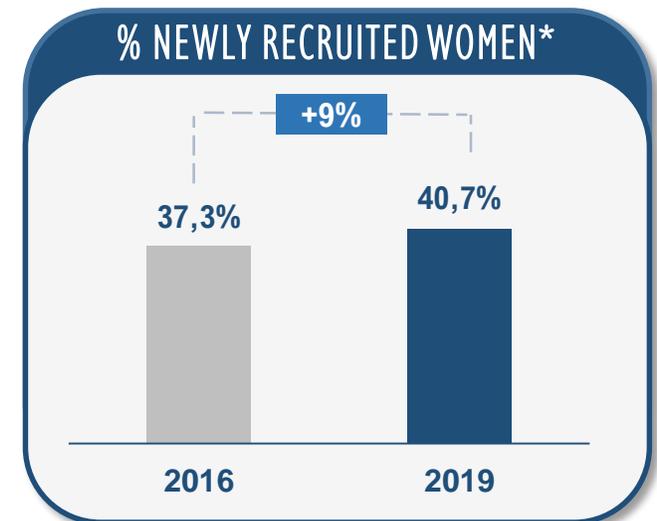
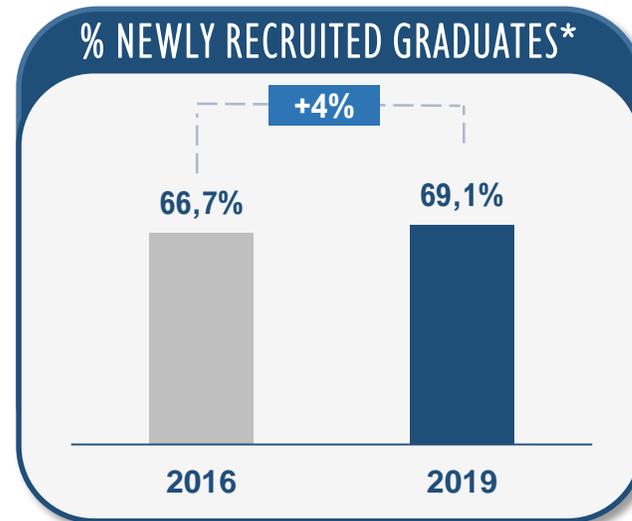
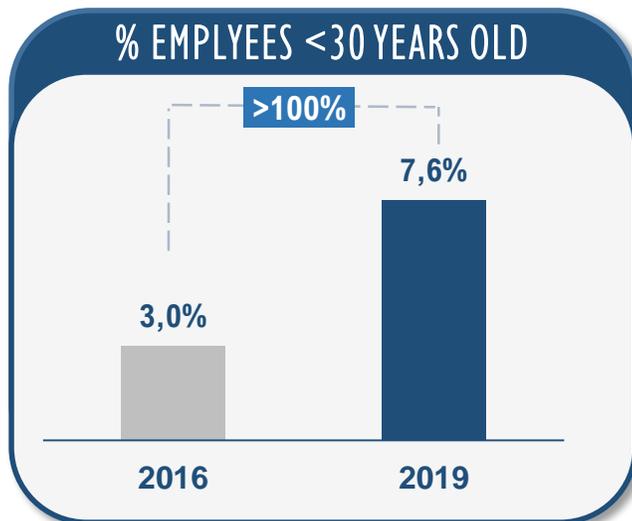
IT SERVICE MANAGENT



The feasibility study was completed, the software platform was selected, the tender for the system configuration was entrusted and the project started



- Over the last three years, the staff of the Group has increased by 1,876 people of which 1,802 thanks to M&A transactions
- During the period 1,205 hires and 1,090 terminations were reported and an extra-Group mobility balance of 41



*Excluding workers

M&A TRANSACTIONS CONCLUDED IN THE LAST THREE YEARS



+114,000 Inhabitants served in the water business



+1.06 million of inhabitants served in the environmental services and +9 waste treatment and disposal plants



+5mmc district heating volumes and +5MW hydroelectric



+145.000 power clients



02

FUTURE OVERVIEW

(through 2024)

Pillars confirmed in light of market trends and embodied into a wider strategic platform

DIGITALIZATION



Pivotal role of **data**, crucial asset to guide **business decisions**

Across-the-board IT platforms to exploit **synergies** and better support **operations**

PEOPLE



Focus on **training** and **reskilling** to enhance employees' **capabilities**

Acceleration of **recruitment**, **career design processes** and **reward mechanisms**

SUSTAINABILITY



Circular Economy, landmark of Iren's **commitment** to the **environment**

Asset management and **infrastructure optimization** to **reduce the wastage** of resources

EFFICIENCY



Agile & Smart organization to guarantee **lean** and **collaborative processes**

Continuous improvement and strong **integration capability**

GROWTH



Unceasing **organic growth** path **development**

Ability to seize upside **investment opportunities** and **M&A options**

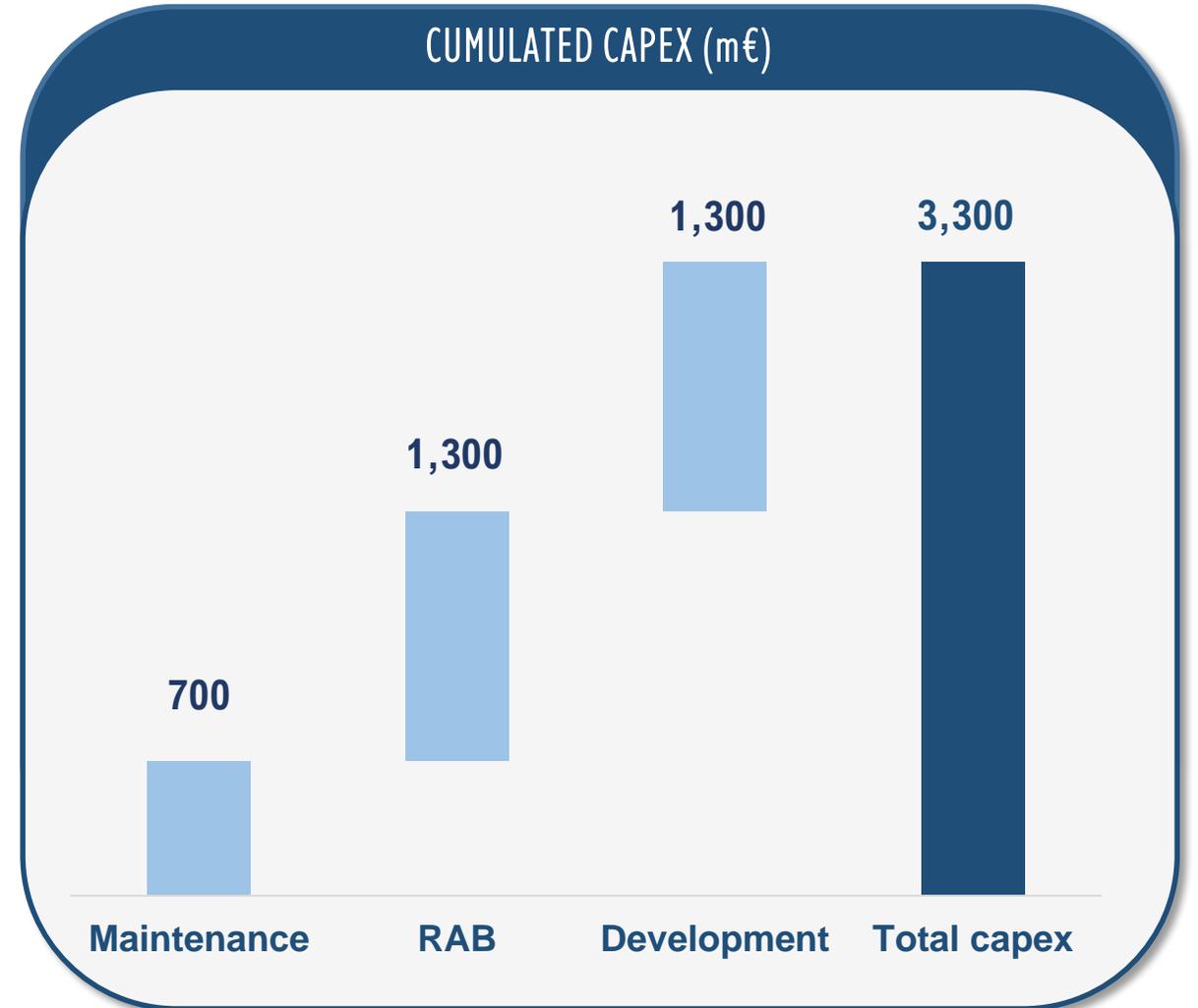
CLIENT



Value added services above the commodity

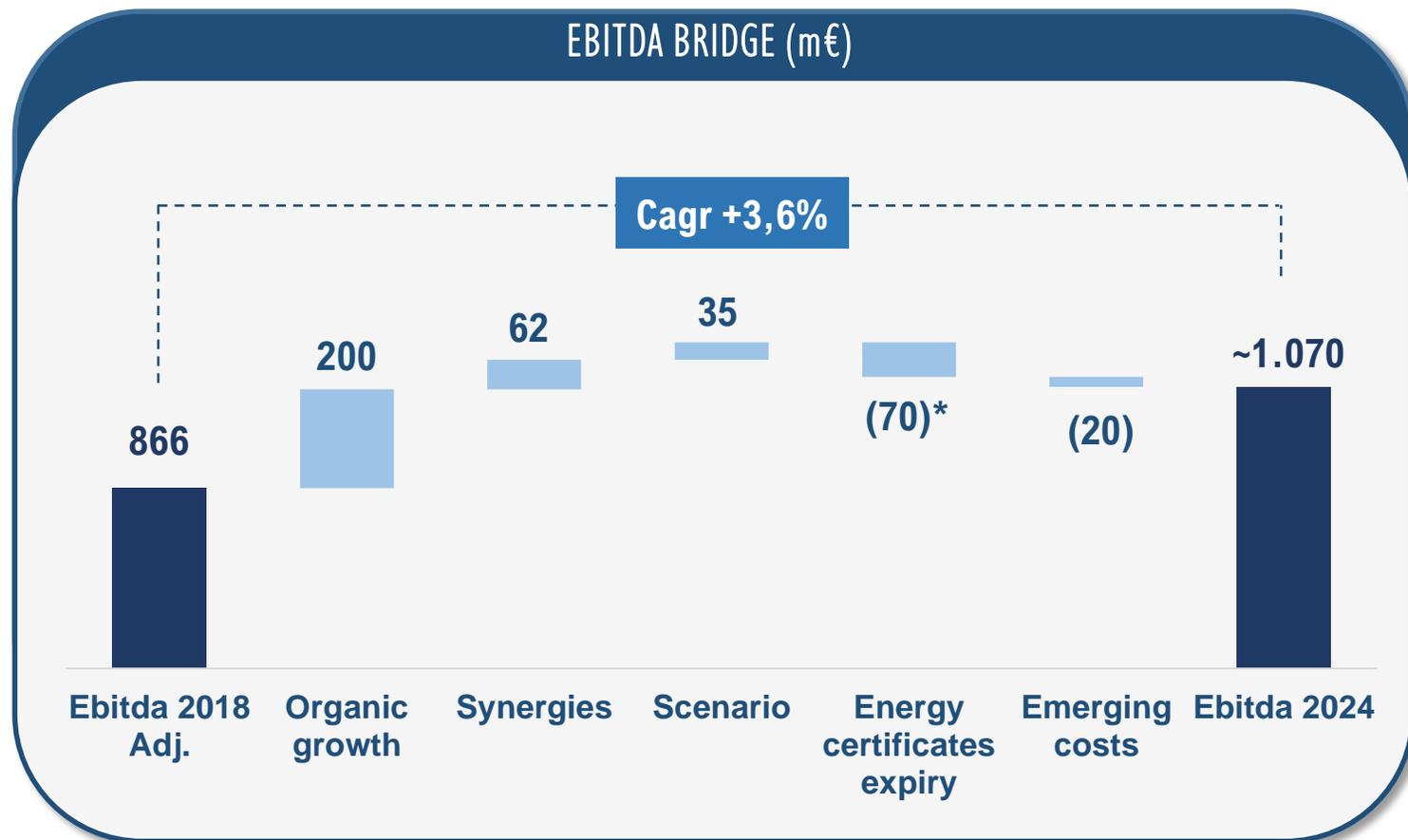
Attention and **closeness** to **communities** and **territories**

- 3,3 billion € of capex in 6 years (+10% compared to previous business plan)
- Increase of 300m€ of investments compared to the previous plan. +400m€ relating to development projects
- More than 800m€ concerning water business
- 600m€ invested in the waste sector
- Higher commitment on Market in order to widen our customer base
- 350m€ in digitalization projects to enable our business model upscale



Organic growth supported by higher investments and synergies

- ~200 m€ Ebitda growth in 6 years
- The development projects and the RAB increase contribute equally to organic growth
- More than 100 performance improvement projects enable to reach significant savings
- Supportive scenario will partially offset the expiry of energy certificates
- Emerging costs are linked to the new business model mainly based on digitalization

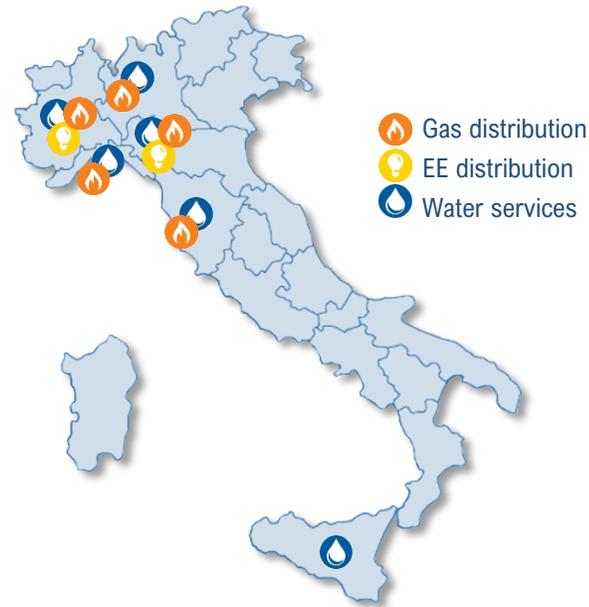




03

BUSINESS UNITS

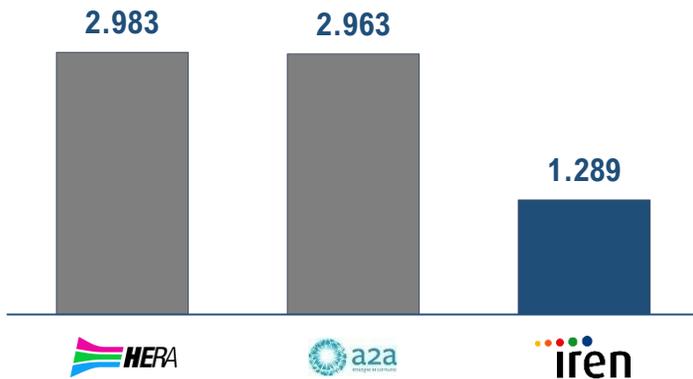
The Networks Business Unit deals with the distribution of electricity, gas and integrated water service.



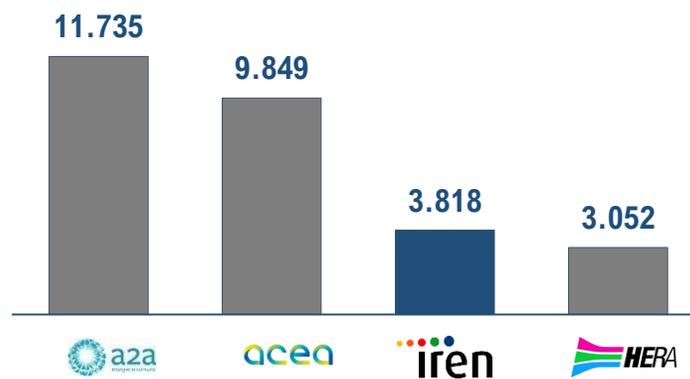
CLIENTS

-  745,000 re-delivery points (GE, RE, PR, PC, VC)
-  724,000 re-delivery points (TO, PR, VC)
-  2,800,000 inhabitants served (GE, SV, SP, RE, PC, PR, VC)

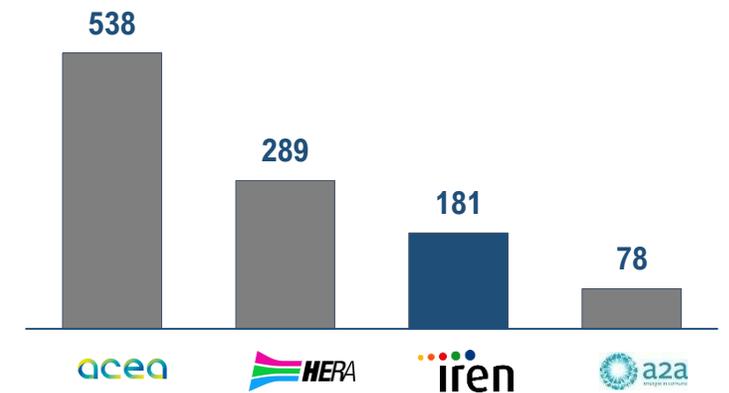
GAS DISTRIBUTION: VOLUMES DISTRIBUTED (mcm)



EE DISTRIBUTION: VOLUMES DISTRIBUTED (GWh)



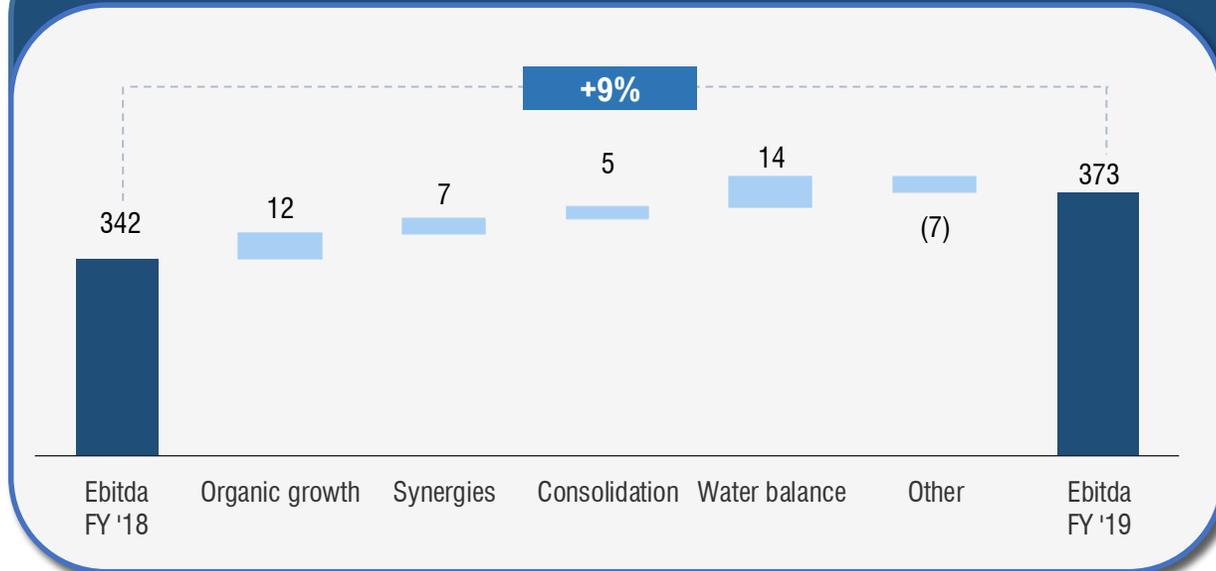
WATER: VOLUMES DISTRIBUTED (mcm)



KPIs

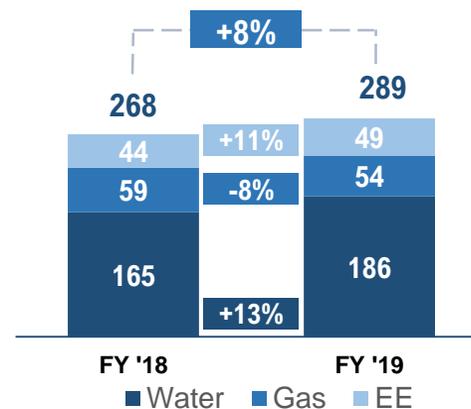
	m€	FY '18	FY '19	Δ	Δ%
Revenues		947	1.046	99	11%
Ebitda		342	373	31	9%
<i>Electricity</i>		74	75	1	2%
<i>Gas</i>		80	89	9	10%
<i>Water</i>		188	209	21	11%
Ebit		176	198	22	13%
Capex		268	289	21	8%

EBITDA BRIDGE (m€)

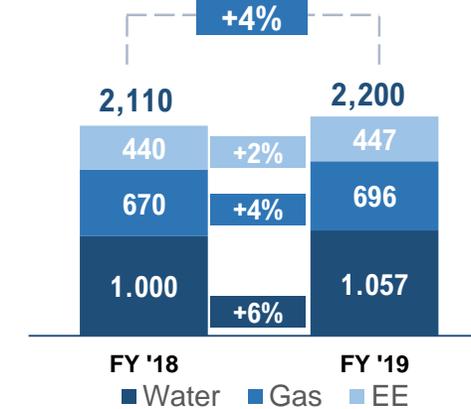


- Growth of allowed revenues supported by the continuous increase in capex
- Performance improvement projects have made it possible to achieve 2/3 of the Group's total synergies.
- Positive contribution from ACAM ACQUE.

INVESTMENTS (m€)

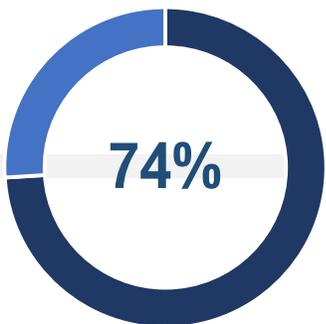


RAB (m€)



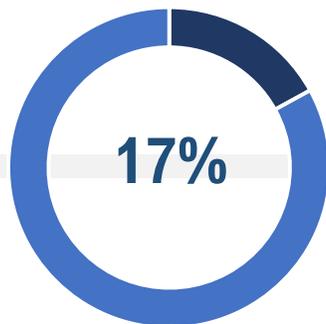
NETWORKS: FOCUS ON THE STATE OF ADVANCING ACTIVITIES AND PROJECTS

REDUCING WATER LEAKS AND DISTRICTING THE NETWORK



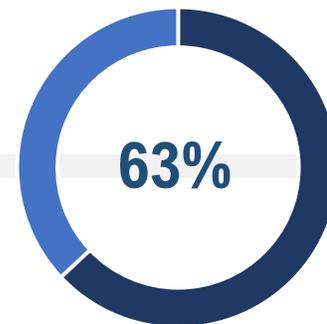
2019 water losses of 33.4% decrease compared to the previous year of 34.8%.
At 31 December 2019, 798 network districts were created, equal to a network coverage percentage of 47% (2018 equal to 43.1%).

ELECTRICITY NETWORKS RESILIENCY



Concluded 3 interventions scheduled for 2019 (2 TO + 1 PR). 5 interventions are currently underway and another 4 are in the planning stage.

SMART METERING



SM Gas: in line with multi-year plan (586,003 installed)
SM Water: in line with multi-year plan (51,742 installed)
SM EE: PMS2 / RARI planning for ARERA approval in progress

WFM/IREN WAY

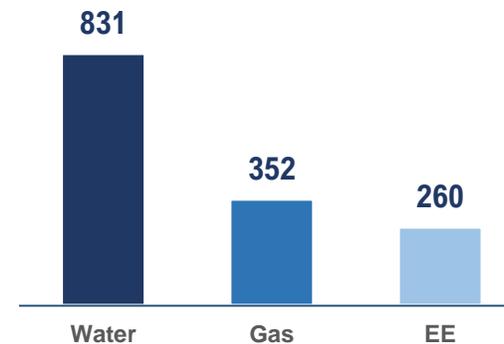


In 2019, the implementation of the **WFA / WFM** project for the businesses managed was completed, the works for the implementation of the ASM and Acam Acque companies are underway. The Iren Way program is at an advanced stage of execution for GAS streams (June 2020 release).
Stream analysis in water and electricity (releases during 2021)

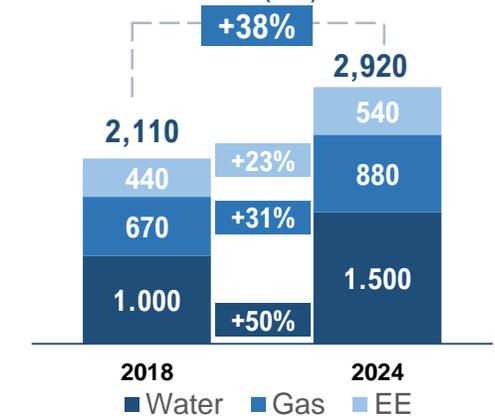
- 1.4b€ of cumulated capex to significantly increase RAB by 800m€ and the networks' resilience
- 150m€ of capex are devoted to developing the water purification plants
- Further synergies will be exploited from continuous improvement in asset/workforce management system
- Maintaining all the gas and water concessions in which IREN is incumbent and on which the tender will be launched within the business plan horizon
- Possible participation in tenders within reference areas in which IREN is not incumbent (not included in BP figures)

KPIs				
	m€	2018	2022	2024
Ebitda		342	406	451
Cagr '18-'24			4,70%	
Ebit		176	219	256
Cumulated Capex '19-'24			1.443	

CUMULATED CAPEX AT 2024 (m€)



RAB (m€)



WASTE: THE BUSINESS UNIT

The Environment Business Unit carries out all the activities of the urban and special waste management chain (collection, selection, recovery and disposal).

It is active, as manager, in the provinces of La Spezia (Acam Ambiente), Parma, Piacenza, Reggio Emilia (Iren Ambiente), Vercelli (ASM VC) and in the city of Turin (Amiat); and as a contractor, in other territories, through San Germano, a company acquired in early 2019.

The Iren Group is also involved in the treatment and disposal of waste, in the recovery of materials and in the enhancement of the waste resource for the production of electricity, heat and biogas through an articulated plant network.



CLIENTS and PLANTS

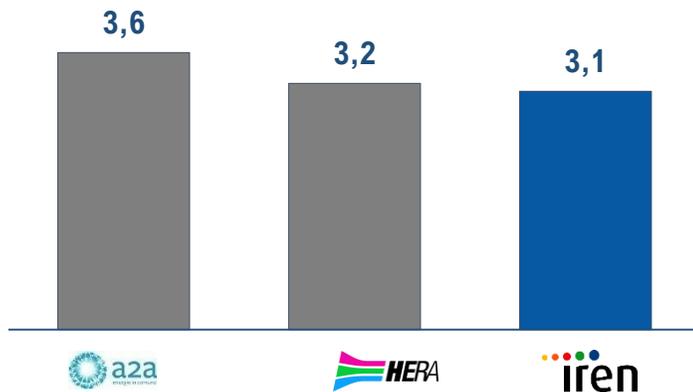


297 Municipalities (of which 133 served by San Germano) roughly 3m inhabitants served (of which 740.000 in municipalities served by San Germano)

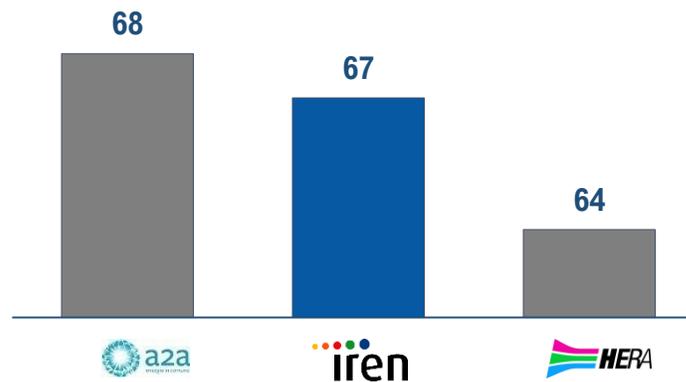


41 treatment plants

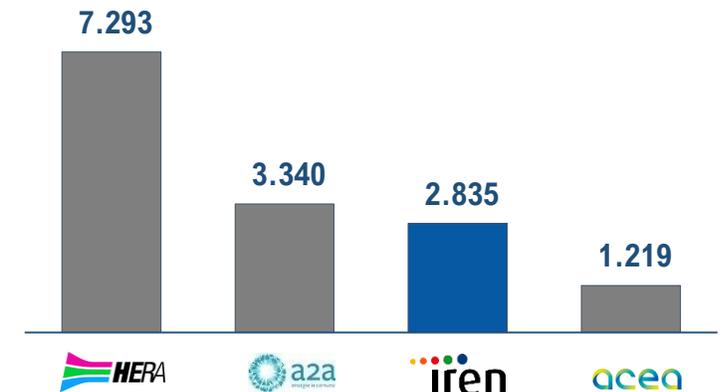
INHABITANTS SERVED (mln)



SORTED WASTE (%)



WASTE VOLUMES MANAGED (kt)

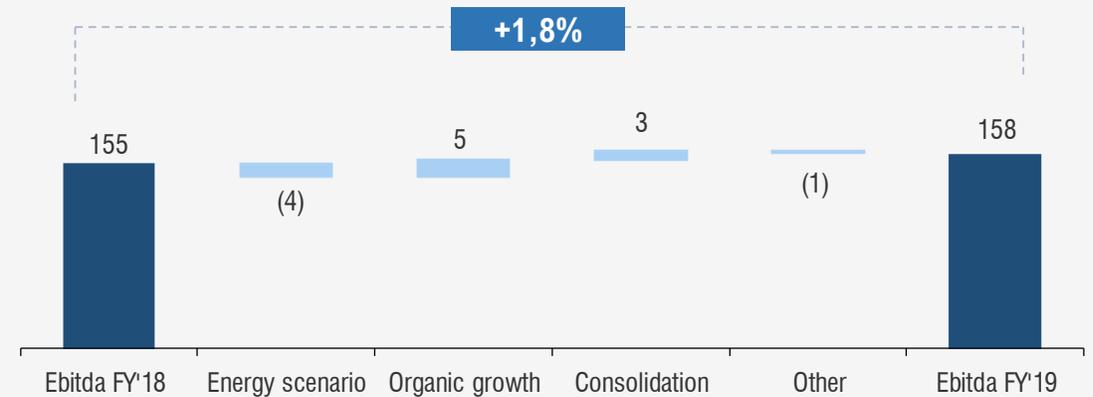


KPIs

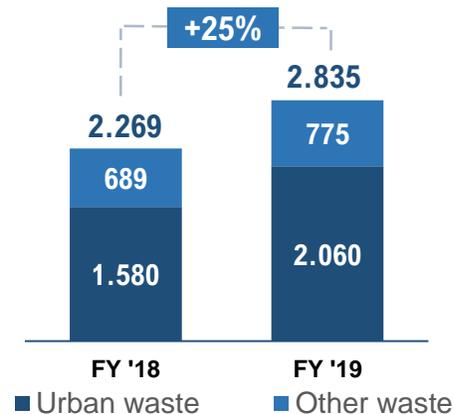
	m€	FY '18	FY '19	Δ	Δ%
Revenues		610	715	105	17%
Ebitda		155	158	3	2%
Ebit		75	56	-19	-26%
Capex		31	72	41	132%

- Positive contribution from the saturation of disposal plants, collection activity and the consolidation of San Germano and ACAM.
- 79m€ invested in M&A transaction, with a full contribution from 2021.
- Negative energy scenario impact on WTEs' electricity production.

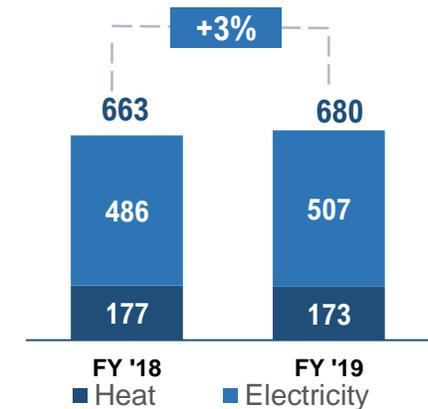
EBITDA BRIDGE (m€)



WASTE MANAGED (kt)

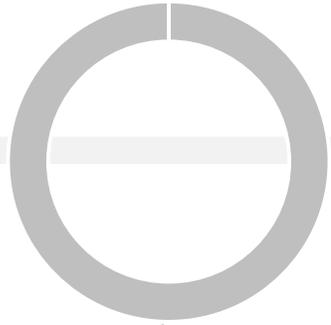


ENERGY SOLD (GWh)



WASTE: FOCUS ON THE STATE OF ADVANCING ACTIVITIES AND PROJECTS

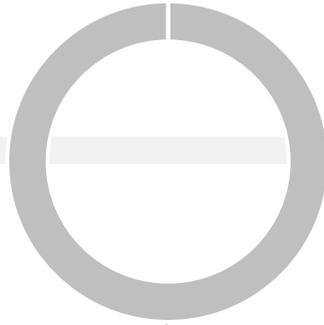
JUST IREN



The project aims to align the organizational model with the growing demands of competitiveness and efficiency and to create a homogeneous industrial, competitive and scalable system on the whole value chain.

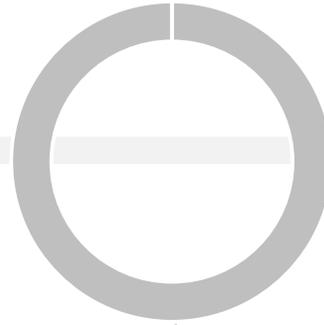
Kick off 2020

PAPER AND PLASTIC TREATMENT PLANTS



Both the **Borgaro (TO)** and **PAI (PR)** plants have obtained authorization from the Authority and the planning phase and site opening activities are currently underway.

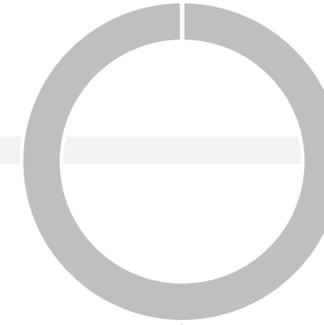
ORGANIC MECHANICAL TREATMENT



The authorization process is underway which is proceeding rapidly for the **Genoa** plant.

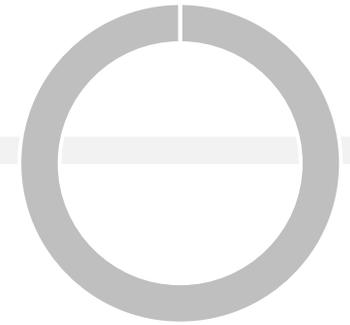
The planning and opening of construction site activities is expected to start in the second half of 2020.

WOOD TREATMENT PLANT



The authorization process for the **Vercelli** plant is in progress.

ORGANIC FRACTION TREATMENT PLANT



- **Cairo Montenotte (SV)**: authorization has been obtained, expansion works are underway.

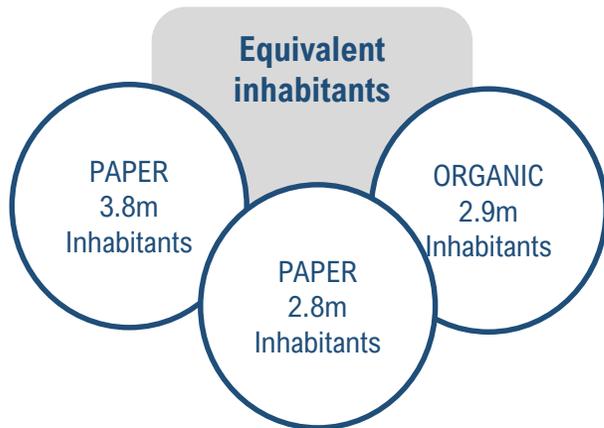
- **Santhià (VC)**: Authorized plant, work continues on the first authorized step (40 kton/y), with the end works at the end of 2020.

- **Reggio Emilia**: Authorization obtained. Planning and site opening activities are underway.

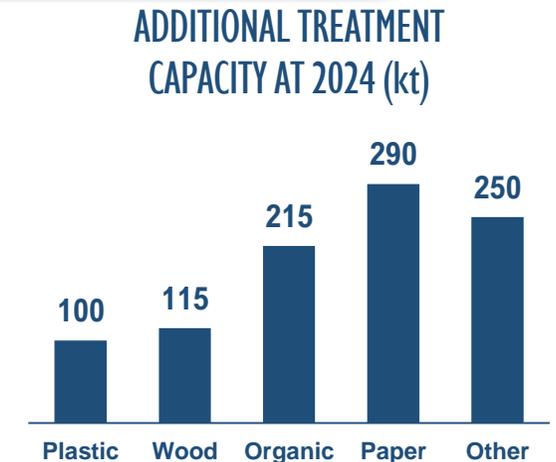
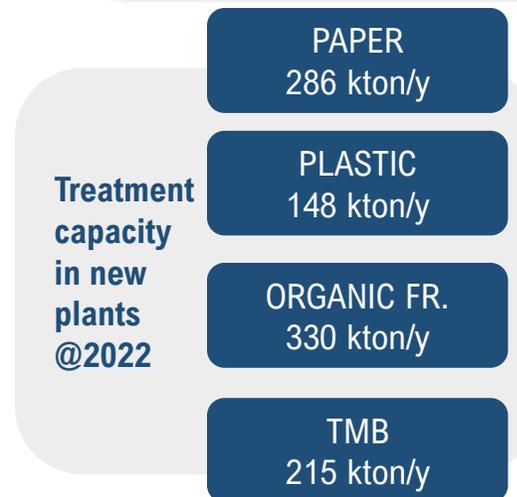
- **La Spezia**: The authorization process is underway, it is expected to begin the planning and construction phase of the site at the end of 2020.

WASTE: BUSINESS PLAN DEVELOPMENT AT 2024

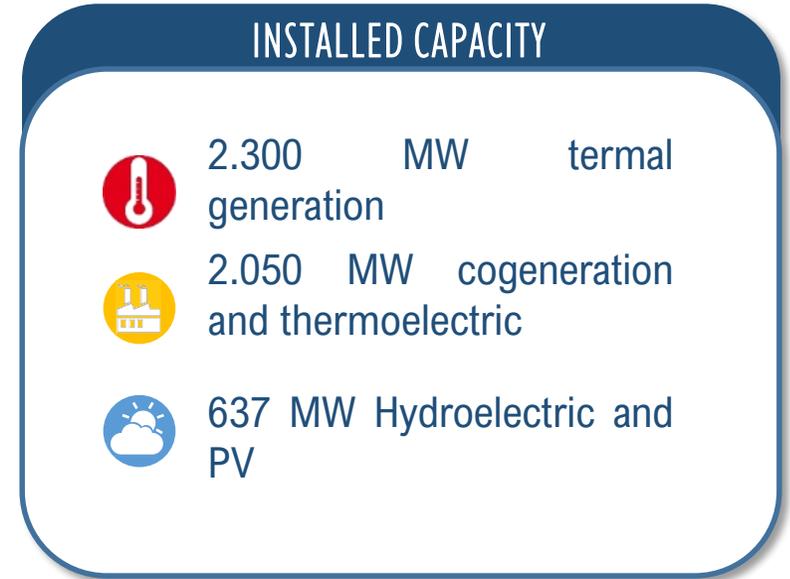
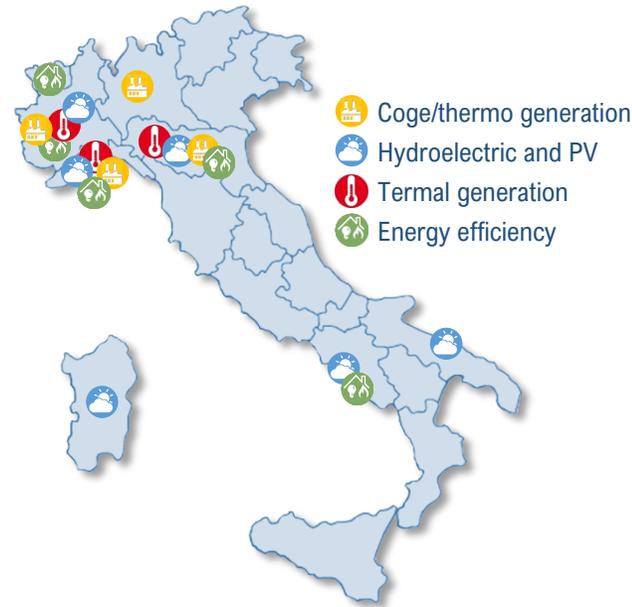
- +60% waste treated in our plants through building of new treatment plants (paper, plastic, TMB and sludge)
- +6% of sorted waste collection supported by widening of door-to-door and pay-as-you-throw collection systems
- Confirming all the concessions currently owned
- Possible participation in tenders within reference areas in which IREN is not incumbent (not included in BP figures)



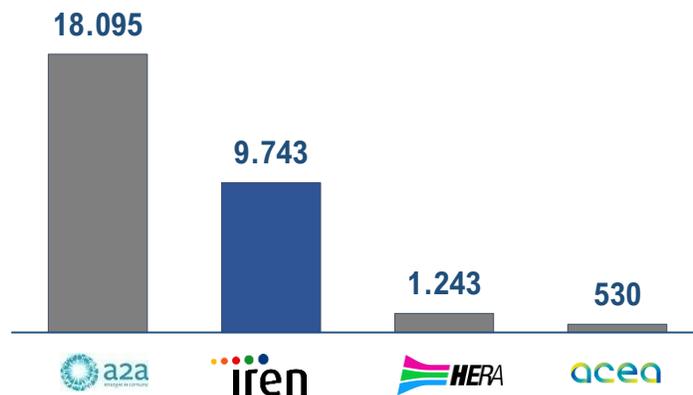
KPIs				
	m€	2018	2022	2024
Ebitda		155	189	199
Cagr '18-'24		4,30%		
Ebit		75	78	83
Cumulated Capex '19-'24		580		



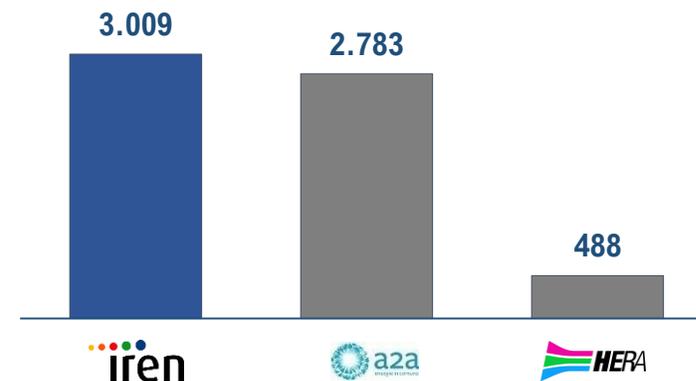
The Energy Business Unit deals with the production of electricity, the production and distribution of thermal energy for district heating and the development and implementation of energy requalification and efficiency improvement projects.



ELECTRICITY PRODUCED (GWh)



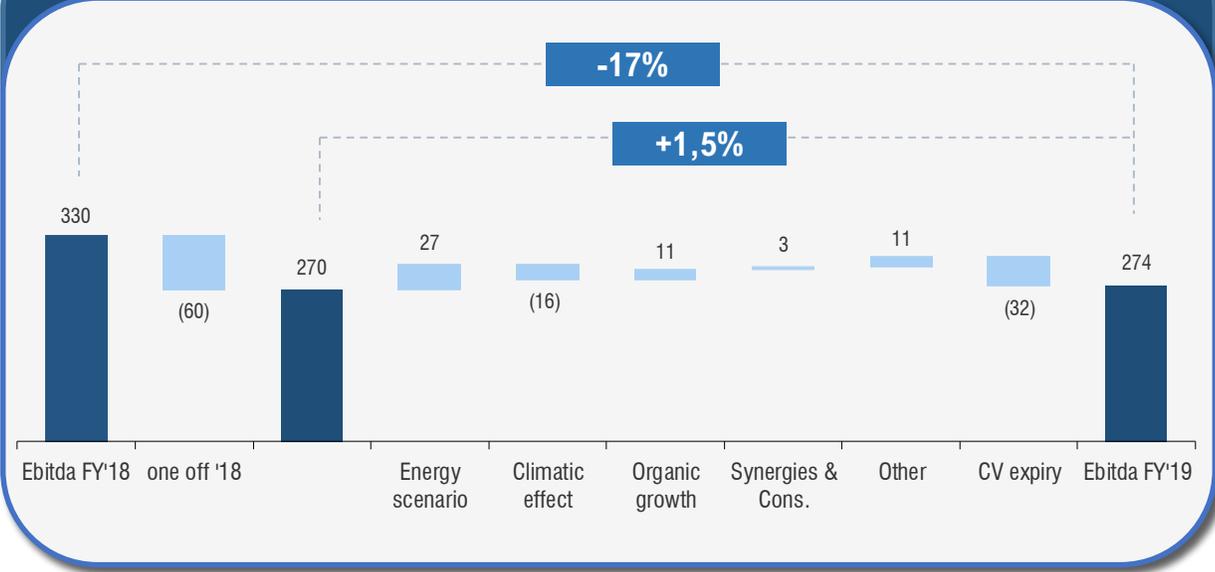
HEAT DISTRIBUTED (GWht)



KPIs

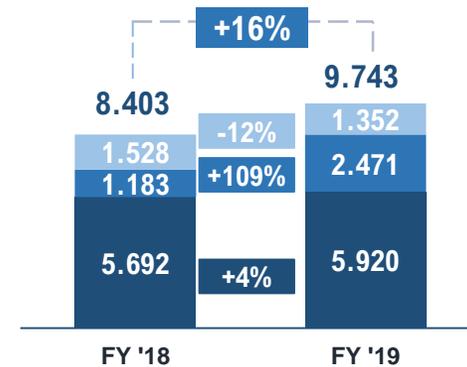
	m€	FY '18	FY '19	Δ	Δ%
Revenues		1.412	1.473	61	4%
Ebitda		330	274	-56	-17%
Hydro/Renewab.		133	80	-53	-40%
Thermo/coge, DH		192	184	-8	-4%
Energy efficiency		5	10	5	92%
Ebit		193	140	-53	-27%
Capex		80	66	-14	-18%

EBITDA BRIDGE (m€)

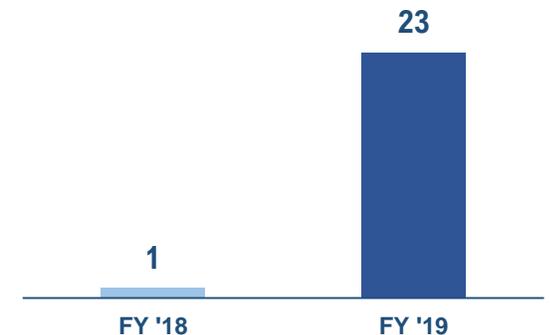


- Increase in thermoelectric production, in district heating volumes and in energy efficiency projects.
- The recovery of the energy scenario partially offset the climate effect and the expiration of CVs.
- Significant increase in efficiency projects, in particular those on condominiums.

ENERGY PRODUCED (GWh)

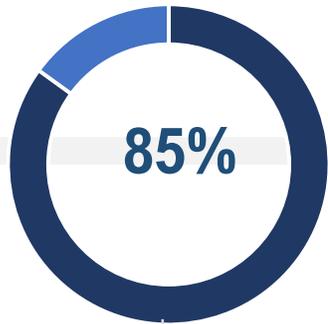


BUILDINGS IN PROGRESS (N.)

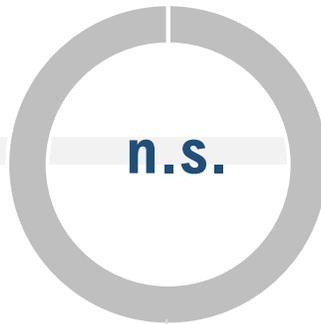


■ Coge ■ Thermo ■ Hydro&Renewable

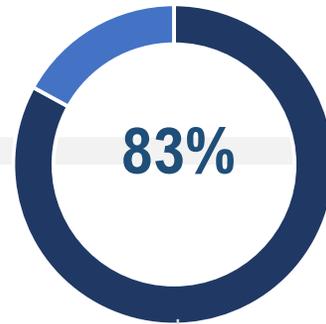
REPOWERING VALLE DORA ENERGIA



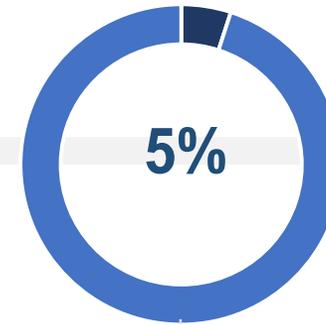
STORAGE AND DISTRICT HEATING DEVELOPMENT



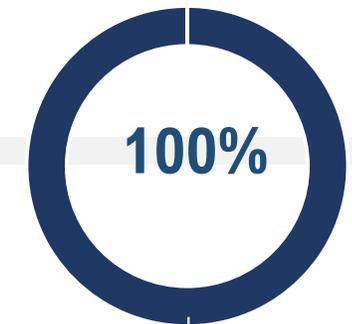
CONNECTION TRM, GRUGLIASCO E BEINASCO



ENERGY EFFICIENCY PROJECTS IREN SMART SOLUTIONS



CAPACITY MARKET AUCTIONS



The retraining works of the two plants in Chiomonte and Susa are nearing completion.

Commissioning is expected by 2020.

Work on both storage systems is expected to be completed by 2020. In detail:

- **Mirafiori Nord (SAL 53%)** will enter into service by the end of the current year;
- **San Salvario (SAL 23%)** will enter into service by 2022, including the completion of the "green".

The entry into service on an experimental basis has already taken place and the experimental exercise ends in April 2020.

The main projects concern:

- **Led Turin** (total costs 12 M €, SAL 10%): replacement of more than 20,000 light points and traffic lights has started.
- **Fidenza** (total costs 1.4 M €, SAL 90%): replacement of 6,174 LED lamps completed;
- **Teatro Regio** (total costs 1.7 M €, SAL 65%): the works of eff. Energy.

Existing capacity «2022 auction» 1.839 MW, equal to 57M€;

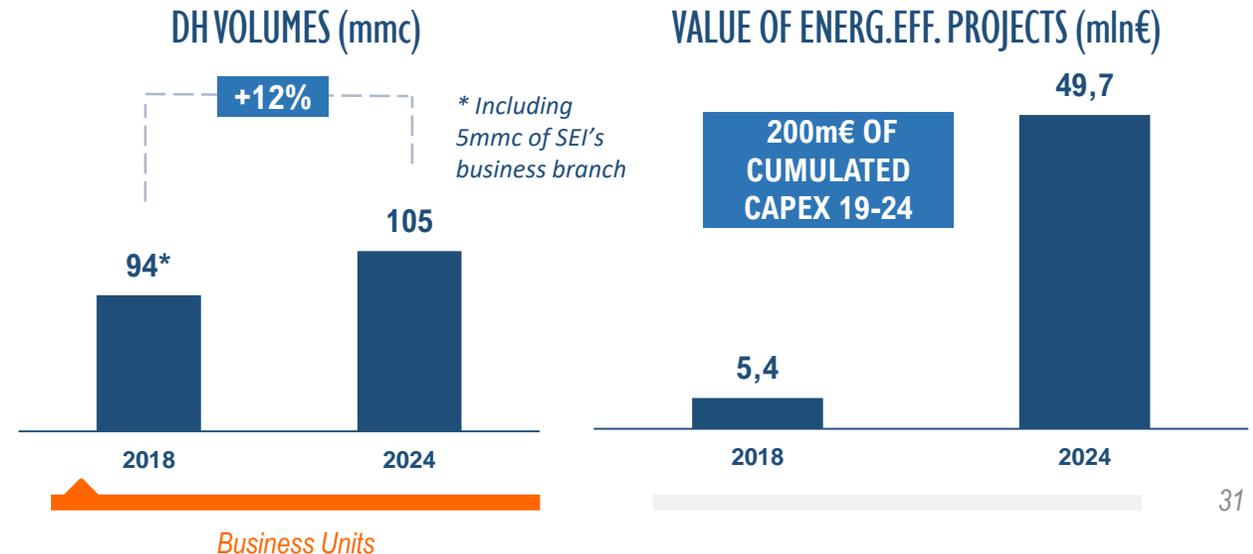
New capacity «2022 auction» 93 MW, equal to 6,8M€/y for 15 years;

Existing capacity «2023 auction» 1.840 MW, equal to 57 M€.

- Increase in the flexibility of IREN's plants, also through the development of electrical and thermal storage systems.
- € 230M of investments for the saturation and extension of district heating. The development includes 5 mmc deriving from the consolidation of a business branch currently managed by IREN in the Turin area.
- +5MW of new hydroelectric capacity, thanks to the repowering of existing plants and the creation of mini-hydro plants.
- Among the strategic options of the Business Plan, the Turbigio Repowering project was approved, which envisages the enhancement of the thermoelectric power plant through the construction of a new combined cycle in the 2020-22 period, for an amount of approximately € 180 million.
- More than € 200 million of interventions are planned in energy efficiency projects for PAs and private customers.

KPIs				
	m€	2018	2022	2024
Ebitda		212*	247	261
Cagr '18-'24			3,5%	
Ebit		75*	97	104
Cumulated Capex '19-'24			750	

*Excluding 60m€ of extraordinary white certificates recognition and 55m€ due to the expiry of CVs and TEEs



MARKET: THE BUSINESS UNIT

The Market Business Unit operates in the marketing of electricity, gas, heat and in the sale of products and services beyond commodity.

In 2019, it served 1.815 million electricity and gas customers



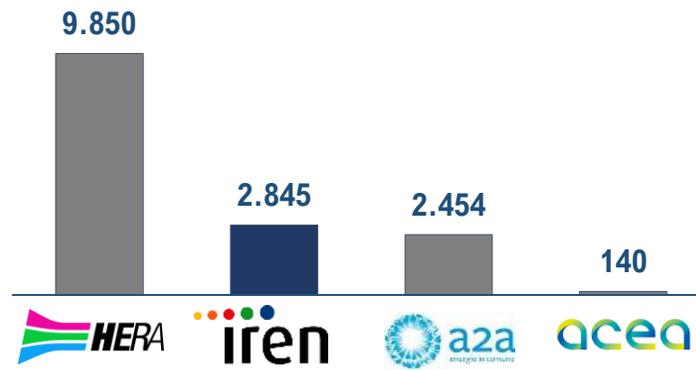
CLIENTS and VOLUMES

- 877.000 electricity clients
9.413 GWh electricity volumes sold
- 907.000 gas clients
2.845 mcm gas volumes sold

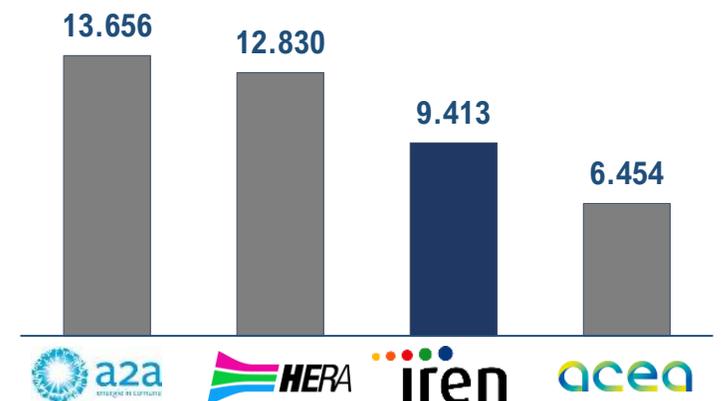
CLIENTS (n.)



GAS SOLD TO END USERS (mcm)*



ELECTRICITY SOLD TO FINAL CLIENTS (GWh)*



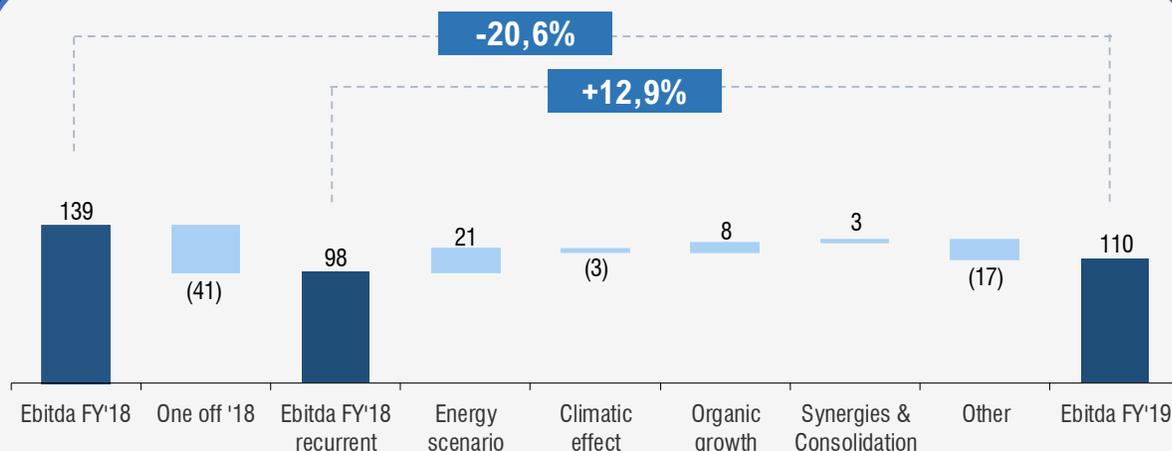
* The data are those communicated by the companies and reflect different business perimeters

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KPIs

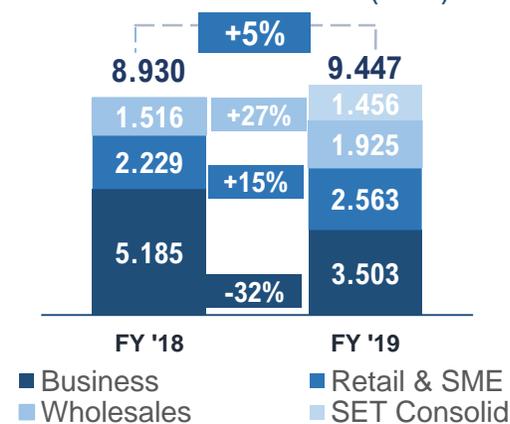
	m€	FY '18	FY '19	Δ	Δ%
Revenues		2.602	2.746	144	6%
Ebitda		139	110	-29	-21%
<i>Electricity</i>		21	35	14	66%
<i>Gas&heat</i>		118	75	-43	-36%
Ebit		86	57	-29	-33%
Capex		31	40	9	29%

EBITDA BRIDGE (m€)

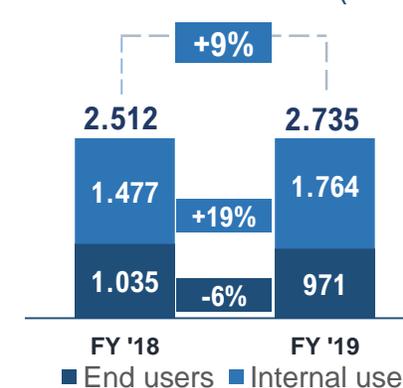


- Increase in volumes of electricity sold, higher margins in both business lines, growth in customers and New Downstream products.
- Positive contribution from SET.
- Negative impact from lower gas volumes due to unfavorable climatic effects and recognition of balances.

PORTFOLIO E.E.— USES (GWh)



PORTFOLIO GAS— USES (mcm)



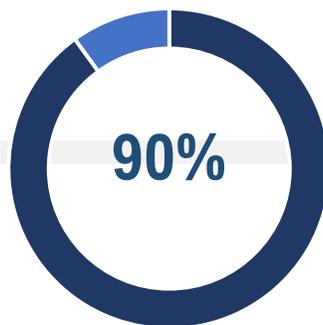
MARKET: FOCUS ON THE STATE OF ADVANCING ACTIVITIES AND PROJECTS

NEW DOWNSTREAM



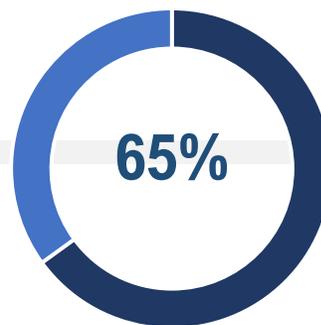
- 120k products sold
- 5,8 M€ revenue
- 1,2 M€ Ebitda
- 10% adoption rate in our customer base

E-MOBILITY



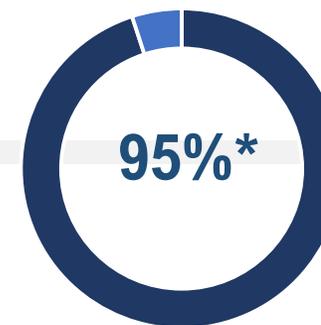
- 418 operational electric vehicles in Waste BU and Networks BU
- 200 internal charging points
- Over 100 charging points in public and private places

TRANSFORMATION PROJECT



- New Billing Energy and CRM Salesforce operating from April, 9
- New WEB platform and new APP (Iren You) from April, 20
- By July completion of DB client migrations to new system

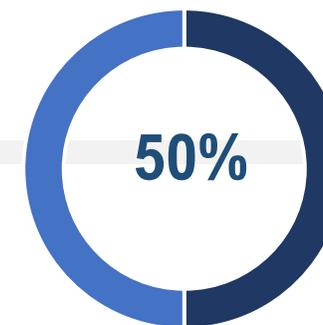
PSD2



* Data referred to the PIS Service (AIS service departing in the second semester)

- Payment institution authorized by bank of Italy on March, 24
- First use case on IREN bills in early June
- According to use case on other sellers' bills by the end of June

NATIONAL



- Sales activities have started with a web channel and dedicated corners
- Communication campaign and portfolio of offers being defined
- Fully digital customer care project started

- Growth of the customer base of + 25%, also outside the reference territories, keeping the dropout rate among the lowest in the sector, in order to reach 2,250 thousand customers in 2024.
- + 90% of electricity sold to retail customers and SMEs.
- 70% of digital operations will allow a cost-to-serve reduction.
- € 20m invested in e-mobility in order to fully develop the IrenGo offer and extend the range of innovative products and services offered

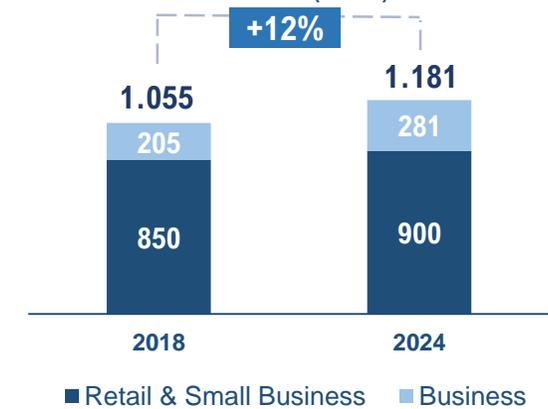
KPIs				
	m€	2018	2022	2024
Ebita		98*	136	156
Cagr '18-'24			8,10%	
Ebit		46*	66	76
Cumulated capex '19-'24			270	

* Excluding 41m€ relating to the revision of the estimate of credits for invoices to be issued

ELECTRICITY USES (TWh)



GAS USES (mcm)



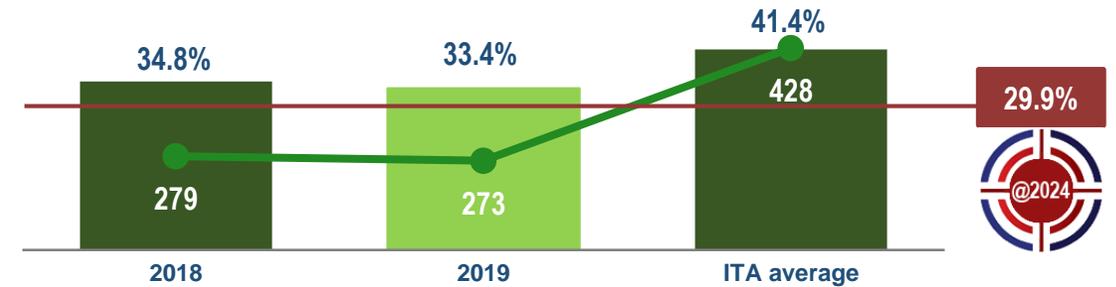


04

SUSTAINABILITY

- More than **52% of the water networks** managed by the Group have been **districtualised** and systematically monitored, with a direct impact on the reduction of **network leaks, that attest at 33.4%** (national average of 41.4%), in line with 2024 target of 29.9%. The positive impact also occurs on the drinking water taken from the environment, per inhabitant/day, which has decreased by 2% compared with 2018.
- To guarantee the quality for inhabitants and the environment, we have taken more than 150 samples per day from the 290.5 mcm of water introduced into the network.
- Activities to increase the **qualitative and quantitative capacity of the wastewater treatment** continued, thanks to investment in the efficiency and expansion of our plants, which consist of over 1,340 purifiers, allowing us to increase both the treatment capacity and the reduction of the main pollutants.

WATER NETWORK LEAKS(%)
and WATER TAKEN FROM THE ENVIRONMENT(l/inhab/day)



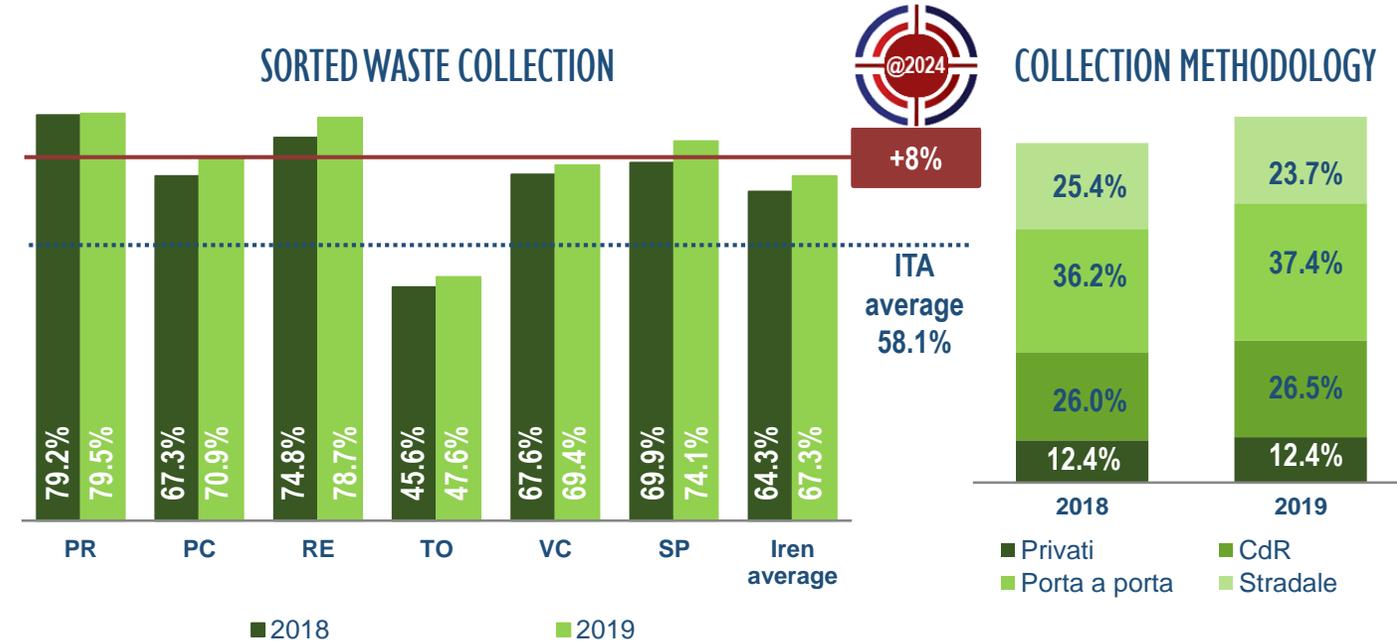
TREATMENT CAPACITY
(equivalent inhabitants)



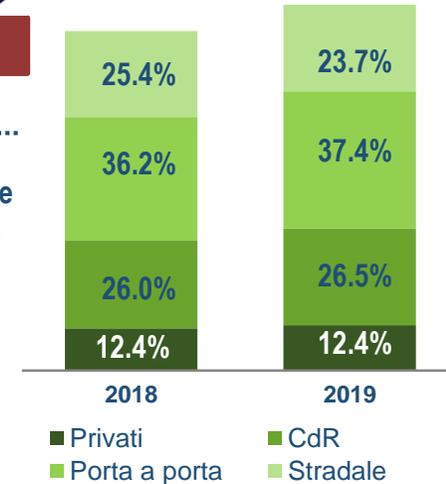
TREATMENT QUALITY
(pollutants reduction)



- The extension of the door-to-door waste collection system, which represents the most relevant method, has allowed a significant increase in **sorted waste collection**. In the areas served by the Group this stands at an average of **67.3%** (national average 58.1%), with an 8% growth of sorted waste per inhabitant/year compared with 2018, which is in line with the Business Plan targets.
- Waste management, in a circular economy approach, produced a significant **increase in waste sent for material recovery** (approximately 43% of the total), doubling the amount treated in Iren plants, in line with development forecasts to 2024. This was made possible through the acquisition of companies operating in waste recycling activities (in particular paper, plastic, organic fraction and green).
- The energy enhancement of non-recyclable waste was also significant, producing more efficient performance, which increased the amount of energy produced per ton of waste treated (+ 3% compared to 2018).



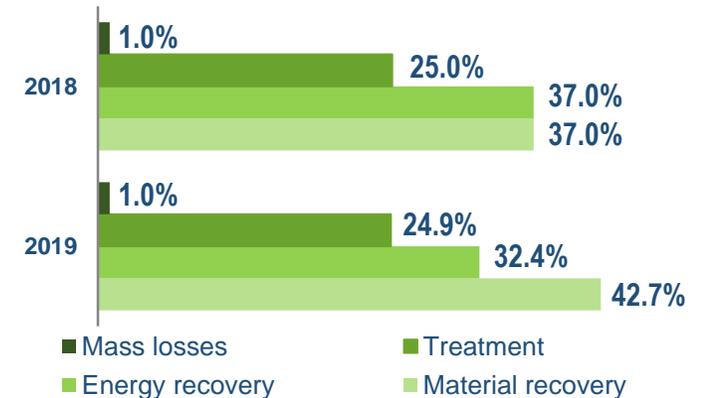
COLLECTION METHODOLOGY



WASTE TO MATERIAL RECOVERY IN IREN PLANTS (t)

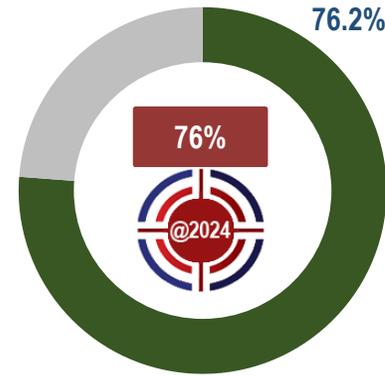


WASTE MANAGED BY TREATMENT METHODOLOGY

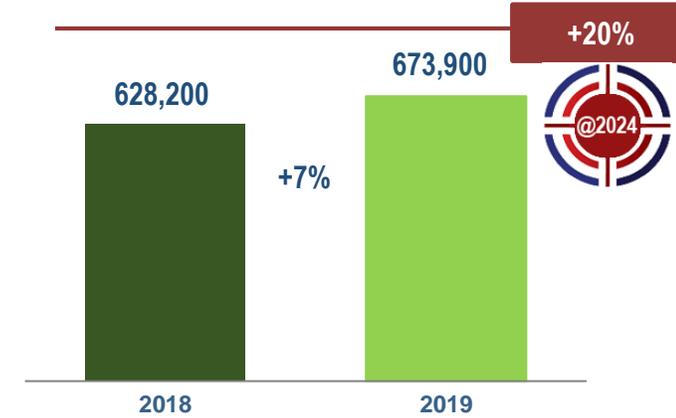


- Energy production, based on high efficiency systems, the thermal energy storage, the waste material valorization, along with specific projects (public lighting, e-mobility, energy efficiency of buildings) have enabled the Group to reduce environmental impacts of their activities. In particular, there is a **7% increase in energy saved**, which is in line with the 20% savings target by 2024.
- Total direct CO₂ emissions show an increase mainly due to the growth in energy production (+16%) and the expansion of the Group's perimeter. Nonetheless, the **carbon intensity** of energy production (quantity of CO₂ emitted per MWh produced) is **reduced by 1.7%**, showing better efficiency levels of the plants also from the emission point of view, which is in line with the 2024 Business Plan assumptions.

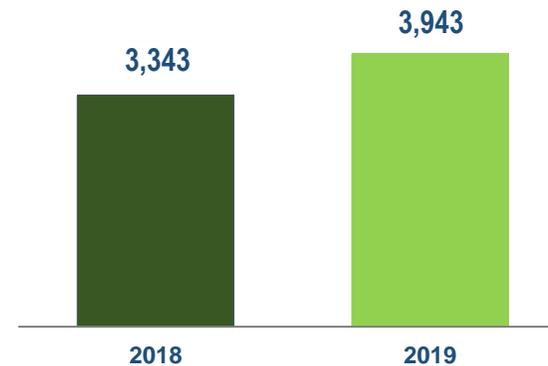
ENVIRONMENTALLY FRIENDLY PRODUCTION (renewable or similar)



ENERGY SAVINGS (Tep)



DIRECT CO₂ EMISSIONS (Kt)

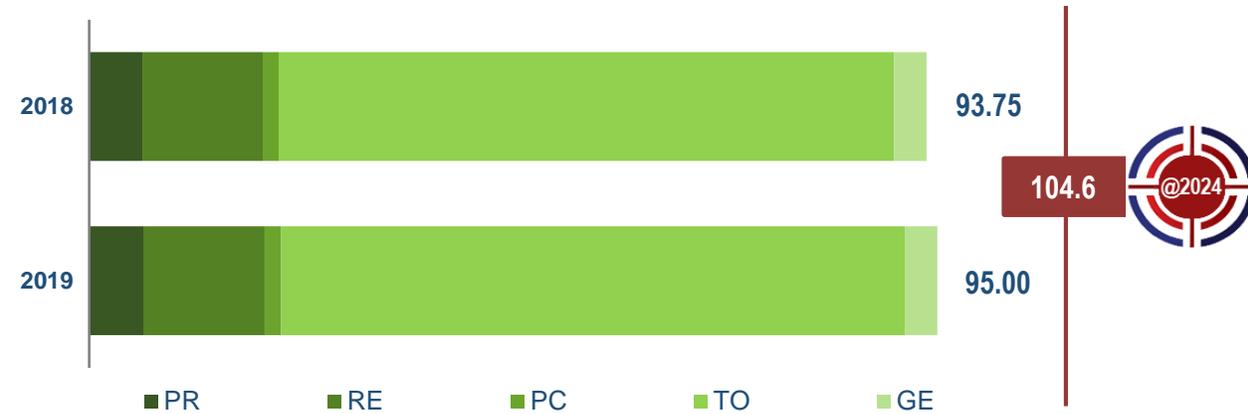


POWER GENERATION CARBON INTENSITY (tCO₂/MWh)

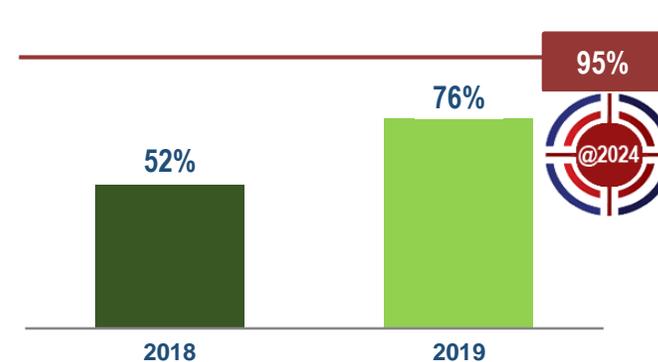


- In 2019, investments for the development of district heating have been continued. This activity reaches a total **volume of 95 million cubic meters**, allowing an improvement in the air quality of the urban areas of reference.
- Iren's commitment to the creation of increasingly resilient cities is also evident in the increase in the number of **ecological vehicles**, currently equal to **890 (16% of the total company fleet)**.
- The range of **offers dedicated to customers aimed at adopting sustainable behavior has also been expanded**: services for the energy efficiency of buildings, widespread photovoltaic production systems, smart meters, e-mobility offers.
- The diffusion of intelligent consumption measurement systems (gas, electricity and water **smart meters**) also contributes to improving the quality of services and their sustainability, making available to all citizens tools that allow them to monitor and regulate their consumption behavior.

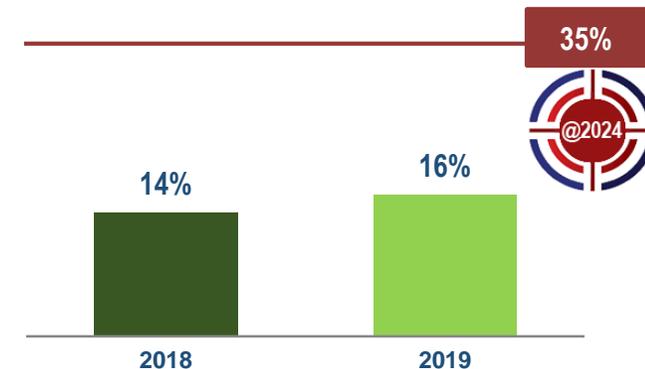
DH VOLUMES (mcm)



INSTALLED GAS SMART METER



ECO-VEHICLES ON TOTAL FLEET

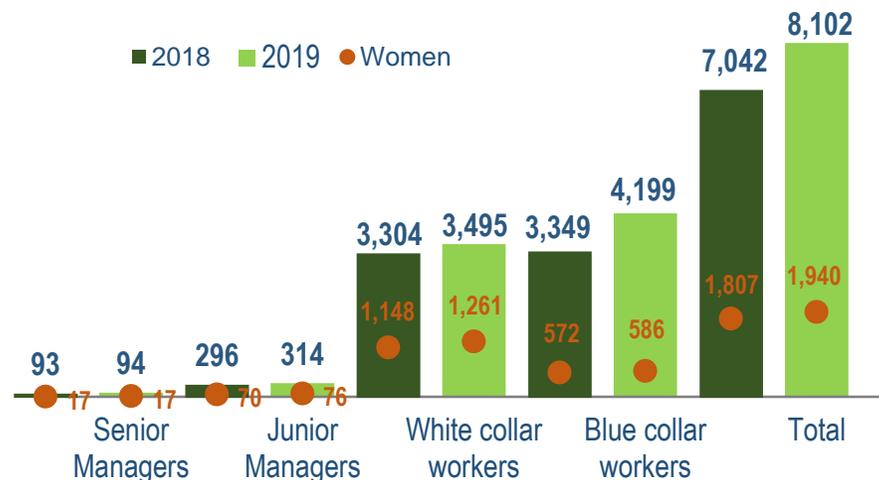


In 2019 important initiatives were carried out for the development of an increasingly agile organization and the enhancement of human resources:

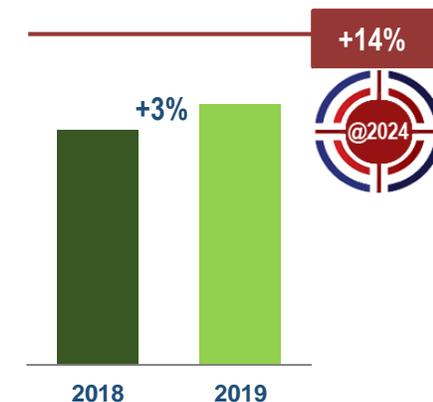
- extension of **smart working** to 950 employees
- actions on **organizational behavior and policies**, downstream of the investigation which involved all staff
- digitalization** project, Iren4digital
- expansion of the corporate perimeter, which has brought more than 840 people within the Group
- training** intensification (+4% compared to 2018 for the same corporate perimeter)
- 745 new hires, mostly young people (+3% **direct employment** with the same perimeter compared to 2018). The stability of relationships is added to this growth, thanks to the adoption of permanent and apprenticeship contracts.

Initiatives that have contributed to increasing the organizational and operational flexibility that has enabled the Covid-19 health emergency to be tackled with maximum effectiveness.

PERSONNEL BY POSITION AND GENDER



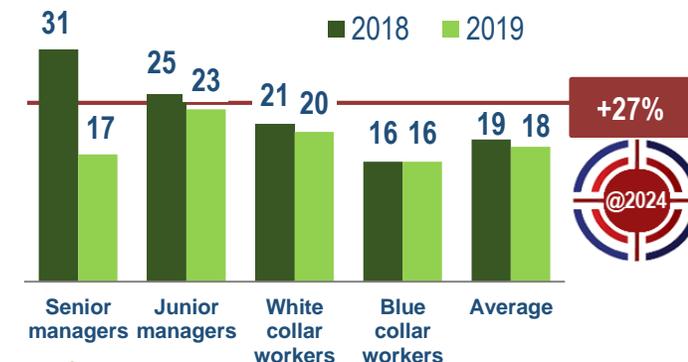
DIRECT OCCUPATION (no. Employees with the same perimeter)



STAFF NEWLY RECRUITED



TRAINING HOURS PER CAPITA



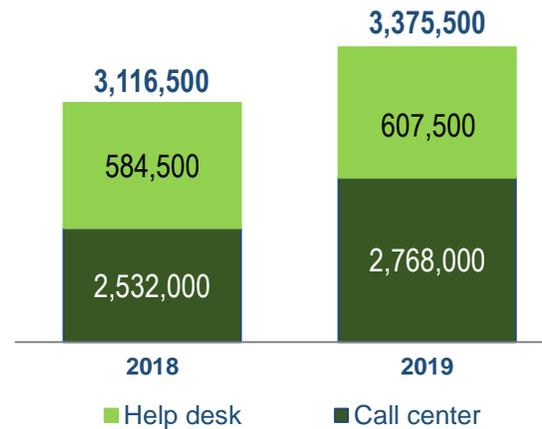
The priority of enriching the services of innovative content and offering new ones to improve the quality of life, makes the Iren Group record significant results also in 2019: **customer satisfaction (overall around 90%)**, detected through the survey carried out annually confirms the high levels found in the past and substantially higher than the national data.

The performance data support the satisfaction results:

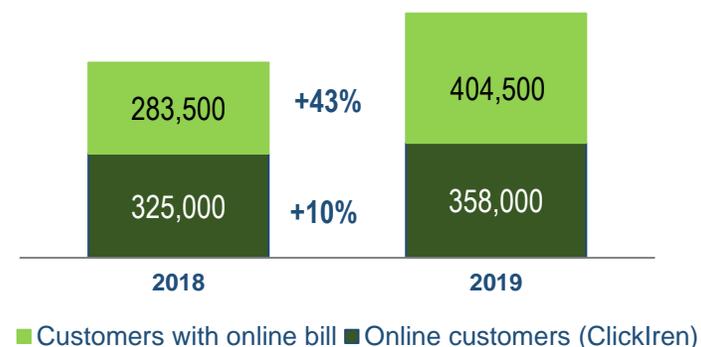
- **the number of customers is growing**, confirming the confidence that, in 10 years of the Group's life, has produced a 30% increase in the electricity and gas customer base
- compared to the **increase in the number of customers managed** through help desks and call centers (+ 8%), there was a **reduction in average waiting times** (-14% at help desks and -42% at call centers)
- the constant improvement of the online contact channels finds an appreciation in the growth of the customers who use them (+10%), also producing positive effects in terms of dematerialisation of the bills (+ 43%), with savings of natural resources.

MANAGED CUSTOMERS: CHANNELS AND WAITING TIMES

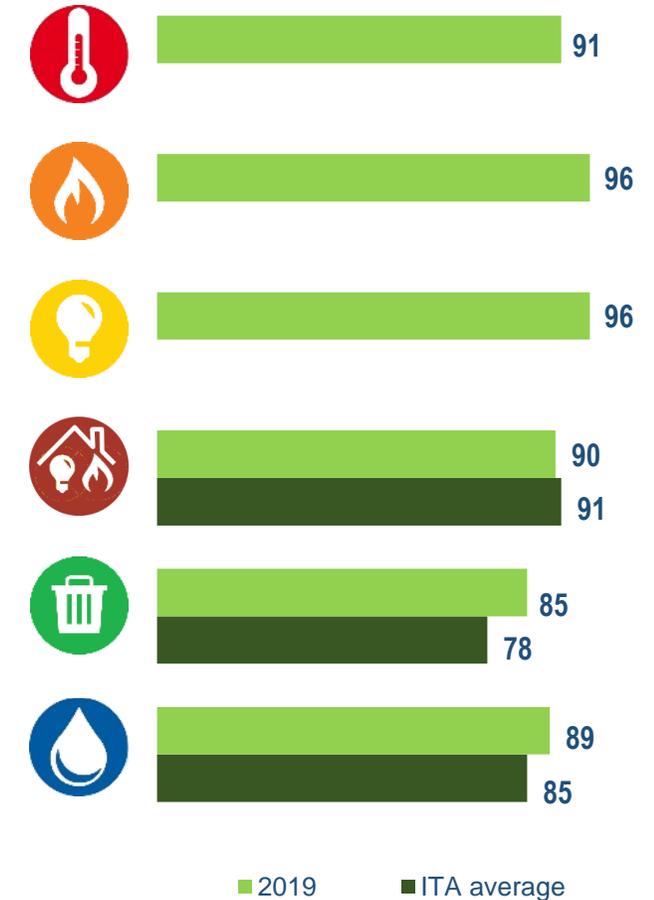
-14% Help desk waiting time
-42% Call center waiting time



ON LINE SERVICES AND BILLS DEMATERIALIZATION

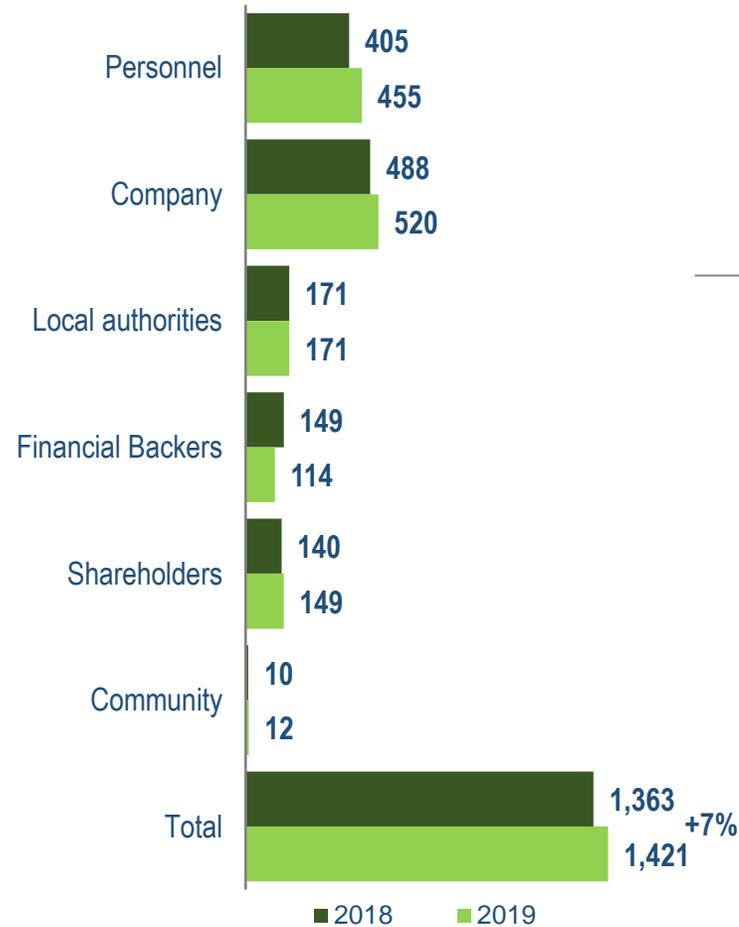


CUSTOMER SATISFACTION LEVEL

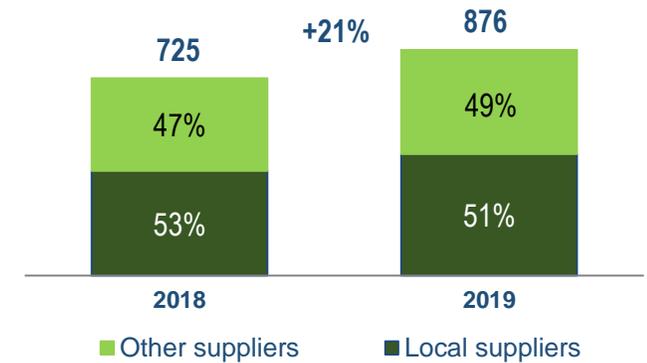


- The growth of the Iren Group can also be read through the **added value** generated and distributed, up 4% compared to 2018, which confirms the trend of the last 10 years.
- Operating investments made in 2019 stood at 524 million euros (+ 17% compared to 2018).
- The strong attention to the communities produces important effects on the territory, starting from the **supply chain** with over 876 million euros of orders issued (+21% compared to 2018), largely to local suppliers. To get support for projects for the sustainability of the territory: in 2019 there were 273, to which are added 21, the result of the work of the Iren Territorial Committees.
- Innovation is another driver to produce value: the Iren Up program and the Iren Startup Award, activated with the aim of supporting the highest potential Italian startups, go in this direction and allow to focus innovation in the territories.

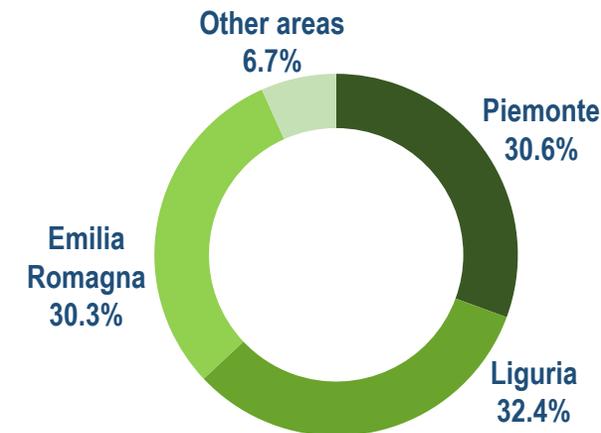
DISTRIBUTION OF TOTAL GROSS ADDED VALUE (m€)



PURCHASE ORDERS TO SUPPLIERS (m€)

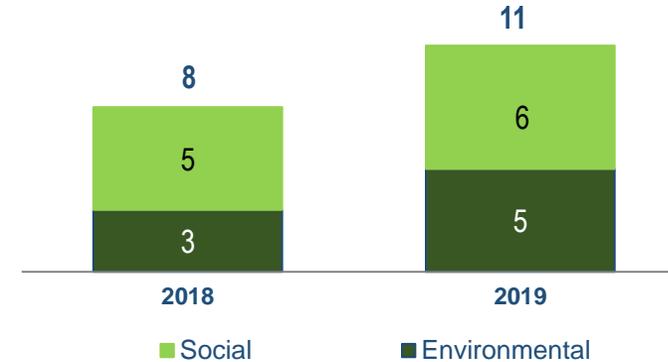


PROJECTS FOR THE TERRITORIES



- The experience of the Iren Local Committees, the participatory planning tables with the stakeholders, has also produced important results in 2019.
- **95 Bodies/Associations** participating in the 5 Territorial Committees
- **93 meetings** of Committees and project groups carried out during the year
- **1,519 users registered** (+ 26%) on the **irencollabora.it** platform, a participatory planning tool extended to all citizens
- **11 projects carried out** in the year and 23 projects in progress
- Territorial extension of the **AmbientAzioni call** for the realization of projects on saving resources and for curbing climate change
- **Comparison and discussion** on the Business Plan, Sustainability Report and relevant issues, customer relationship satisfaction and policy, district heating, separate collection and Tari, new plants for the recovery of material from waste (circular economy).

PROJECTS CARRIED OUT IN THE YEAR



PROJECTS REALIZED / IN PROGRESS BY TERRITORY

