



# Annual General Meeting 2021

*06 May 2021*

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# 01

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## 2020 GOALS



## >7 million

RESIDENTS IN IREN'S 3  
REFERENCE REGIONS

### CLIENTS:

- ~1.877 million in the energy sector
- ~2.8 million citizens served by water service
- ~3.1 million citizens served by waste collection
- ~0.9 million citizens served by district heating

### REGULATED ACTIVITIES



#### Energy Infrastructure

- RAB electricity distribution: €460 million
- RAB gas distribution: € 712 million
- **2.9% electricity grid losses (vs. national average 6.4%)**



#### Water service

- RAB integrated water service: €1,111 million
- **33.3% water network losses (vs. national average 43.7%)**



#### Urban waste collection

- ~2.3 million tons of communal waste collected
- **69.3% sorted waste collection (vs. national average 61.3%)**

### QUASI- REGULATED ACTIVITIES

#### Hydroelectric Green Certificates

- 260 GWh of green certificates produced by hydroelectric power plants
- **592 million tonnes of CO<sub>2</sub> emissions avoided by hydroelectric power plants**

#### District heating

- 96.7 mm<sup>3</sup> of district heating volume
- **716 million tonnes of CO<sub>2</sub> emissions avoided thanks to cogeneration**

#### Urban waste disposal

- 3 waste-to-energy plants (total capacity 800 million tonne/y)
- **100% energy or material recovery from the volumes of waste managed**

### UNREGULATED ACTIVITIES

#### Generation

- 2,700 MW of generation capacity
- **73% of electricity produced by highly efficient sources**

#### Energy Market

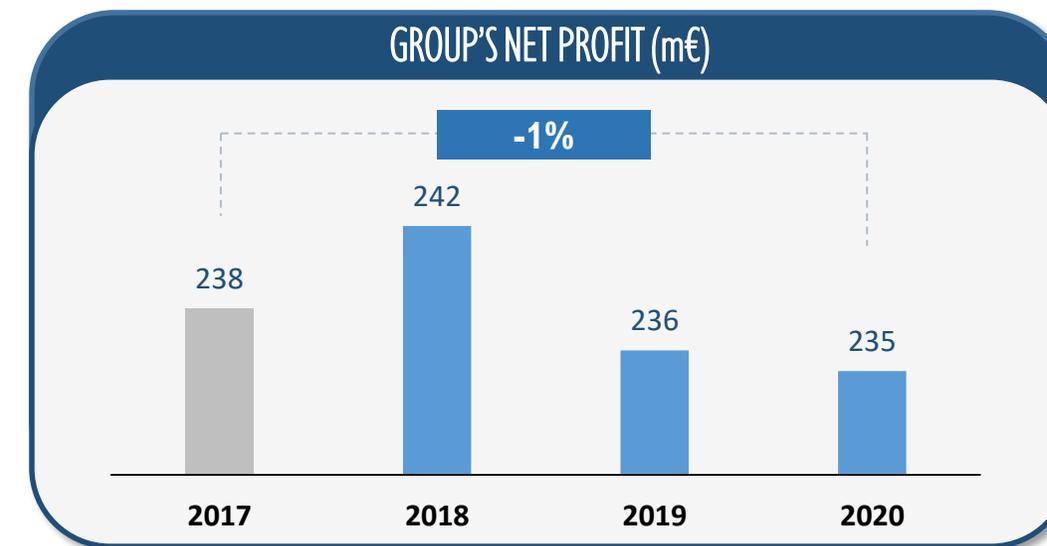
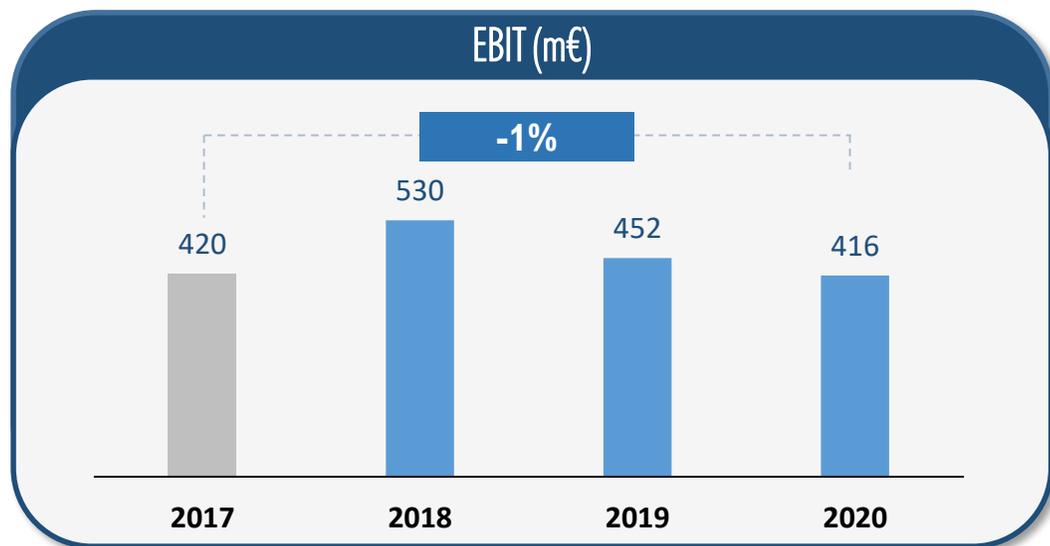
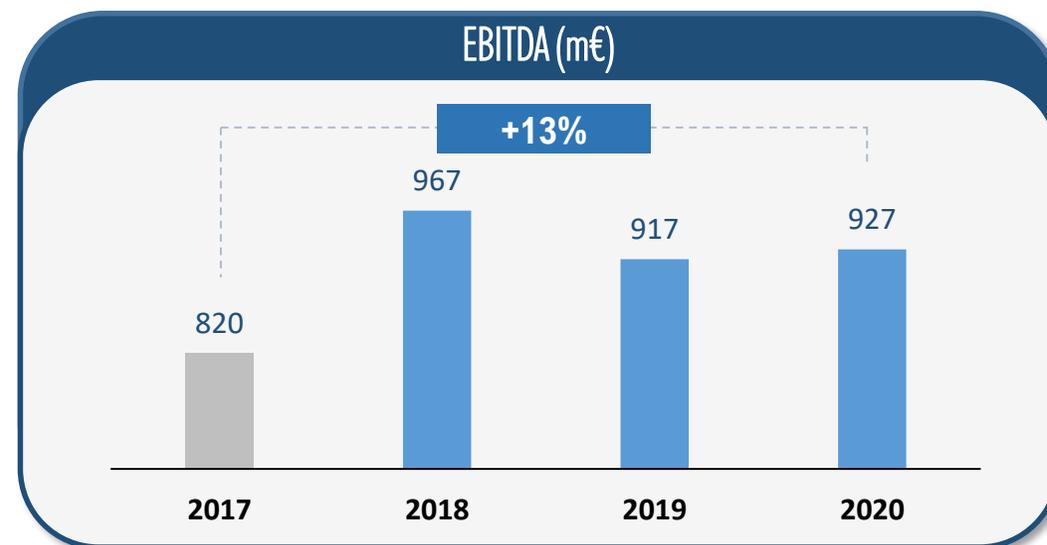
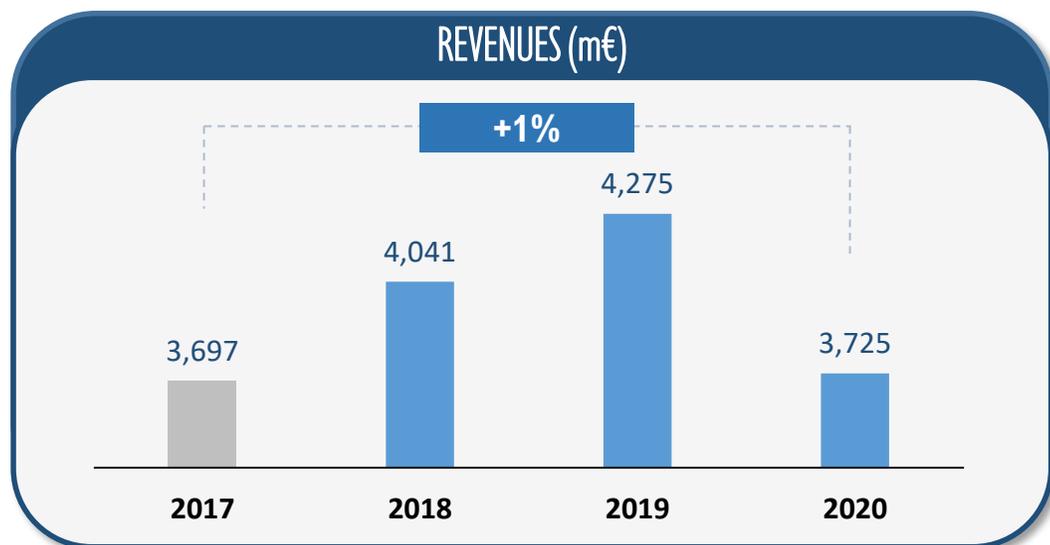
- ~7.3 TWh electricity sold
- ~3.0 bcm of gas purchased
- **91% customer satisfaction**

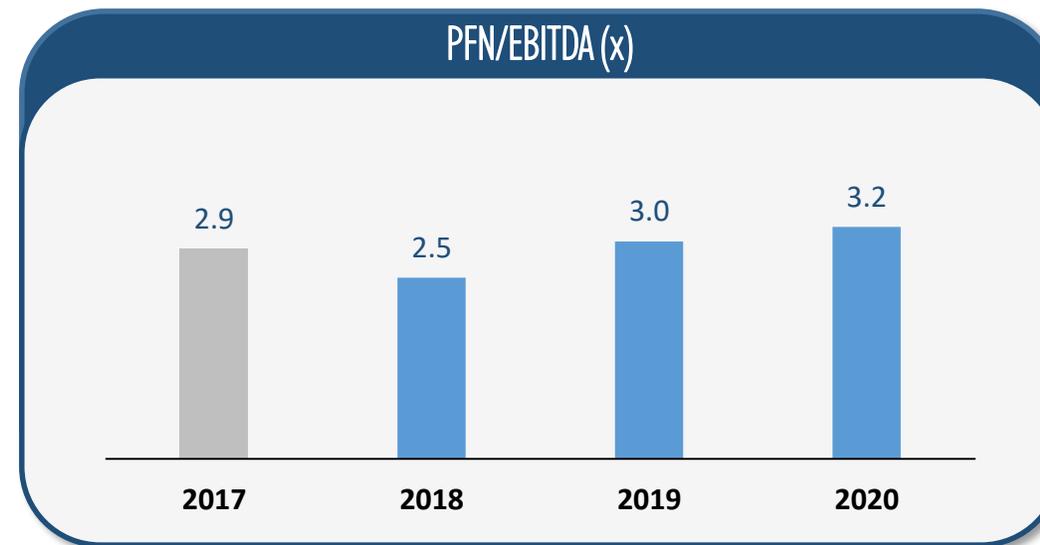
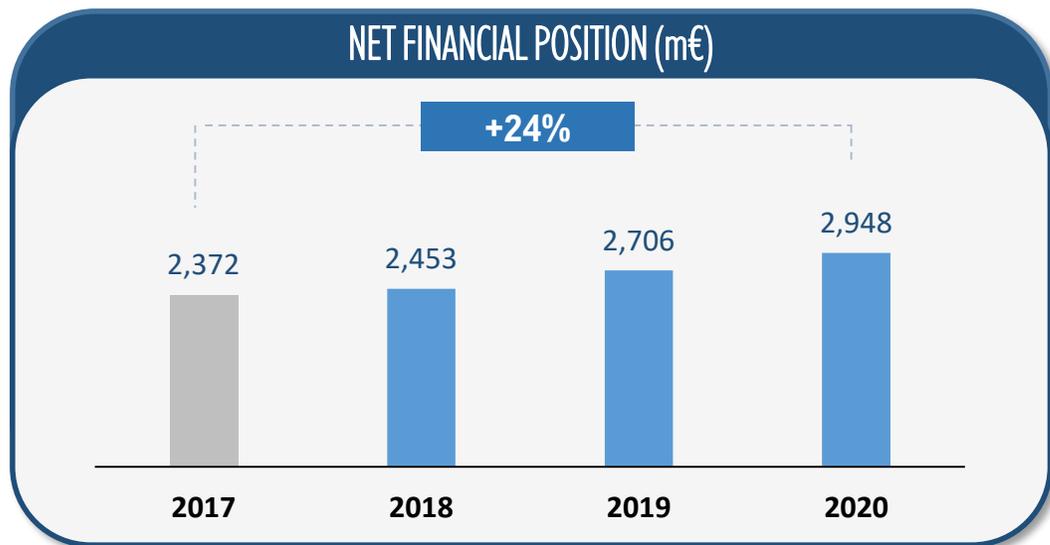
#### Special Waste

- ~817 million tonnes of special waste managed
- **238.5 million tonnes of special waste for energy recovery**

2020 Data

# ECONOMIC PERFORMANCE OVER THE LAST 3 YEARS





FitchRatings

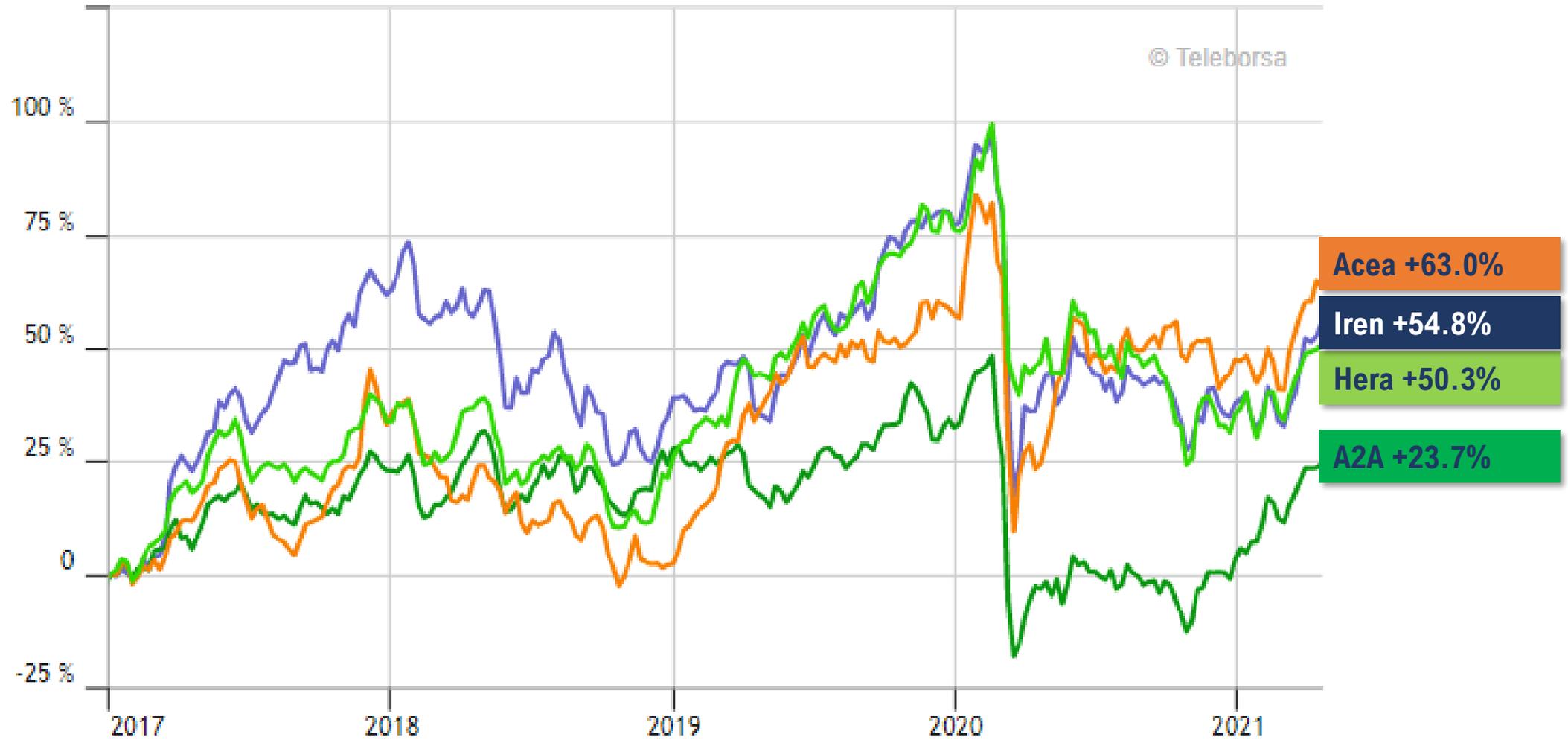
**BBB**

**Outlook: stable**

The 2020 net financial position growth was due to:

- Increased investments (+30%) to support the growth of the Group
- External growth operations (200m€)
- Covid effect on NWC (€60m)

# SHARE PERFORMANCE



# EXTERNAL GROWTH OPERATIONS IN THE LAST 3 YEARS



Thanks to the external growth operations carried out in the last three years, the Group achieved the following results:



+200,000 citizens served by the integrated water service



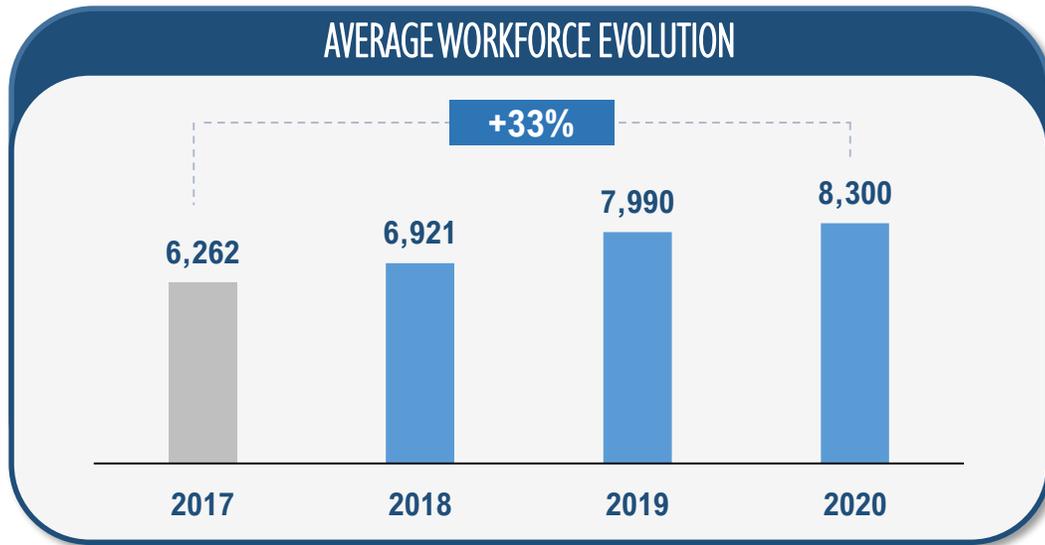
+1 million citizens served in environmental services and +24 waste treatment and disposal plants



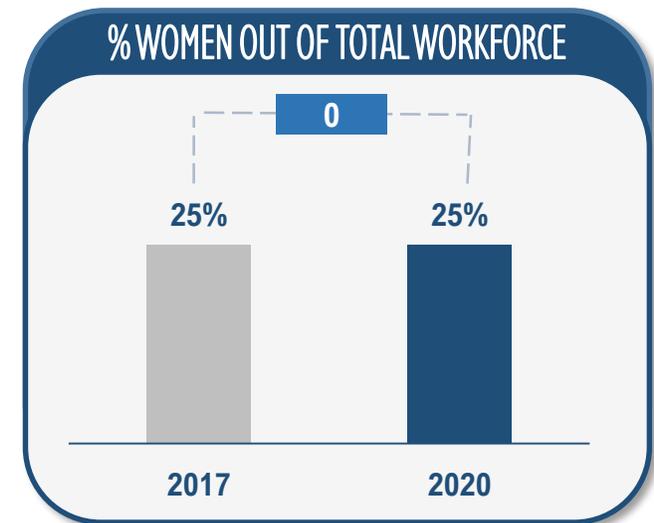
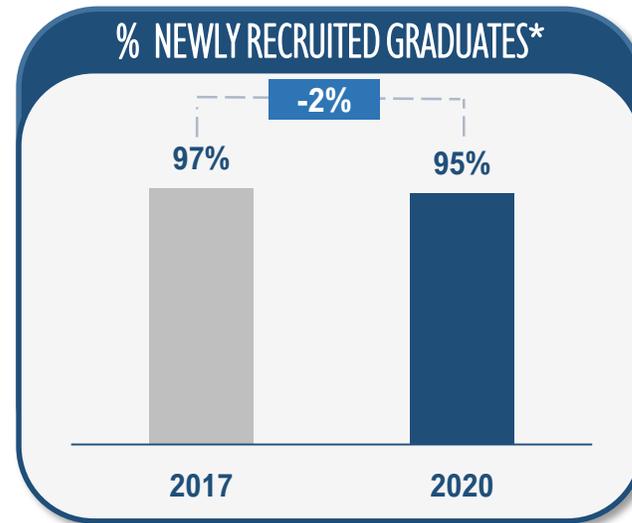
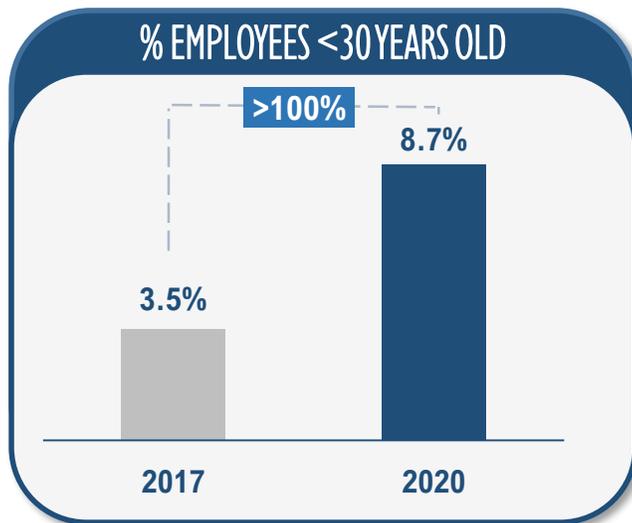
+5 mmc district heating volumes and +5MW hydroelectric



+23,000 energy clients



- Over the last three years, the Group's workforce has increased by 2,395 people, including 2,240 through new acquisitions
- During the reference period, 1,670 new recruits were recorded against 1,410 terminations and a balance of 105 changes in the scope of consolidation
- A 1/4 of the workforce is confirmed female, despite significant changes in business scope over the years in mainly operational sectors



\*Excluding workers

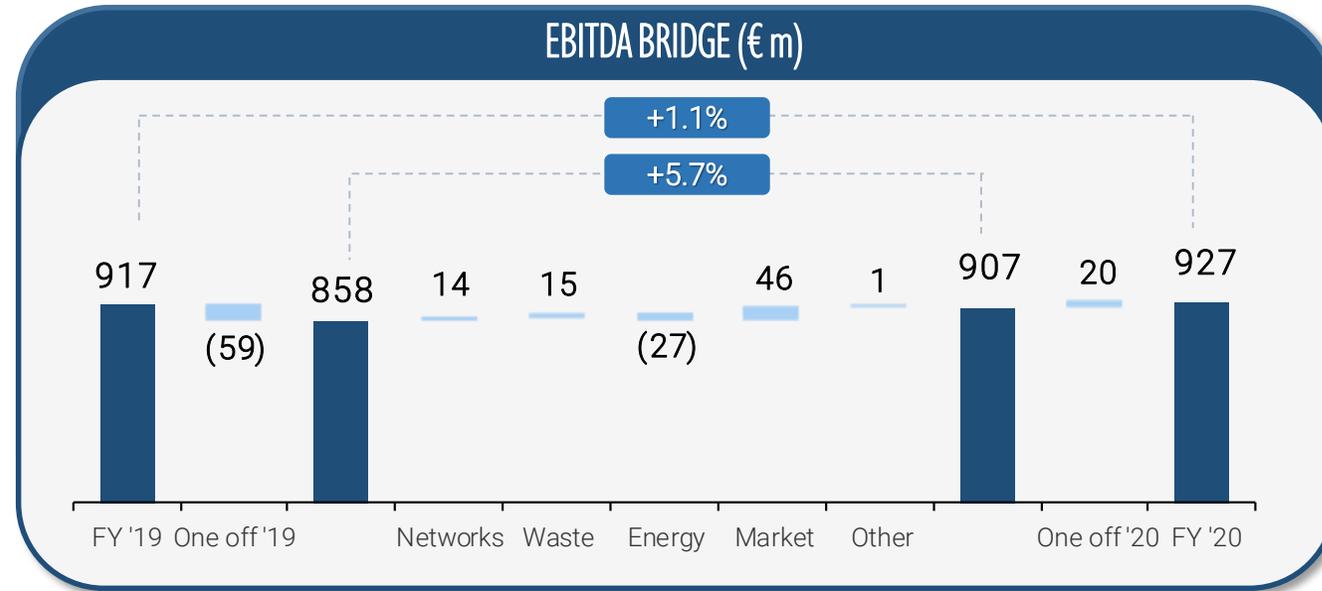
## ECONOMIC RESULTS

	m€	FY '19	FY '20	Δ	Δ%
Ricavi		4,275	3,725	-550	-12.8%
Ebitda		917	927	10	1.1%
Ebit		452	416	-36	-8.0%
Utile netto Gruppo		236	235	-1	-0.4%
Investimenti tecnici		524	685	161	30.7%

## FINANCIAL RESULTS

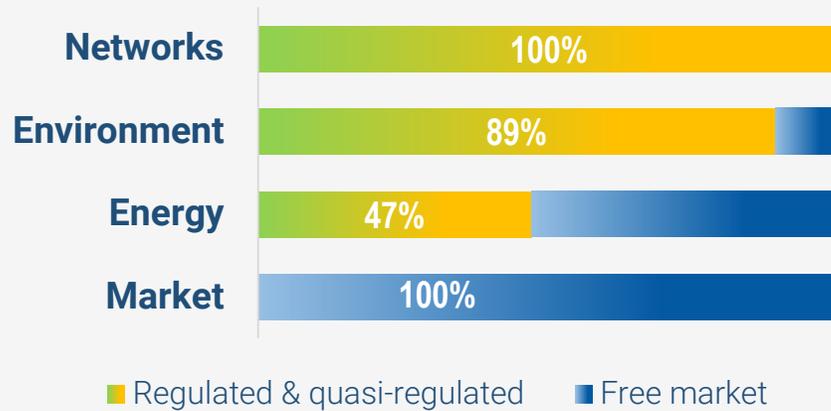
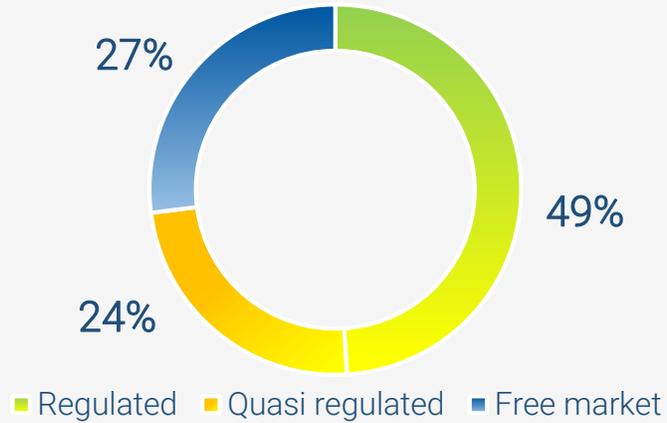
	m€	FY '19	FY '20	Δ	Δ%
PFN		2,706	2,948	242	8.9%
PFN/Ebitda		3.0	3.2	0.2	6.7%

- **Revenues -12.8%:** main decrease in the energy chain caused by lower volumes and prices and strategic choices in the BU Market
- **Ebitda +1.1%:** Positive results based on normalisation of customer portfolio margins, organic growth and consolidation, despite a € 15 m impact from Covid and a negative impact from regulation of € 10 m.
- **Ebit -8.0%:** higher amortisation and depreciation and provisions for bad debts due to the emergency, partially offset by the release of a provision of € 19 m
- **Group's net profit -0.4%:** Reducing the cost of debt and temporarily lowering the tax rate
- **Investments +30.7%:** Investments in line with business plan assumptions
- **PFN +8.9%:** Debt growth of € 242 m mainly related to M&A transactions and acceleration of investments

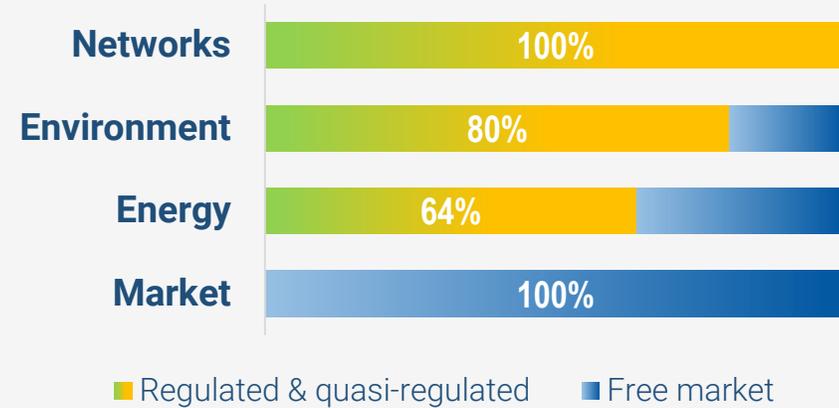
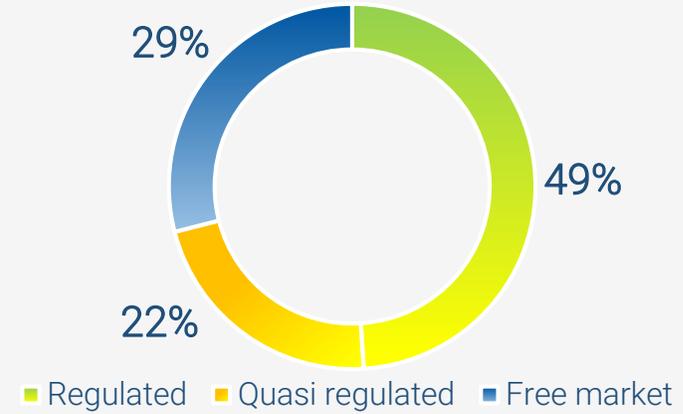


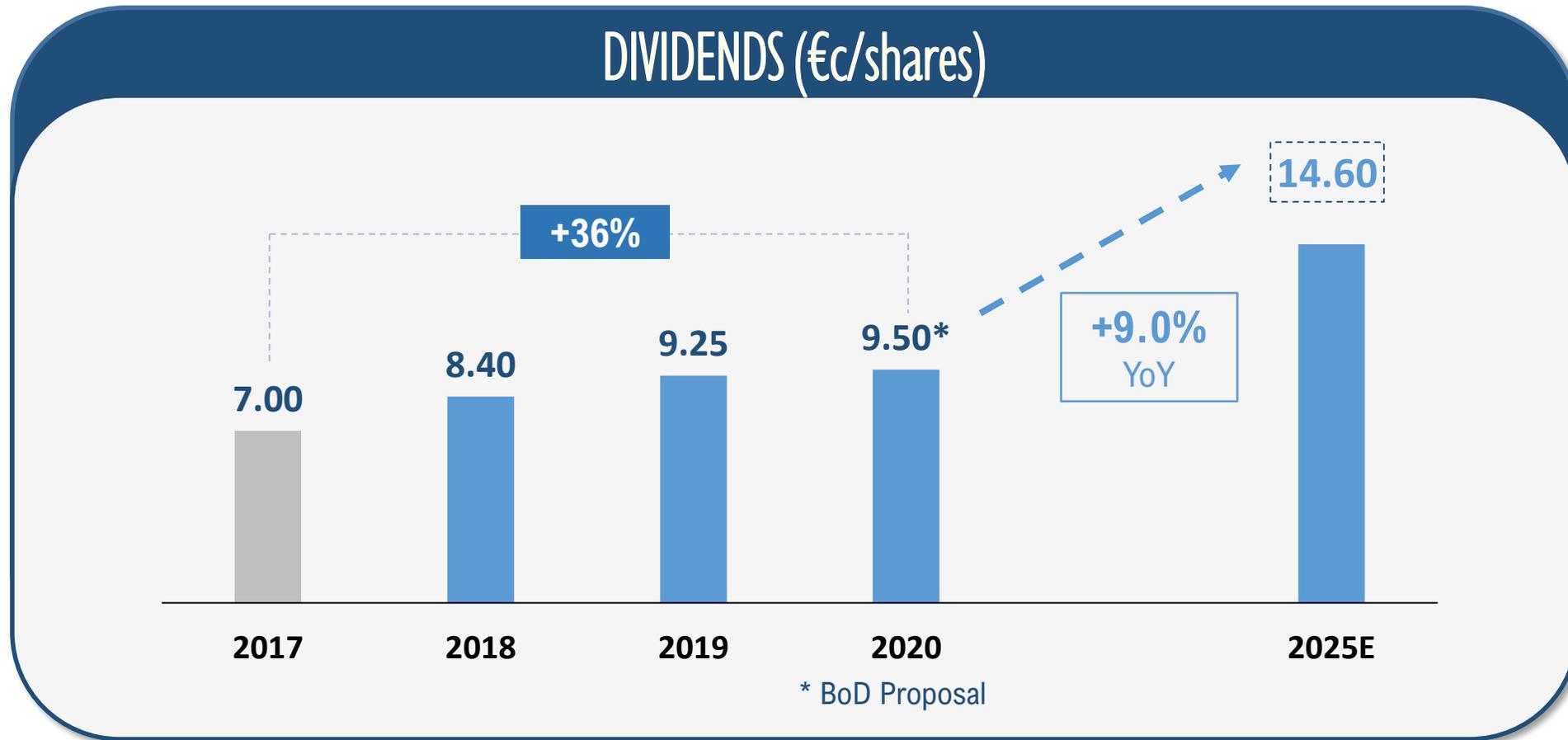
- **Networks:** organic growth, thanks to the increase in RAB, and synergies make it possible to offset the negative effects of regulation
- **Environment:** increased profitability thanks to organic growth in collection activities and consolidation of acquired companies (I.Blu and Unieco)
- **Energy:** decline due to an opportunistic choice in the hydroelectric sector and lower margins on heat sales. In spite of the extraordinarily negative energy scenario and net of the hydroelectric choices, the result for electric power generation alone would have been in line with the previous year
- **Market:** growth driven by stabilising margins, volatile energy prices and growing customer base despite emerging structural costs to improve service quality

## 2019



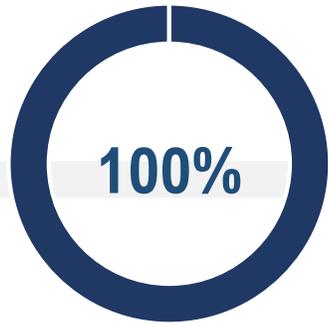
## 2020





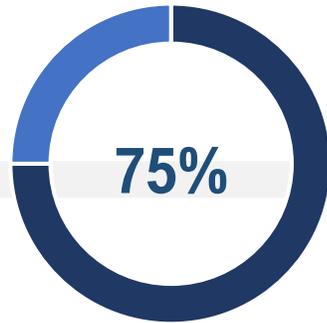
- Since 2017, annual dividend growth rate of 10.7%
- Confirmation of the increase in future dividends as outlined in the Business Plan

## ADVANCED ANALYTICS



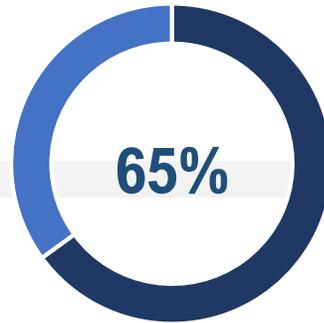
Completed the establishment of the “competence centre” and developed 7 use cases on all major business areas.

## JUST IREN



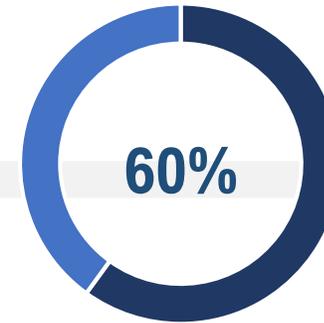
During the year, we completed the go-live for the Turin area (launch of the SAP PM module and of operational services). The operations for the go live in the Emilia area are being finalised.

## IREN WAY



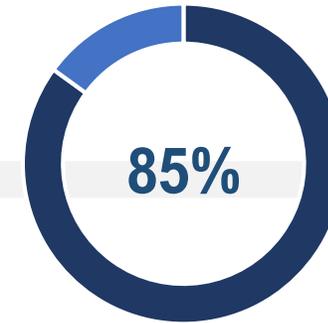
**Stream gas:** released in October 2020.  
**Water Stream:** in the process of completing technical analysis, initiated developments on consolidated parts.  
**Stream e.e:** implementation activities underway.

## MARKET TRANSFORMATION



Production of the new Integrated CRM System and the new billing system (Sap) was released and all Electricity and Gas retail clients were migrated. Work will continue in 2021 with the start of water activities.

## AM/WFM PROJECT



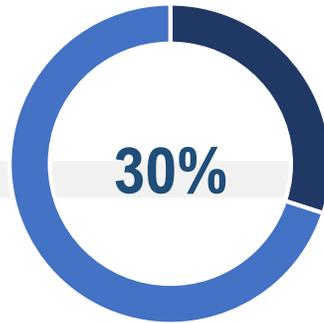
Conclusion of the project stream for the Vercelli branch (gas & SII + DEE). Completed technical releases and organisation and change management activities for the finalisation in 2021 of the La Spezia branch stream (SII).

## PROPERTY & FACILITY MANAGEMENT



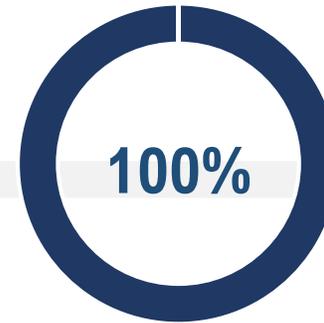
Identified the supplier for the project during the year. Phase 1 ('Property') will be completed by the end of 2020, with development of phase 2 ('Maintenance & Construction') during 2021. Expected end of 2021.

## FLEET MANAGEMENT



Identified the supplier for the project during the year. Implementation of the digitalisation of the vehicle fleet is underway, with completion expected by the end of 2021.

## IT SERVICE MANAGEMENT



Released December 2020 IT Iren Now. Processes for the development of upgrades and further functionalities initiated.

## CYBERSECURITY



Tenders invited for the implementation of cybersecurity-related solutions, with specific go-lives carried out at the end of the year (e.g. Threat Intelligence and EDR). Continuation of activities in 2021.



# 02

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## FUTURE OVERVIEW

(To 2025)

## *Confirmation of strategic pillars in combination with new ambitions*

### MACRO TRENDS IN THE SECTOR

- Sustainable resources
- Energy transition
- Central role of the customer
- Technological revolution
- Consolidation

### STRATEGIC PILLARS

- Growth
- Sustainability
- Customer
- Digitalisation
- People
- Technological evolution and efficiency

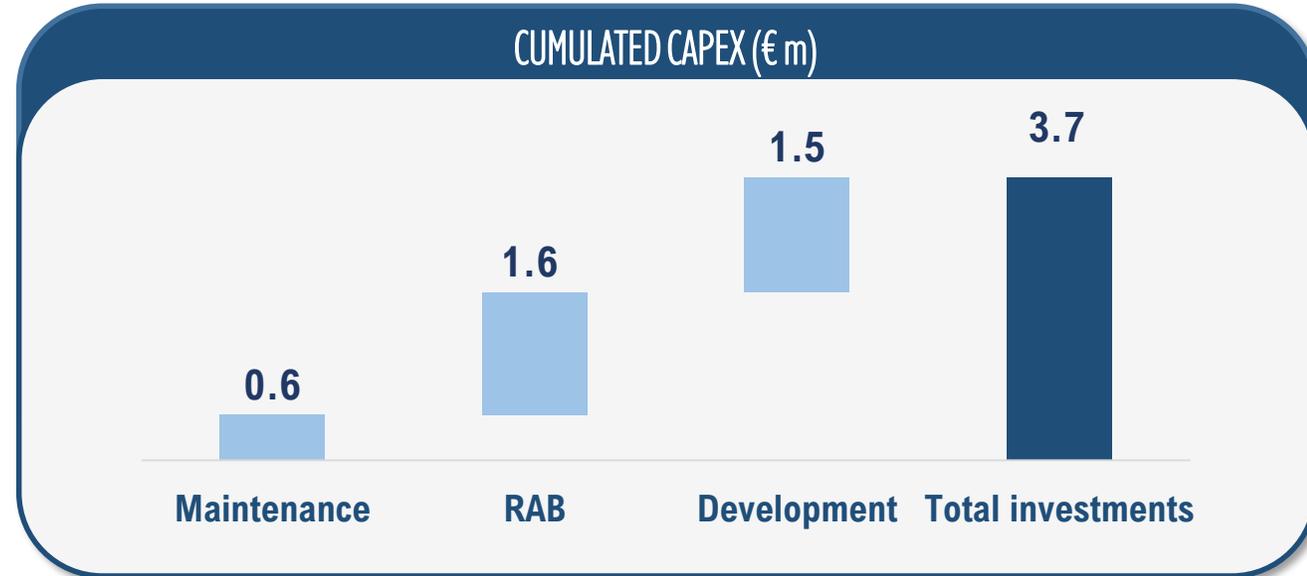
### NEW AMBITIONS

- National expansion
- Multicircle economy
- Enhancement of resilience

***More investments for € 400 million compared to the previous plan***

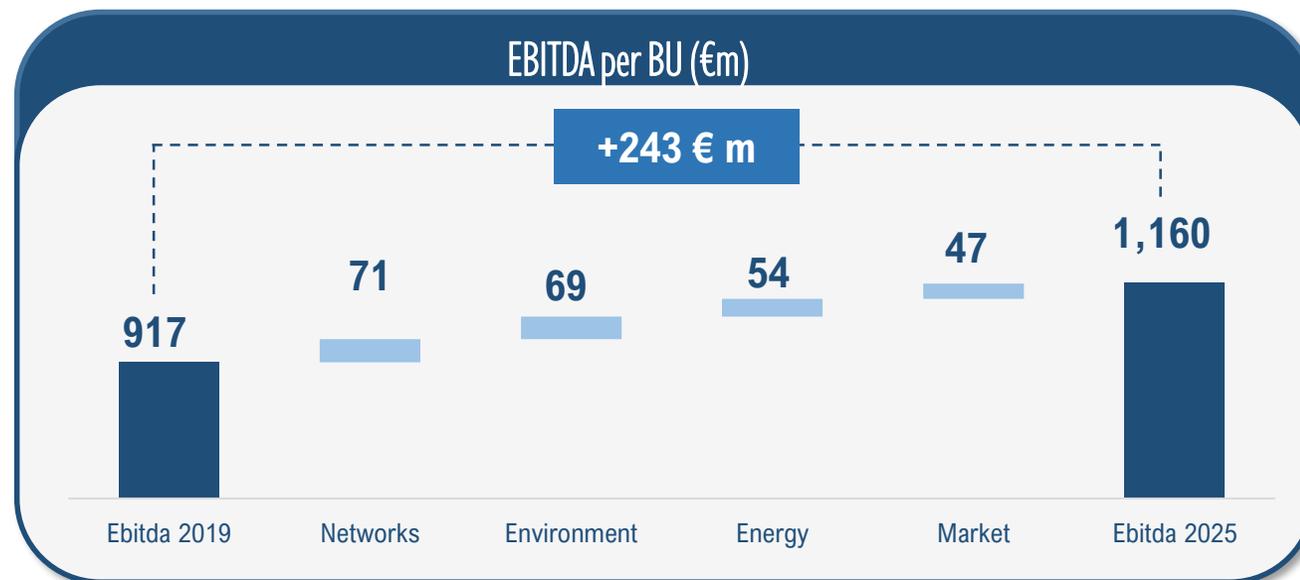
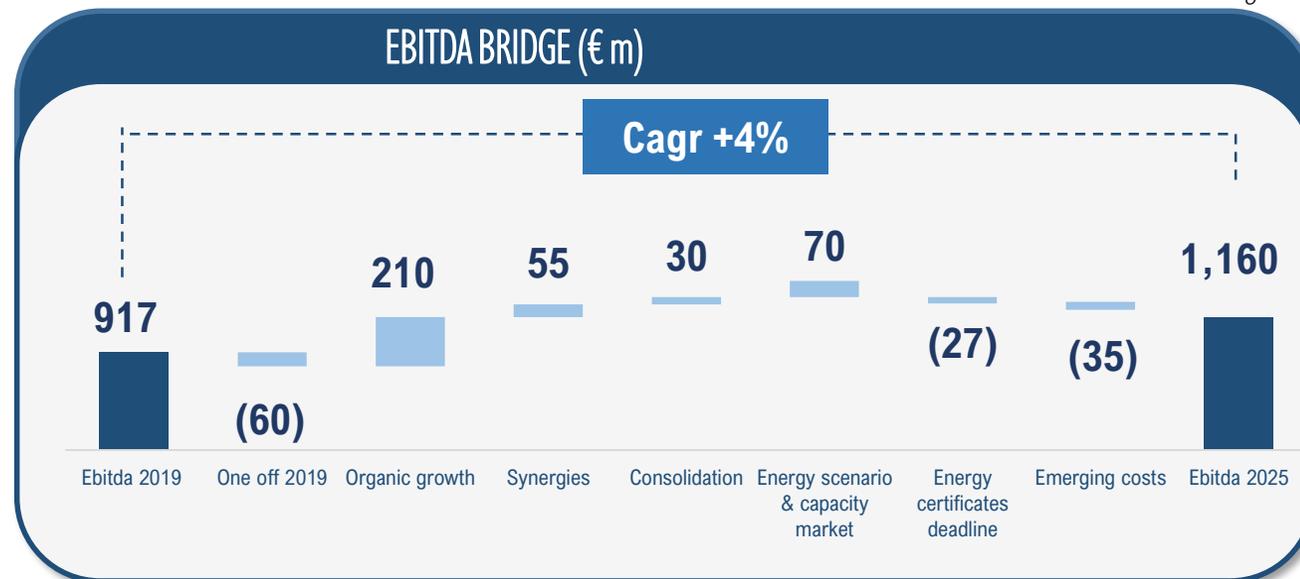
## Capex at € 3.7 billion, +12% compared to previous plan

- More than € 800 million in the water cycle
- Almost € 800 m in the expansion of district heating and new thermoelectric capacity
- More than € 700 m in the waste sector mainly to increase the treatment capacity of our plants
- Strong commitment in the Market segment to expand our customer base nationwide
- € 2.25 billion in sustainable investments representing 61% of total capex. The total value of investments in multicircle economy (resilient cities, water resources and circular economy) is € 2.1 billion



## Ebitda growth of € 240 M

- Increased **organic growth** mainly driven by water business, new waste treatment capacity, district heating expansion and customer base development
- The **Consolidation** of Unieco and I.Blu allows further business development and expansion
- Positive contribution of the **energy scenario** and **capacity market** partially offset by the maturity of energy securities
- **Synergies** from performance improvement projects are offset by emerging costs for digitisation projects



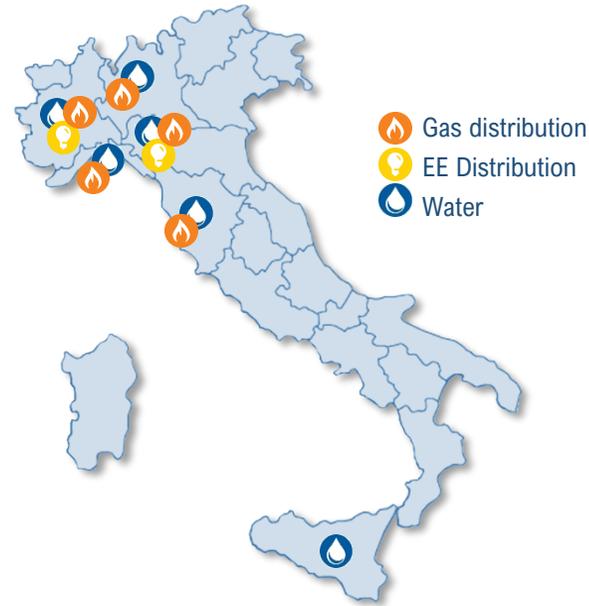


# 03

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## BUSINESS UNITS

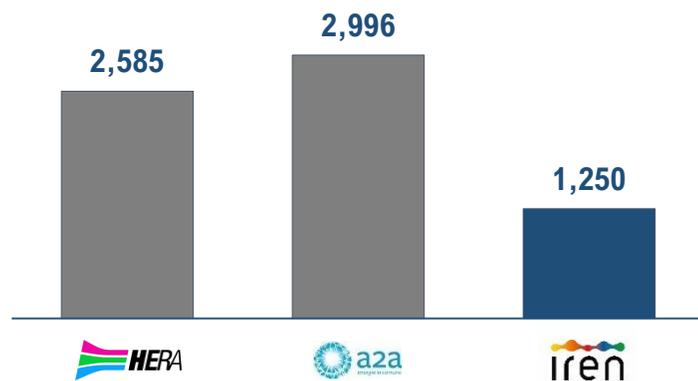
The Networks Business Unit deals with the distribution of electricity, gas and integrated water service.



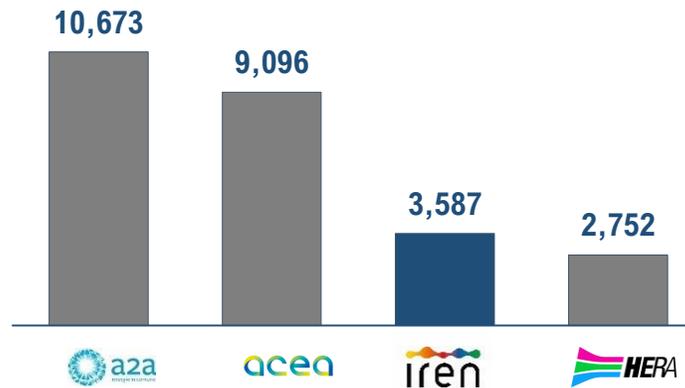
### CLIENTS

- 🔥 744,000 re-delivery points (GE, RE, PR, PC, VC)
- 💡 724,000 re-delivery points (TO, PR, VC)
- 💧 2,765,000 citizens served (GE, SV, SP, RE, PC, PR, VC)

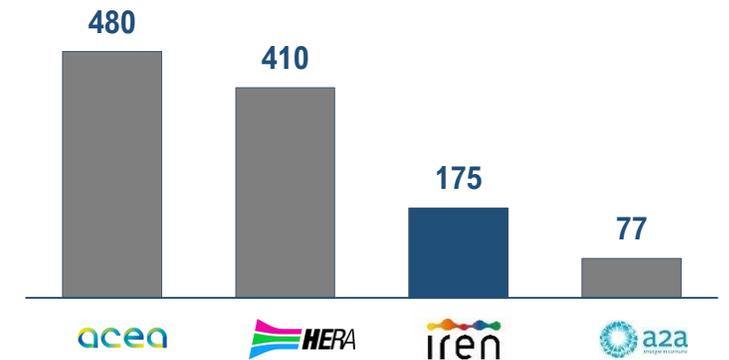
**GAS DISTRIBUTION: VOLUMES DISTRIBUTED (mmc)**



**EE DISTRIBUTION: VOLUMES DISTRIBUTED (GWh)**



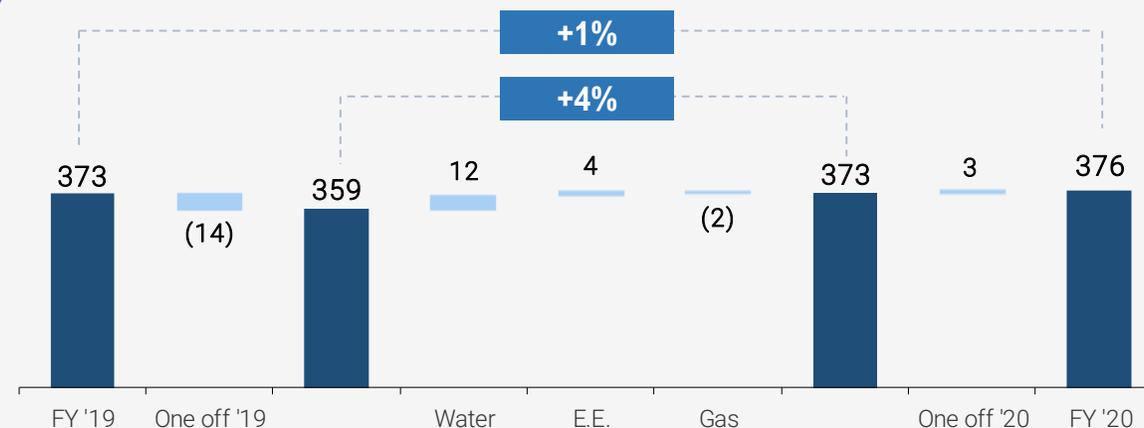
**WATER: VOLUMES DISTRIBUTED (mmc)**



## KPIs

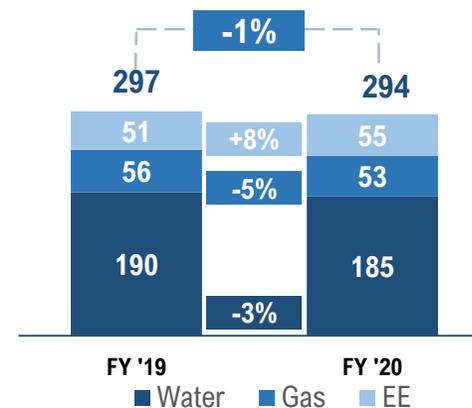
	m€	FY '19	FY '20	Δ	Δ%
Revenues		1,046	<b>1,041</b>	-5	0%
Ebitda		373	376	3	1%
<i>Electricity</i>		75	<b>79</b>	4	5%
<i>Gas</i>		89	<b>85</b>	-4	-4%
<i>Water</i>		209	<b>212</b>	3	1%
Ebit		198	<b>186</b>	-12	-6%
Gross Investments		297	<b>294</b>	-3	-1%

## EBITDA BRIDGE (m€)

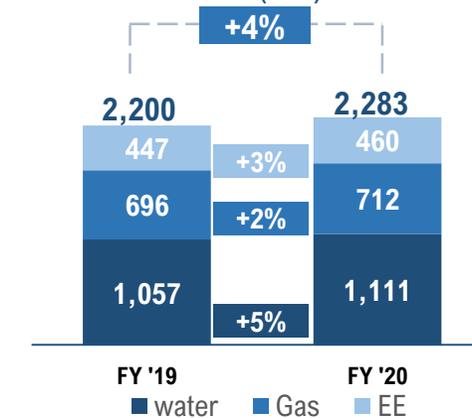


- Growth in regulated revenues supported by continued increase in RAB.
- Positive impact of synergies thanks to the performance improvement projects implemented.
- Negative impact of regulation due to lower costs recognised in the tariff, especially in the water and gas sector

## INVESTMENTS (€ m)

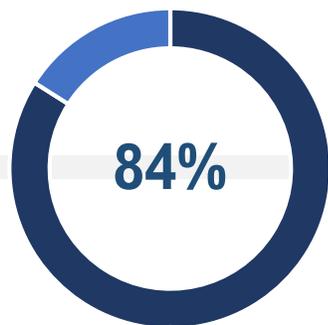


## RAB (€ m)



# NETWORKS: FOCUS ON THE PROGRESS OF ACTIVITIES AND PROJECTS

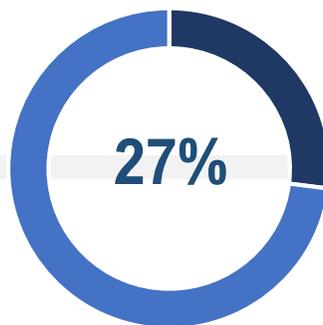
## REDUCTION OF WATER LOSSES AND NETWORK DISTRICTING



2020 water losses of 33.3%, down from the previous year's figure of 33.4%.

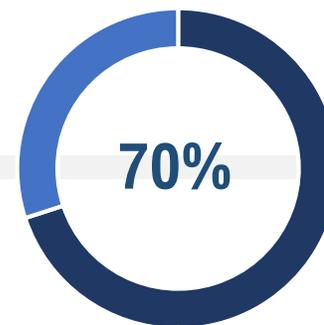
As of 31 December 2020, 1,002 network districts have been implemented, representing a network coverage percentage of 56% (2019: 52%).

## E.E. RESILIENCE DISTRIBUTION



2 operations planned for 2020 completed (1 TO + 1 PR). There are currently 7 operations underway and another 6 are in the planning stage.

## SMART METERING



**SM Gas:** in line with multi-year plan (675,041 installed)

**SM Water:** in line with multi-year plan (96,965 installed)

**SM EE:** PMS2/RARI planning for ARERA approval underway

## WFM/IREN WAY



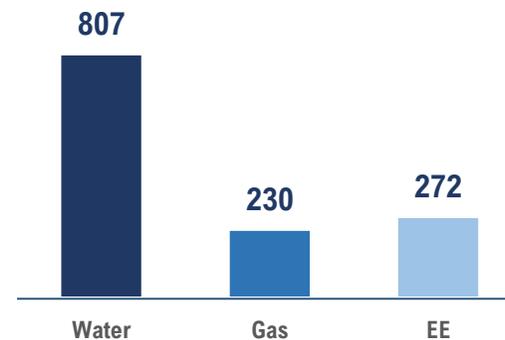
In 2020, the **WFA/WFM** project for the managed assets was completed, and implementation and optimisation activities are underway. The **Iren Way** programme for the GAS stream has been fully implemented, and activities are underway for the implementation of the electricity and water streams (releases during 2021/2022).

- € 1.3 billion in cumulative investment to significantly increase RAB by 700 million and network resilience.
- € 223 million of investments are earmarked for the development of water purification plants.
- Further synergies will be exploited from continuous improvement in asset/workforce management system.
- Installation of second generation electric smart meters and water and gas smart meters.
- Participation in tenders in IREN's reference areas (not included in the plan figures).

## KPIs

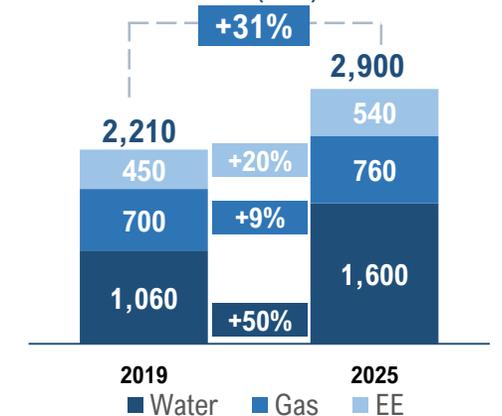
	m€	2019	2023	2025
Ebitda		373	413	444
Cagr '19-'25			3.00%	
Ebit		198	220	247
Cumulated investments '20-'25			1,310	

## CUMULATIVE INVESTMENT TO 2025 (€ m)



Business Units

## RAB (€ m)



# WASTE: Business Unit

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

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

The Iren Group is also involved in the treatment and disposal of waste, in the recovery of materials and in the utilisation of waste resources for the production of electricity, heat and biogas through an articulated plant network, also following the acquisition of I.Blu and Unieco.



## CLIENTS AND SERVICES

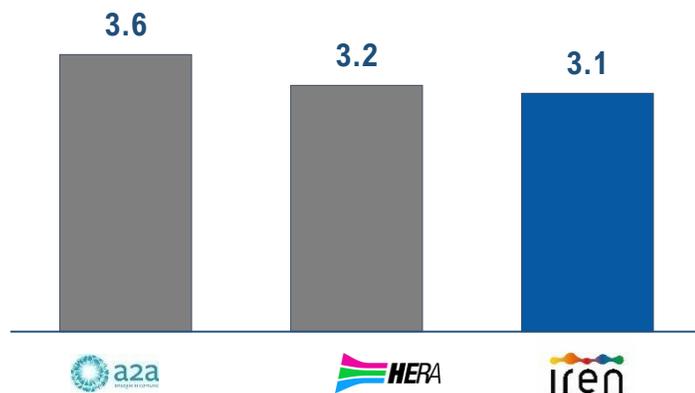


307 municipalities (141 of which are served by San Germano) and a catchment area of approx. 3.1 m citizens served in municipal waste collection (of which over 750,000 in the municipalities served by San Germano)

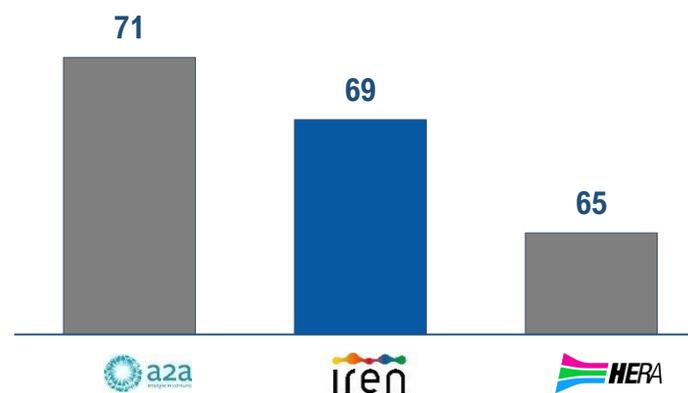


56 treatment plants (of which 12 are in the perimeter of D.A. Unieco)

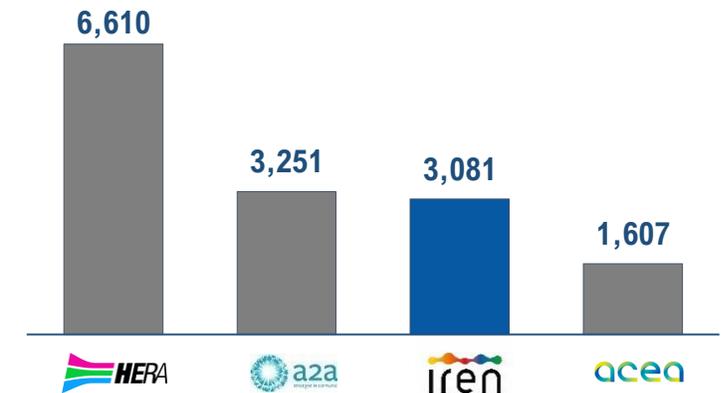
CITIZENS SERVED (million)



LEVEL OF SEPARATED COLLECTION (%)



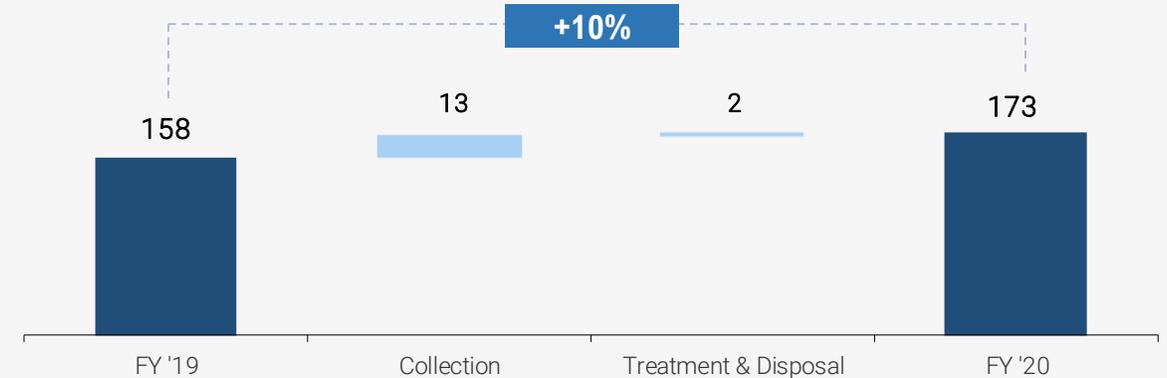
WASTE VOLUMES MANAGED (kt)



## KPIs

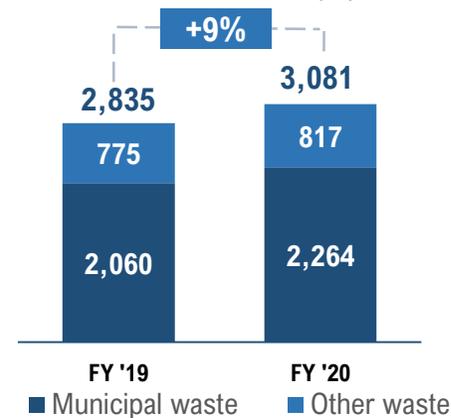
	m€	FY '19	FY '20	Δ	Δ%
Revenues		715	<b>765</b>	50	7%
Ebitda		158	<b>173</b>	15	9%
<i>Collection</i>		47	<b>60</b>	13	28%
<i>Treatment &amp; disposal</i>		111	<b>113</b>	2	2%
Ebit		56	<b>50</b>	-6	-11%
Gross capex		76	<b>116</b>	40	53%

## EBITDA BRIDGE (m€)

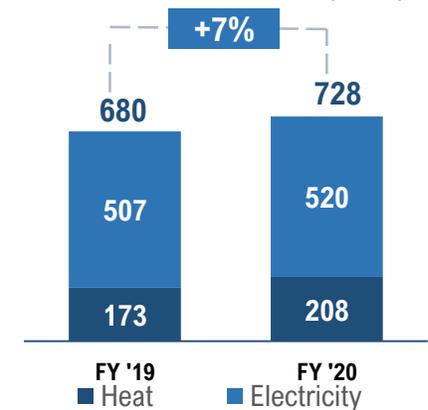


- Positive contribution from disposal plant saturation, collection activity and consolidation of I.Blu and Unieco.
- Lower contribution from landfill due to Covid emergency.
- Negative impact of the energy scenario on WTE electricity production.

## WASTE MANAGED (kt)



## ENERGY SOLD BY WTE (GWh)



## JUST IREN

## PAPER AND PLASTIC RECYCLING PLANTS

## MECHANICAL BIOLOGICAL TREATMENT

## TIMBER TREATMENT PLANTS

## SECONDARY SELECTION CENTRE (CSS)



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

During 2021, Phase 1 of the project will end and Phase 2 will begin.

The **PAI (PR)** plant has obtained authorisation from the Authorities and work is currently underway on the site.

The authorisation process for the **Genoa** plant is in progress.

The executive design phase is underway and construction activity is expected to begin in Q2 2021.

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

Work is scheduled to begin in Q2 2021.

Pending the formalisation of the authorisation for the **Borgaro (TO)** plant, work has begun on preparing the new plant.

# WASTE: FOCUS ON THE PROGRESS OF ACTIVITIES AND PROJECTS

## FORSU TREATMENT PLANT Cairo Montenotte (SV)



The plant has obtained the authorisation from the Authorities, the extension works have been completed and the plant engineering improvements of the existing part are underway. The plant is working within the limits of the current authorisation with regular production of compost.

## FORSU TREATMENT PLANT Santhià (VC)



The plant has been authorised, the first authorised step (40 kton/year) has been completed and the authorisation process for expansion to 68 kton/year is underway.

## FORSU TREATMENT PLANT Reggio Emilia



The plant has obtained authorisation from the authorities. Construction site opening activity completed.

## FORSU TREATMENT PLANT La Spezia



The plant has been granted authorisation, site opening activity is scheduled for the second quarter of 2021.

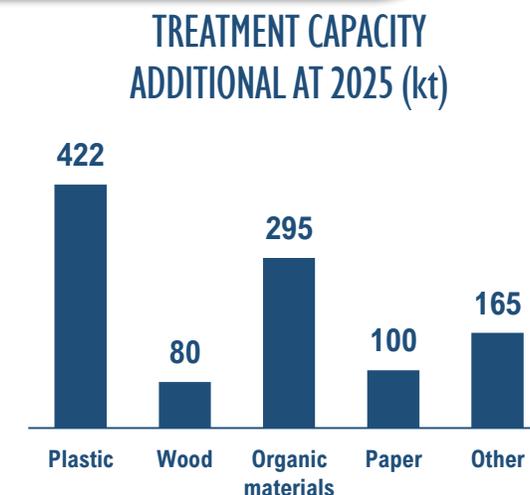
## PLASTIC RECOVERY PLANT



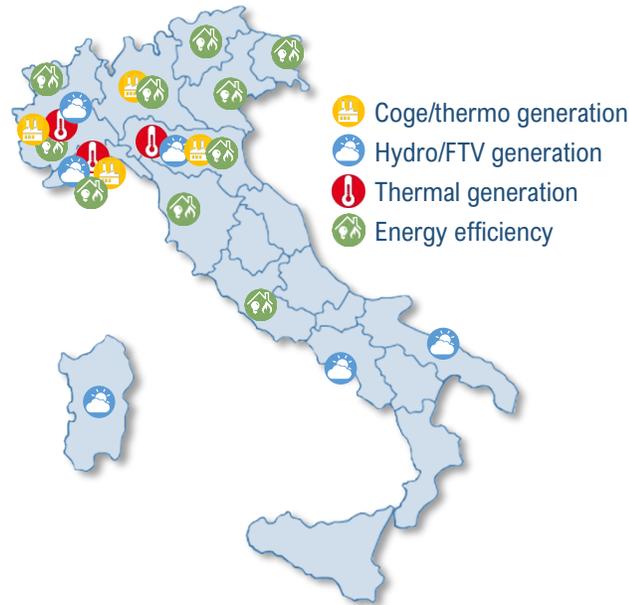
The plastic recovery plant in **S. Giorgio di Nogaro (UD) - I.Blu** has obtained the authorisation, the building works are being completed and the assembly of the equipment has started, the plant is expected to be operational in the second half of the year.

- 1.6 million tons of waste treated in our plants thanks to the construction of new treatment facilities (paper, plastic, wood, organic materials, sludge)
- +6 pp in separated waste collection, which will exceed 70%, also through the expansion of door-to-door collection systems and punctual pricing
- Full consolidation of I.Blu and Unieco
- Confirmation of all the concessions currently owned
- Possible participation in tenders in reference areas where IREN is not present (not included in the plan numbers)

KPIs				
	m€	2019	2023	2025
Ebitda		158	218	227
Cagr '19-'25		6.30%		
Ebit		56	76	89
Accumulated investments '20-'25		720		



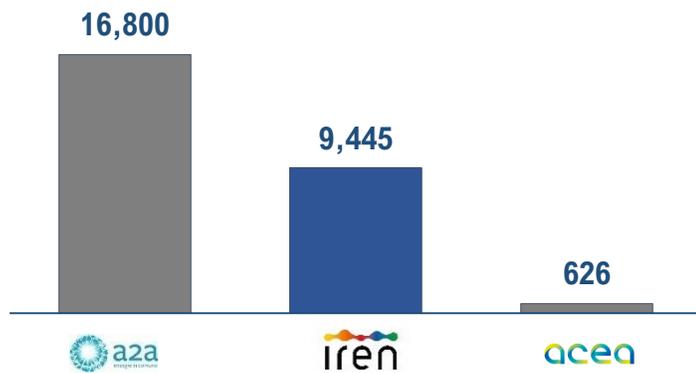
The Energy Business Unit deals with the production of electricity, the production and distribution of thermal energy for district heating and the development and implementation of energy requalification and efficiency projects.



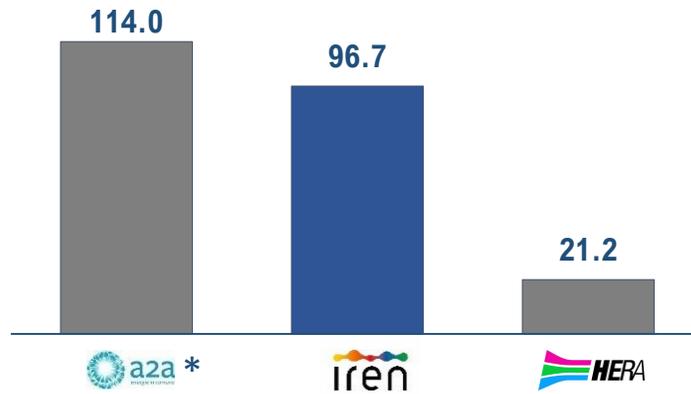
### POWER PROVIDED

- 2,300 MW thermal
- 2,050 MW cogeneration and thermoelectric power plants
- 628 MW hydroelectric and photovoltaic

ELECTRICAL ENERGY PRODUCED (GWh)

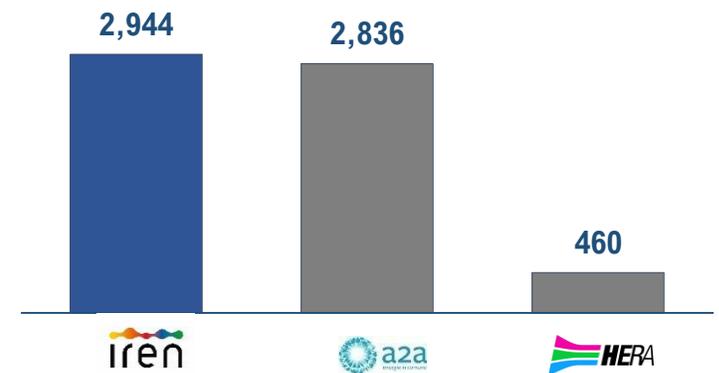


DHVOLUME (Mmc)



\* Plan 2020

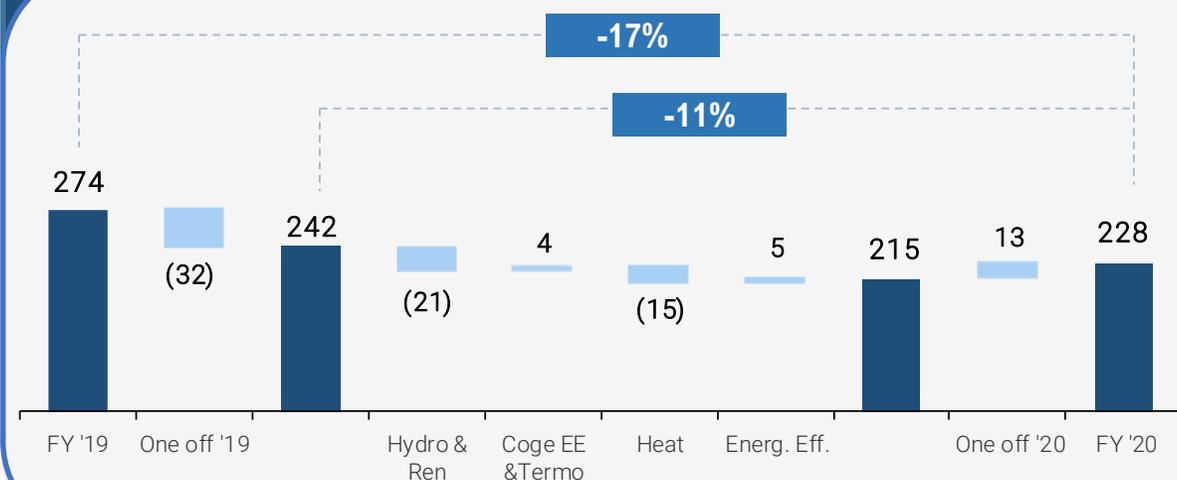
HEAT PRODUCED (GWht)



## KPIs

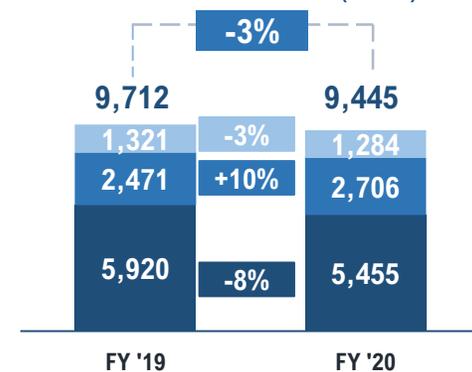
	m€	FY '19	FY '20	Δ	Δ%
Revenues		1,473	<b>1,145</b>	-328	-22%
Ebitda		274	<b>228</b>	-46	-17%
Hydro & Renewables		80	<b>56</b>	-24	-30%
Termo/Coge, DH		184	<b>159</b>	-25	-14%
Energy efficiency		10	<b>13</b>	3	30%
Ebit		140	<b>111</b>	-29	-21%
Gross capex		67	<b>172</b>	105	n.s.

## EBITDA BRIDGE (m€)

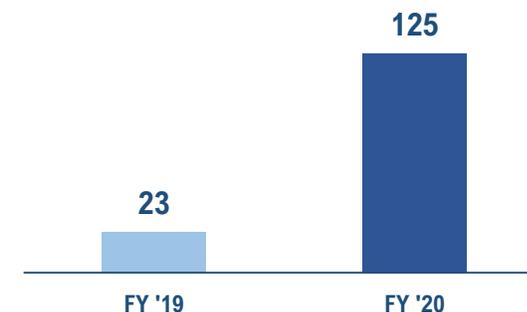


- Covid-19 emergency, energy and climate scenario have negatively impacted power and heat production.
- Lower hydroelectric volumes due to opportunistic management.
- Positive contribution from energy efficiency projects.

## ENERGY PRODUCED (GWh)



## BUILDINGS IN PROGRESS (No.)



■ Coge ■ Thermo ■ Hydro & Renewables

## REPOWERING VALLE DORA ENERGY



Work on upgrading the two power stations in Chiomonte and Susa has been completed.

The commissioning took place in September 2020.

## STORAGE SYSTEMS AND TLR NETWORK DEVELOPMENT



Work continues on both storage systems. In more detail:

- **Mirafiori Nord** (SAL 75%) commissioning is expected to be completed by the end of October this year;
- **San Salvario** (SAL 45%) hydraulic continuity is expected by the end of September of this year.

## REPOWERING TURBIGO



Work continued on the upgrading of the Turbigo plant, with overall progress of 35%.

Completion is expected in June 2022.

## DEVELOPMENT OF ENERGY EFFICIENCY PROJECTS IREN SMART SOLUTIONS



The main projects are:

- Led for Torino: SAL 2020 50% replacement of 2,530 lighting points and 2,511 traffic lights.

- 5 Municipality Buildings Province of Savona

Main activities:

- 125 construction sites set up on private buildings with ecobonus and other tax deductions

## FAST RESERVE AUCTION

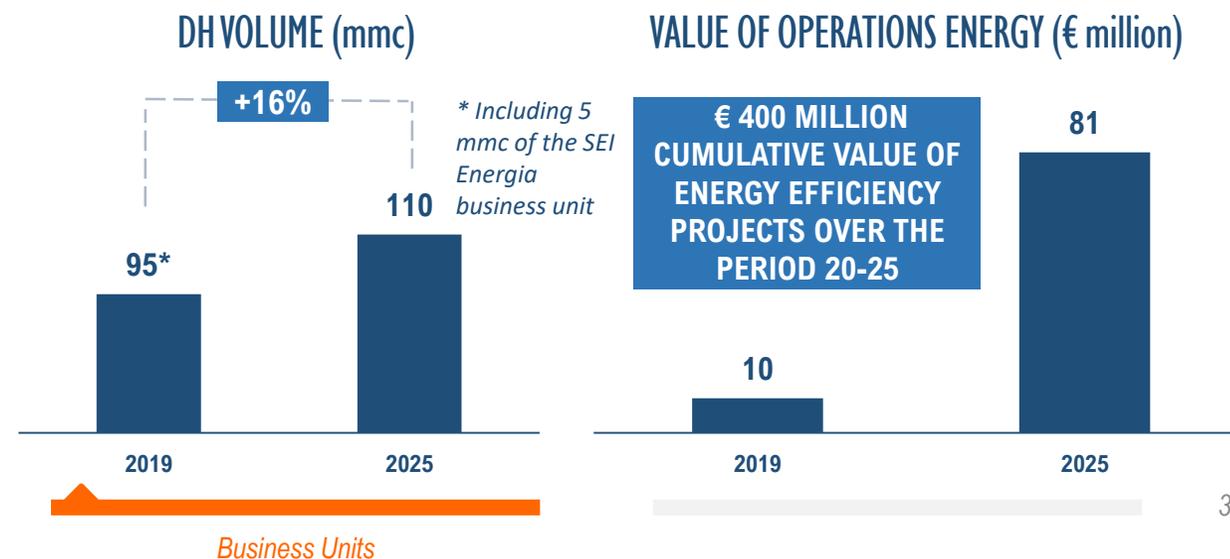


Allocation of three electrical storage systems (about 30% of the requirements of Northern Italy) to be installed at

- CCGT plant in Turin North (5.6 MW);
- CCGT plant in Moncalieri (9.9 MW)
- Turbigo thermoelectric plant (14 MW)

- € 310 million of investments for saturation and extension of district heating and the achievement of 110 mmc of district heating volumes in 2025.
- Increase in the flexibility of IREN's plants, also through the development of electrical and thermal storage systems.
- Expansion of hydroelectric plants through the development of 4 mini-hydro plants and projects to upgrade existing plants.
- More than 400 MW of new thermoelectric capacity through the upgrading of the Turbigo plant.
- Taking advantage of the opportunities offered by the "Decreto Rilancio" for the redevelopment of the country's real estate assets.

KPIs				
	€ m	2019	2023	2025
EBITDA		274	318	328
Cagr'19-'25			3.0%	
Ebit		140	156	176
Combined investments '20-'25			1,070	



# MARKET: BUSINESS UNIT

The Market Business Unit is active in the marketing of electricity, gas, heat and the sale of products and services beyond commodities.

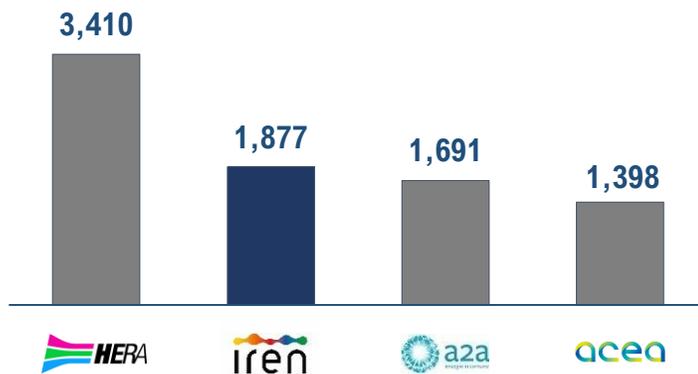
In 2020 it served 1.877 million electricity and gas clients.



### CLIENTS and VOLUMES

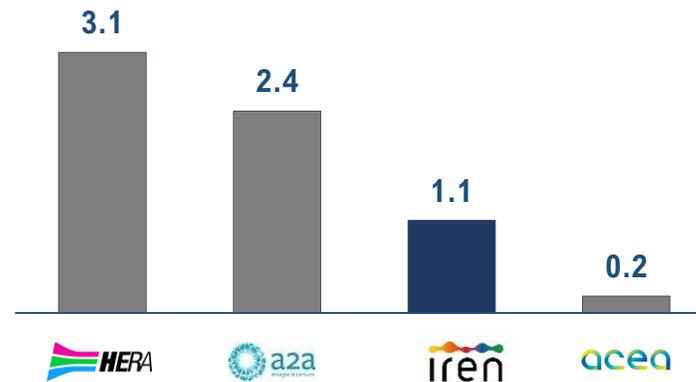
- 971,000 electricity clients  
7,300 GWh electricity volumes sold
- 906,000 gas clients  
3,018 mmc gas volumes sold

RETAIL clients (n/000)



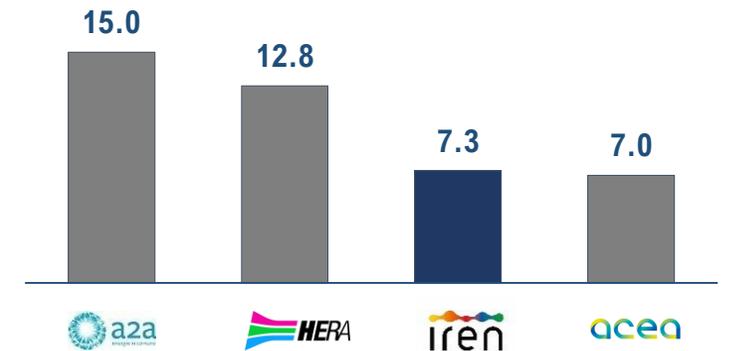
\*For A2A we are only talking about clients in the free market. They do not provide data on total clients

GAS SOLD TO END CLIENTS (billions of cubic meters)\*



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

ELECTRICITY SOLD (GWh)\*

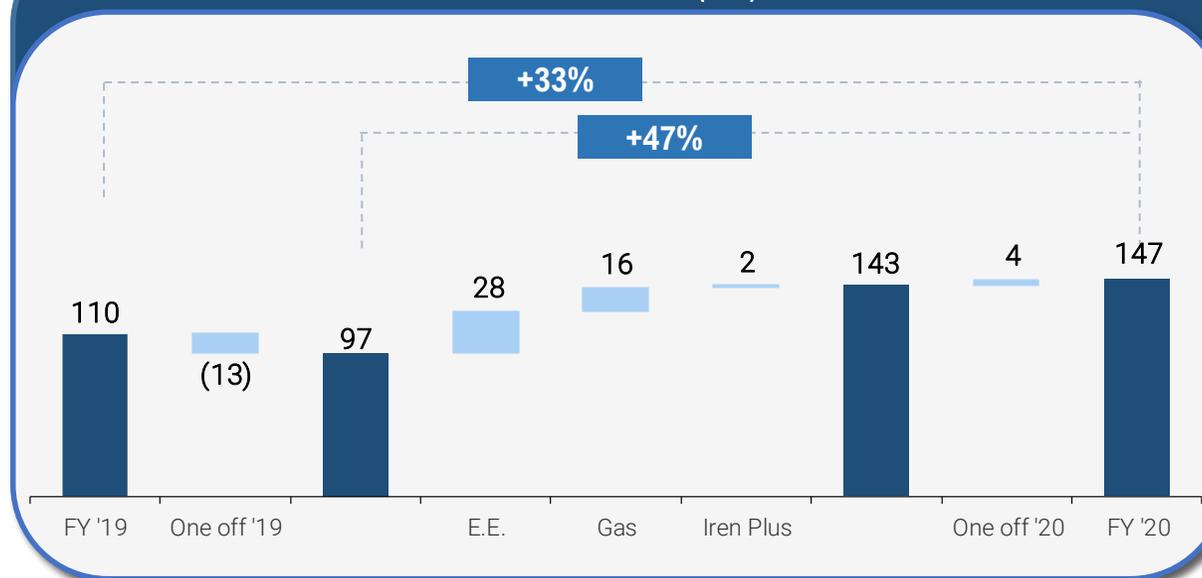


\* The data are those communicated by the companies and reflect different business perimeters

## KPIs

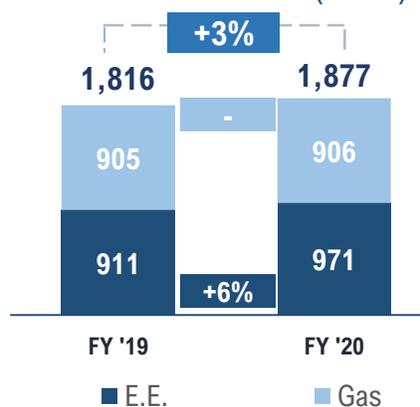
	m€	FY '19	FY '20	Δ	Δ%
Revenues		2,746	<b>2,085</b>	-661	-24%
Ebitda		110	<b>147</b>	37	33%
<i>Electrical Energy</i>		35	<b>56</b>	21	59%
<i>Gas&amp;Heat</i>		75	<b>91</b>	16	21%
Ebit		58	<b>67</b>	9	17%
Gross Investments		41	<b>51</b>	10	24%

## EBITDA BRIDGE (m€)

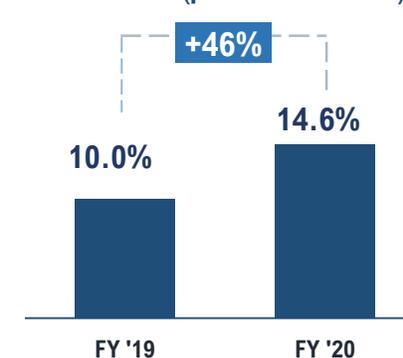


- Normalisation of margins due to recovery from 2019 adverse scenario and trade policy
- Lower volumes sold due to Covid emergency and mild temperatures
- Structural emerging costs related to CRM systems and marketing activities

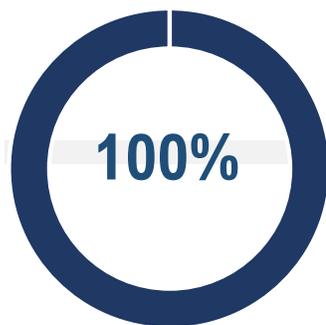
## RETAIL & SME clients (n/ooo)



## IREN PLUS (penetration rate)



## IREN PLUS



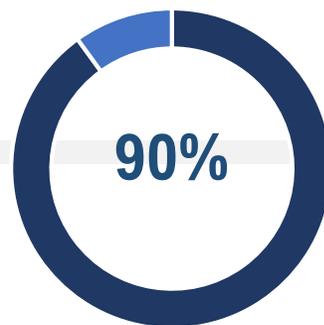
- 230k products sold
- € 12.2 million revenue
- 15% penetration on customer base

## IREN GO



- € 933.8 K of turnover
- 753 electric vehicles
- 700 charging points on internal sites
- Over 170 charging points on public and private sites

## TRANSFORMATION PROJECT



- Initial delays in the start-up of the project which, together with the continuing Covid emergency, made it necessary to re-plan Go Live 2 in July and Go Live 3 in October
- Migration of Athena postponed to 2021

## PSD2



- Payment institution authorised by the Bank of Italy on 24/03/20
- No. of digital transactions about 4,000
- 15 integrated banks
- From the beginning of 2021 1,700 transactions per month

\* Data referring to PIS service (AIS service starting in the first half of 2021)

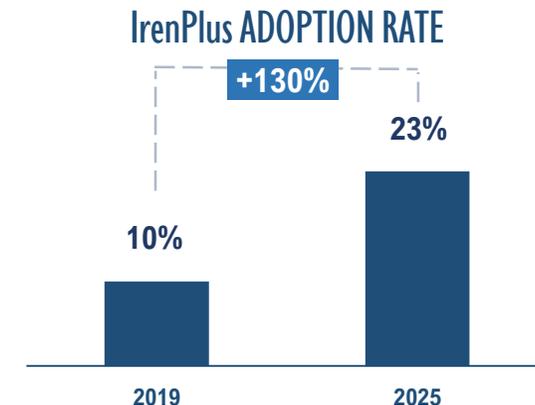
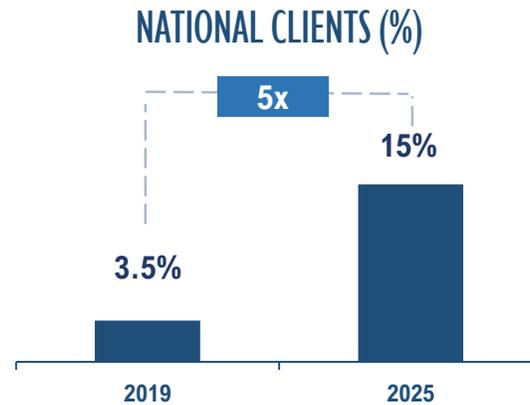
## NATIONAL



- Sales activities launched with web channel and dedicated corners
- CB National 23.4 K clients (1.3% of total CB)

- +33% growth in customer base, with national expansion while maintaining one of the lowest churn rates in the industry, thanks to the new customer experience offered by the digital platform
- +330% of national clients thanks to digital strategy
- +100% penetration rate of Iren Plus thanks to the superbonus and the expansion of the range of products and services offered

KPIs				
	m€	2019	2023	2025
Ebita		110	149	157
Cagr '19-'25			6.10%	
Ebit		59	68	72
Cumulated capex			305	





# 04

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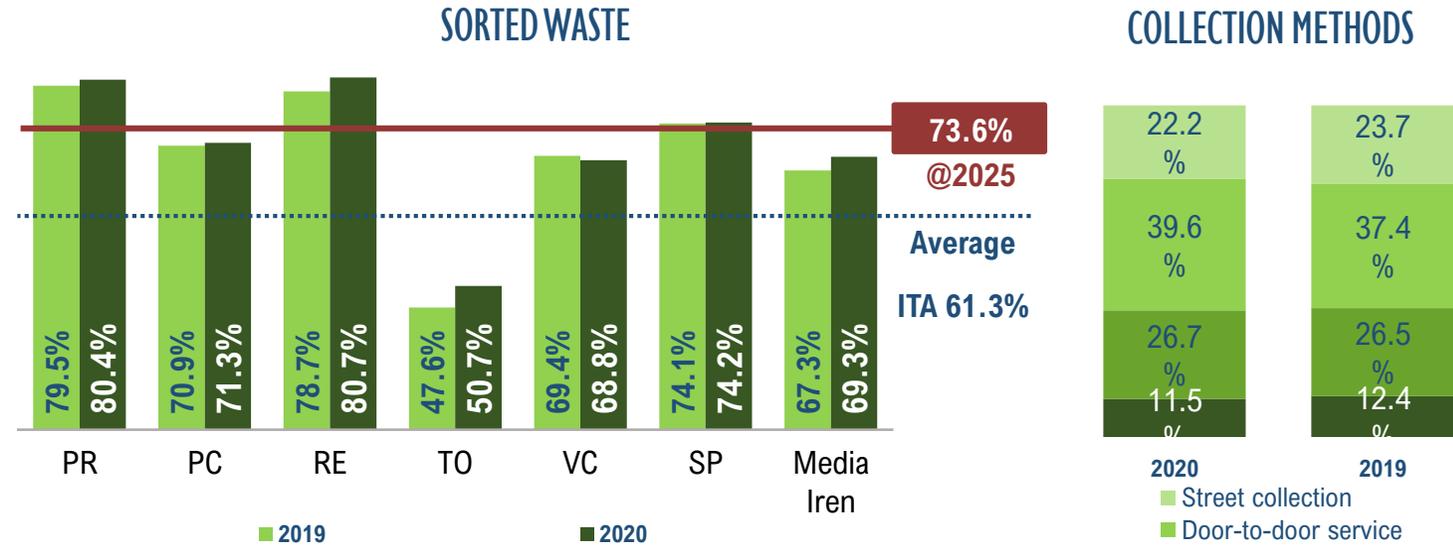
## SUSTAINABILITY

# CIRCULAR ECONOMY

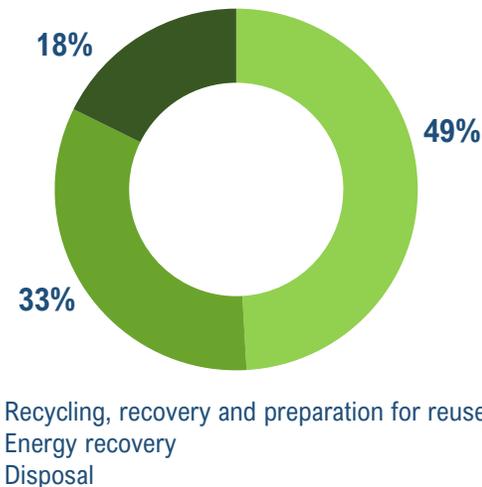
The extension of the door-to-door waste collection system, which is the most important method, has enabled a significant increase in **sorted waste collection** which, in the catchment area served by the Group, stands at an average of **69.3%** (national average 61.3%), in line with the targets (73.6%) set in the Industrial Plan to 2025, despite the suspension of separate waste collection in Covid-19 quarantine/contagious situations as prescribed by the Authorities.

Waste management, in a circular economy context, produced a significant **increase in waste sent for material recycling** (over 49% of the total compared to 43% in 2019) and in particular waste treated in Group-owned plants, in line with development forecasts. This was also made possible by the acquisition of companies operating in the recovery of waste, in particular plastic (I.Blu) and organic materials.

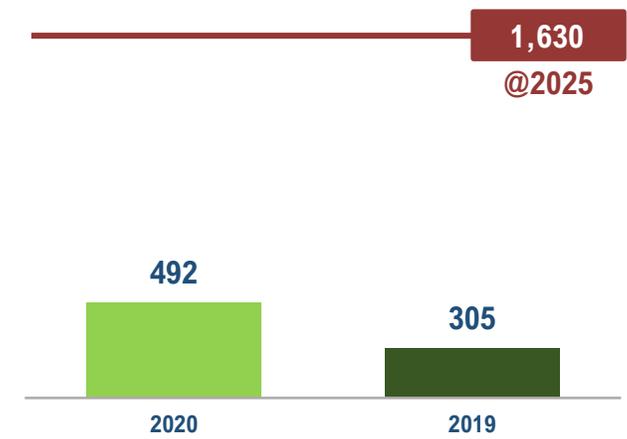
The **energy efficiency** of non-recyclable waste is also significant and continues to produce efficiency, further increasing the amount of energy produced per tons of waste treated.



### WASTE TREATMENT METHODS



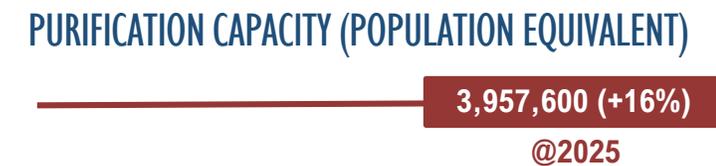
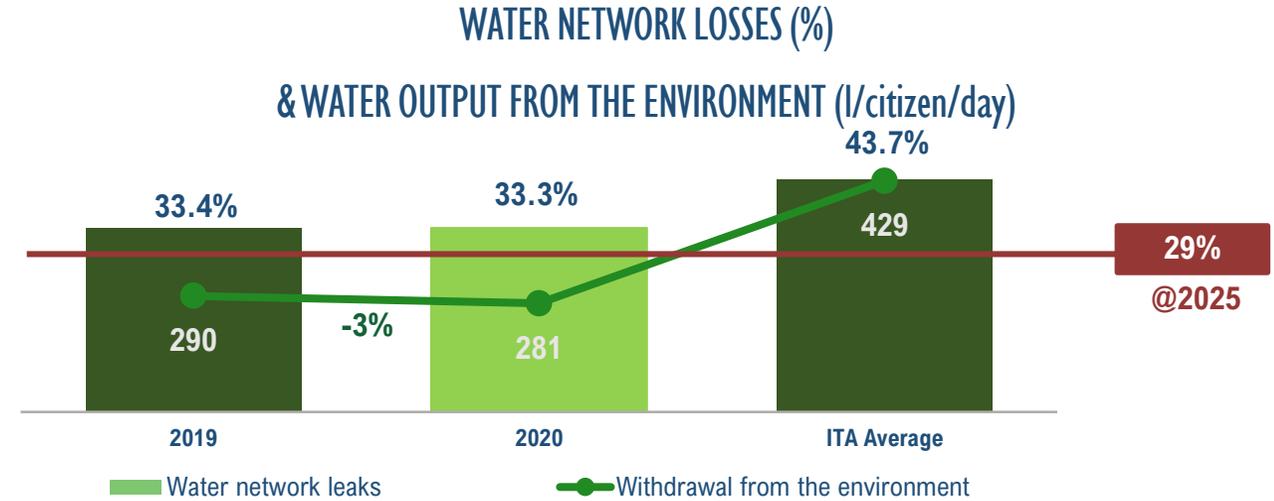
### RECOVERABLE WASTE PROCESSED BY THE GROUP (kt)



More than **56% of the water networks** managed by the Group are **district-managed** and systematically monitored, with a direct impact on **reducing network losses**, which **stands at 33.3%** (national average of 43.7%), in line with the 29% target set for 2025. The positive impact also occurs on **water withdrawals from the environment** for drinking per citizens/day, which are reduced by 3% compared to 2019.

Activities to increase the **qualitative and quantitative capacity of wastewater purification** continued, thanks to investments to increase the efficiency and expansion of the plants, which consist of more than 1,350 purifiers, which have allowed high performance levels to be maintained in the reduction of the main pollutants and to increase treatment capacity (+3%), in line with the forecasts of the 2025 Business Plan.

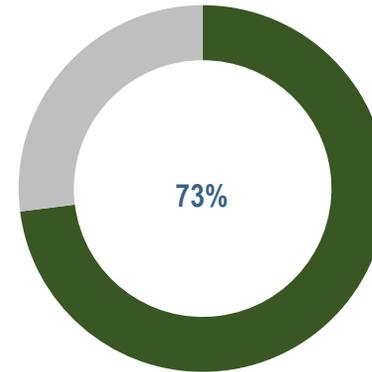
To guarantee quality for citizens and the environment, more than 150 samples per day are taken of the 279.6 million cubic metres of water fed into the network and of the purified water.



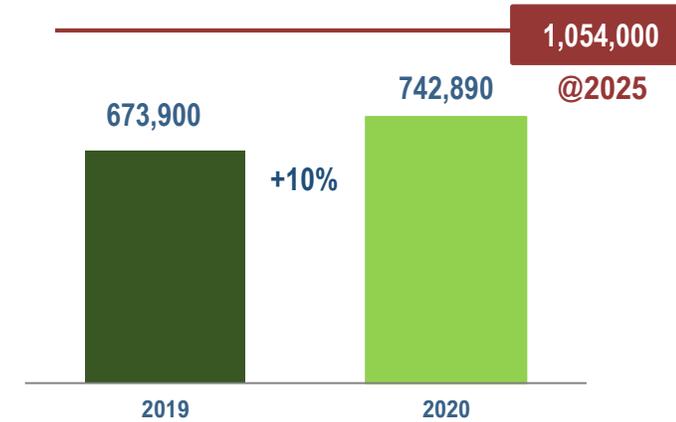
Energy production, based on high-efficiency plants, thermal energy storage, waste-material recovery, together with specific projects (public lighting, e-mobility, energy efficiency of buildings and services/products for clients) have enabled the Group to reduce the environmental impact of its activities. In particular, **there has been a 10% increase in energy saved**, in line with the 2025 savings target.

Total **direct CO2 emissions** show a decrease influenced by efficiency measures and the reduction of energy production due to higher temperatures in 2020 and the Covid-19 emergency. The **carbon intensity** of energy production (amount of CO2 emitted per MWh produced) is essentially in line with 2019, despite the significant increase in thermoelectric production (+10%).

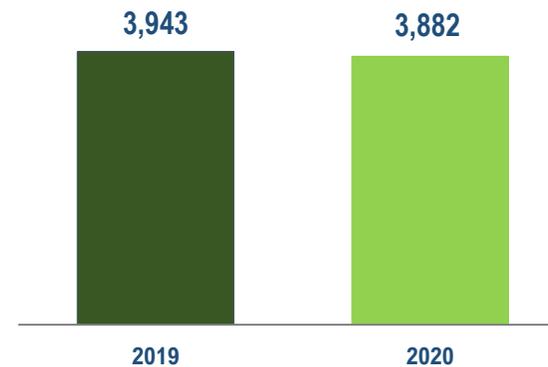
### ECOCOMPATIBLE PRODUCTION (renewable and high efficiency sources)



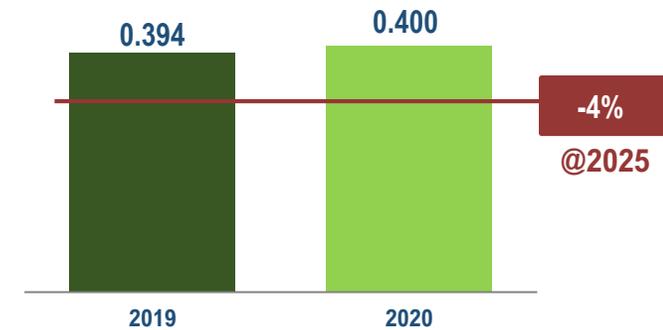
### ENERGY SAVING (Tep)



### DIRECT CO2 EMISSIONS (t/000)



### CARBON INTENSITY OF ENERGY PRODUCTION (tCO2/MWh)



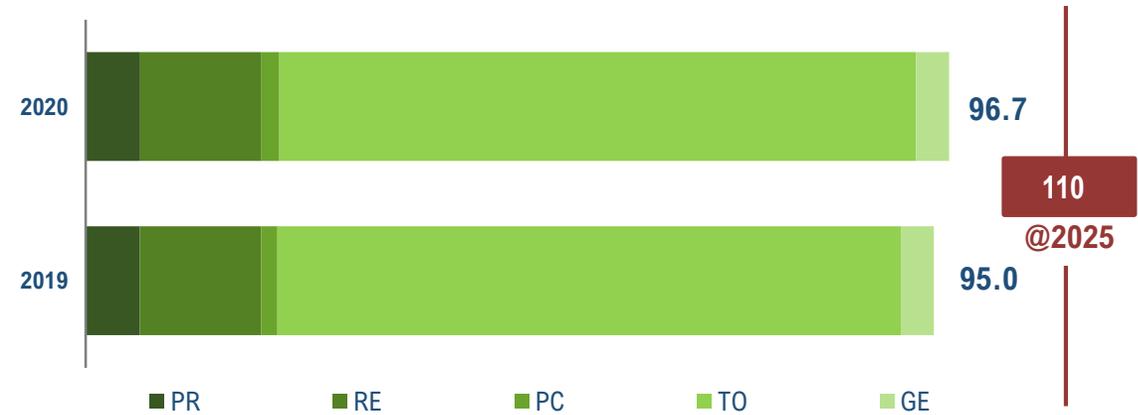
In 2020, investments continued in the development of district heating, which will serve a total **volume** of **96.7 million cubic metres**, enabling an improvement in the air quality of the relevant urban areas.

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 **1,148 (19.2% of the total company fleet)**.

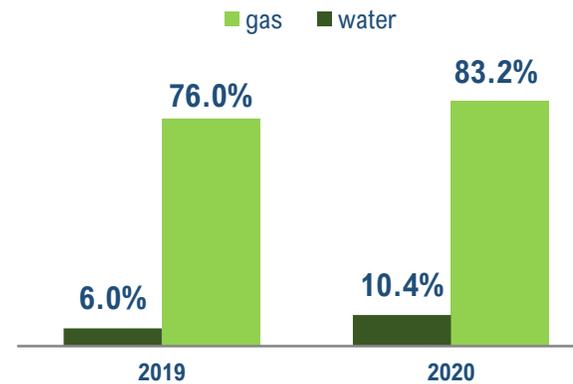
The spread of intelligent consumption measurement systems - gas and water **smart meters**, which are increasingly being added to those for electricity - contributes to improving the quality of services and their sustainability, providing citizens with tools to monitor and regulate their behaviour.

The range of **offers dedicated to clients aimed at the adoption of sustainable behaviour** is also extended: services for the energy efficiency of buildings, widespread photovoltaic production systems, smart thermostats, e-mobility offers.

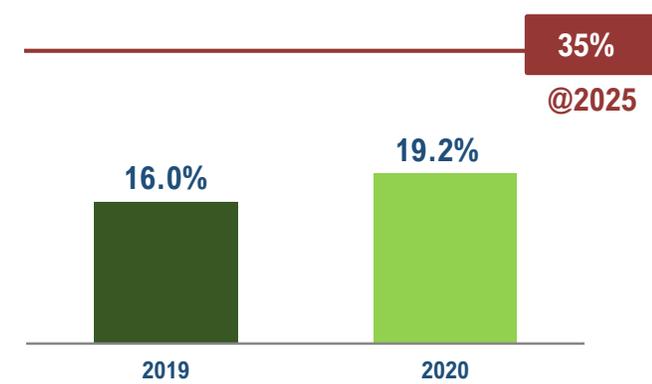
### DISTRICT HEATING VOLUME (mmc)



### SMART METER INSTALLATION



### ECO-VEHICLES OVER TOTAL FLEET



# PEOPLE

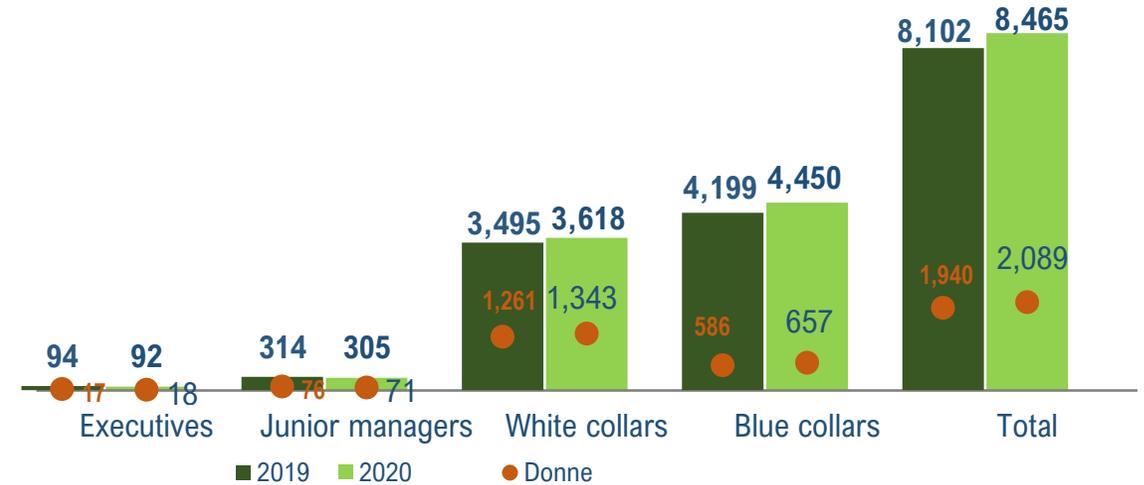
To deal with the Covid-19 emergency, the Group has put in place a consistent and coordinated series of **actions to protect workers** (including: crisis unit, emergency plans, personal protective equipment, protection kit, manual for activities in presence, dedicated mailbox, "I'm coming to the office" app, continuous internal communication) necessary to ensure the **continuity of activities** for the management of services. The significant investments in digitalisation made by the Group in past years have favoured the effective management of emergencies, also thanks to the continuous introduction of remote work for about 3,166 employees.

The Group has chosen not to use social shock absorbers to cope with situations of reduction/suspension of activities and has signed an agreement with the trade unions for the use of "recuperative leave" and paid holidays. More than 2,130 days of paid leave were donated by employees, doubled by the corresponding countervalue made available by the Group.

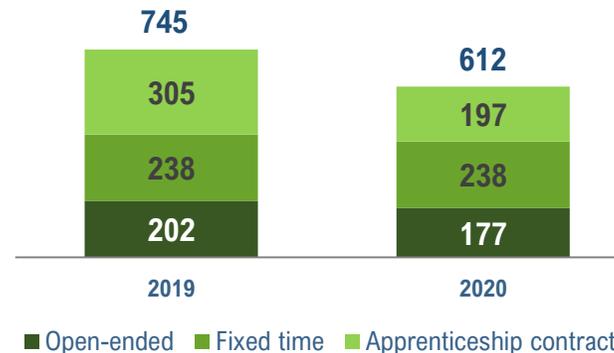
Provision was made for at least one day of **distance learning** for each employee, turning the emergency into an opportunity for professional enrichment.

In spite of the context, 612 **new employees** were recruited, more than 50% of them young people under 30.

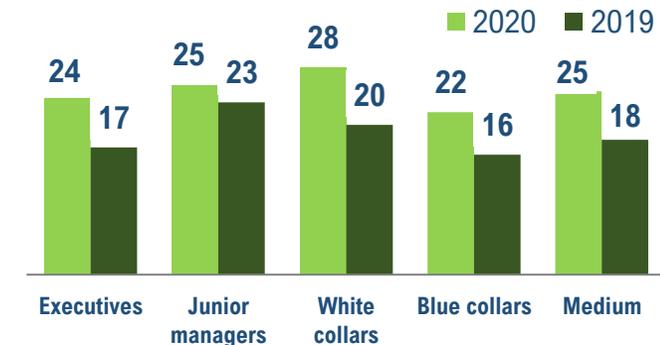
## PERSONNEL BY POSITION AND GENDER



## RECRUITMENT



## PROCUREMENT TRAINING (hours)

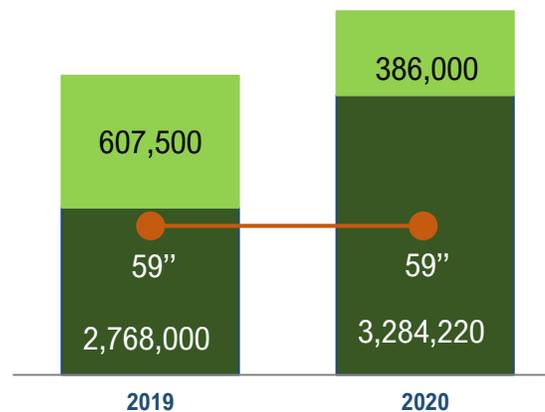


The Iren Group promptly activated **initiatives to reduce the impact of the Covid-19 emergency on the relationship with clients:**

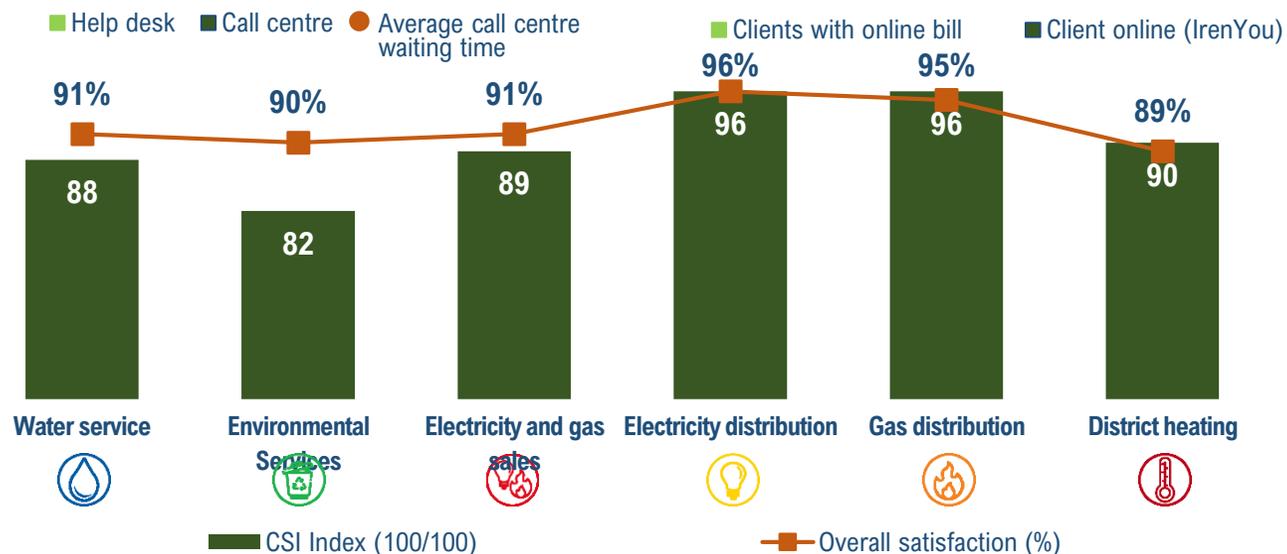
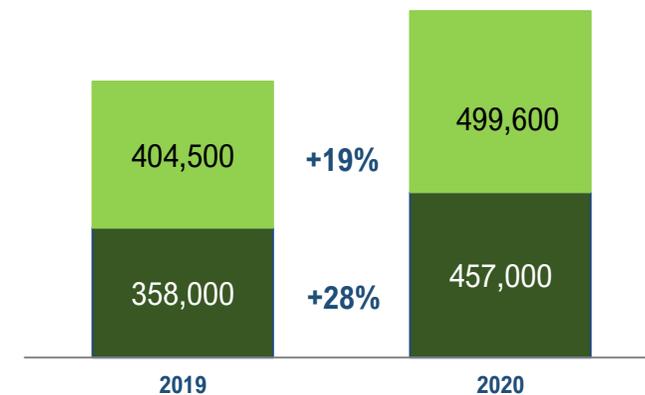
- **call centre** activities were fully operational and made up for the periods when counters were closed during the lockdown phase, guaranteeing equal levels of service (e.g. waiting times, successful calls)
- reinforcement of **digital contact channels** (launch of the new IrenYou app) and targeted appointments to avoid standing and waiting at the counters
- maintaining the opening of **contact points for the continuity of environmental services**
- payment in **instalments of bills** and suspension or reduction of supplies (gas, electricity, water and district heating) due to arrears, in advance of the regulator's measures
- strengthening the digital sending of invoices and extending payment periods.

These initiatives, together with the continuous enrichment of services, have led to excellent results both in terms of **growth of the customer base (+3%)** and in terms of **satisfaction**.

## MANAGED CLIENTS: CHANNELS AND WAITING TIMES



## ONLINE SERVICES AND PAPERLESS BILLS



The solidity of the Iren Group can also be read through the **added value** generated and distributed, in line with 2019, despite the impacts of the Covid-19 emergency.

**Operational investments** made, in 2020, stood at € 685.2 million (+31% compared to 2019), confirming the Group's commitment to the continuous infrastructural improvement of the territories, also as a driver of post-emergency recovery.

The strong focus on the territory and regions produces important spin-offs, starting with the **supply chain** with over 1,283 million euros of orders (+46% compared to 2019) issued for 60% to local suppliers. In 2020, there were 254 **projects for the sustainability of the territory**, in addition to 12 projects resulting from the work of the Iren Territorial Committees.

**Education for sustainability** is a lever to create cultural value for the territory. In 2020 Edulren developed new tools to support distance learning, working in relationship with 270 schools and developed 71 educational projects, directly involving more than 179,000 people.

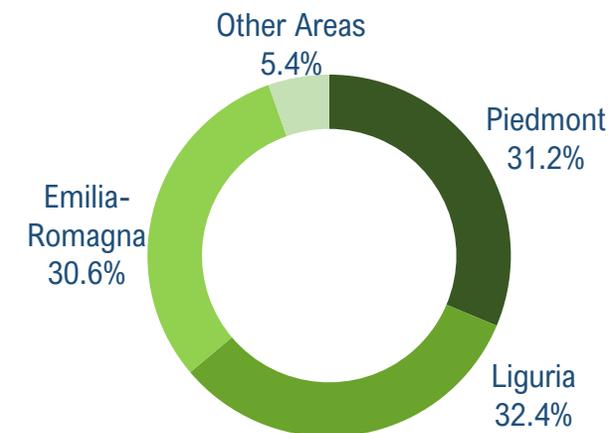
### DISTRIBUTION OF TOTAL GROSS ADDED VALUE (€ m)



### PURCHASE ORDERS TO SUPPLIERS (€ m)



### PROJECTS SUPPORTED IN THE REGION

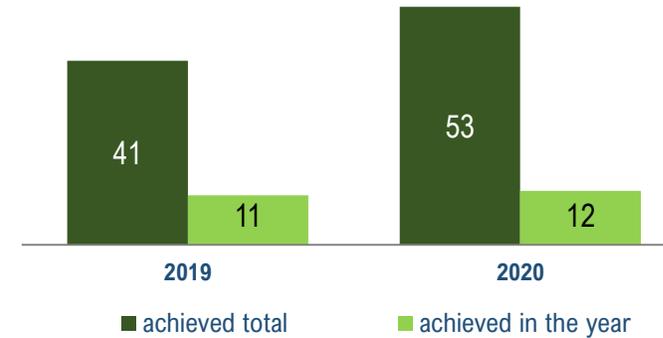


Iren's Territorial Regions, the discussion tables and participatory planning with stakeholders, produced significant results in 2020 as well, despite the emergency situation.

- 95 organisations/associations participating in the 5 Territorial Committees
- **12 projects implemented** in the year, in line with 2019, 53 projects implemented since origin and 15 projects ongoing
- Extension of the **AmbientAzioni call for tenders** to implement resource-saving and climate change mitigation projects, also with reference to the Covid-19 emergency
- **Comparison and discussion** on the Business Plan to 2025, 2019 Sustainability Report and priority issues, actions taken by the Group for the Covid-19 emergency, presentation of the activities of Iren Smart Solutions and the companies acquired from the former Environment Division Unieco
- **56 meetings** held during the year
- 1,780 users registered (+17%) on the **irencollabora.it** platform, a participatory planning tool extended to all citizens

## Sustainability

### Establishment of Local Committees



### TOTAL COMPLETED AND ONGOING PROJECTS PER REGIONS

