



Sustainability report 2023

Consolidated non-financial report pursuant to
Legislative Decree 254/2016 Directive (2014/95/UE)



www.gruppoiren.it





Shaping tomorrow
everyday

Sustainability report 2023

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A scenic landscape featuring a vibrant green field in the foreground, a dense line of evergreen trees in the middle ground, and rolling mountains in the background under a bright blue sky with scattered white and grey clouds. The sun is low on the horizon, creating a warm, golden glow across the scene.

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Letter to stakeholders

[GRI 2-22]

Dear Shareholders and Stakeholders,

once again this year, Iren Group has chosen to communicate to you through a single letter to share the results of the economic report and the goals achieved in the field of sustainability. This is because more and more world events and economic and financial targets unequivocally confirm that there can be no growth and development of a country, as well as of a company, without serious and constant attention to sustainability.

The past year has half marked the trajectory from the 2030 Agenda for Sustainable Development, signed by the 193 UN member states in 2015. It is therefore time for an initial stocktaking and reflection on how best to optimise the period leading up to one of the decisive milestones for a globally sustainable future. According to the UN 2023 report on the SDGs, progress on more than 50% of the goals is weak or even insufficient, while the path towards achieving 30% of them has stalled.

In light of the challenges to be achieved and the results to date, it is necessary for countries, major world economies and industrial realities to drive accelerated transition, thus recovering the gap.

There can be no growth and development of a country, as well as of a company, without serious and constant attention to sustainability.



The succession of extreme events, in addition to the increase in global temperatures to the 1.5 °C limit compared to pre-industrial levels recorded in 2023, confirms that we are facing a global emergency, as is in fact, the climate crisis, together with the continuing international energy crisis and high international geopolitical tensions.

In this scenario characterised by the intertwining of critical issues, Iren Group has maintained high economic, social and environmental performance, in line with the objectives set in the 2030 Strategic Plan.

The integration between the industrial strategy and the sustainability strategy is the central element in the achievement of these results, as is also evident in the numbers: the investments made by Iren Group in 2023 were close to 1 billion euro, with a large share, almost 80%, going to sustainable projects or activities. Efficiency in distribution networks, development of waste treatment plants and increasing generation capacity from renewable sources are the main assets in which Iren has invested.

The Gross Operating Margin (EBITDA) stood at 1,197 million euro, up 13.5% compared to 2022 despite the volatility of the energy scenario. This result was achieved mainly thanks to the full recovery of the Market Business Unit, hydroelectric generation, and the full contribution of the new integrated companies such as SEI Toscana and Acquaenna.

Group Net Profit attributable to shareholders reached 255 million euro (up 12.8% compared to 226 million euro in 2022). The result for 2023 includes 41 million euro in provisions for risks related to the Sostegni Ter Decree-Law. In spite of major investments to reach the renewable capacity target of 800MW and the start-up of significant new plants for the circular economy, the Group managed to contain the increase in debt thanks to the cash flows generated and the excellent management of net working capital.

The effectiveness of a strategy focused on environmental and social sustainability goals combined with economic ones has further strengthened the Group's financial structure. This is evidenced by the January 2024 issue of the fifth green bond, which registered orders for more than 4.7 billion euro, about 10 times the amount offered.

Thanks to the synergies between the different business areas, the Group was able to meet all the main targets of the Business Plan and maximise its commitment by achieving important goals in the core industrial areas.

The investments made by Iren Group in 2023 were close to 1 billion euro, with a large share, almost 80%, going to sustainable projects or activities.



A path that has led by 2023 to an increase in energy production from renewable sources; to improved services for energy efficiency; to the virtuous use of water resources through an increasingly integrated system; and to a more effective management and valorisation of waste as a new resource.

In 2023, in fact, the Iren strategy continued for waste recovery and the adoption of the most advanced circular economy models, with the opening of innovative plants in the Group's historical territories. In Reggio Emilia, for example, the OFMSW plant was inaugurated with a treatment capacity of 167 thousand tonnes of organic residues and green fraction, to be transformed into biomethane, quality compost and carbon dioxide for industrial uses. Further reinforcing the Group's leadership in the field of innovative waste management and valorisation was the Circular Wood plant in Vercelli, a unicum at national level for the production of pallets and pallet blocks from recycled wood.

The realisation of Iren Group's strategy for the development of renewable energy sources as a sustainable option in the medium to long term led to a growth in "green" production of over 30% in 2023 compared to the previous year. The commissioning of the photovoltaic park in the province of Matera, the largest in Basilicata, and the entry of Iren into the wind power sector are some tangible signs of strengthening in this field.

In line with the pillars of the Business Plan, the Group has worked to further affirm its role as a reference point for the territory, the community and families, also through the offer of an increasingly integrated water system. In this direction was the continuation of the programme to make water networks more efficient, to gradually reduce the amount of water withdrawn from the environment for drinking water purposes, and to increase purification capacity to increase the quantity and improve the quality of the resource returned to the environment. A continuous and constant effort that led to a further reduction in water losses to 30.4% in 2023, compared to a national average of over 41%.

The acquisition of a majority stake in Acquaenna was a significant transaction that allowed the Group to become a reference partner for the development of new services also in Southern Italy.

Performance achieved thanks to the Group's ability to focus on human capital, a true competitive factor capable of triggering social and environmental change and creating added value in the territories served. In recent years, our team has grown in unprecedented numbers: 3,222 are new hires compared to 2020, of which more than 1,100 in 2023 alone. A key lever that has contributed to the enhancement of human capital is the focus on inclusiveness and diversity with training and development processes from the very beginning. Proof of the success of these processes, once again, are the numbers: the presence of women among managers and executives is 25% higher and the proportion of new recruits under 30 exceeds 50%.

The centrality of the consumer is crucial to achieving the energy transition. Iren works to include the customer more and more in the process of managing the services offered. In this area, for example, the network of territorial counters grew by 28% in 2023, and the streamlining of processes led to a reduction in waiting times (thanks also to new digital systems) and in the number of complaints.

The evaluation of service quality by citizen-customers gives positive ratings and shows a general improvement in the Group's performance. The exceeding of 71% separate waste collection in the historical territories and the growth of renewable energy sold to customers are concrete examples of the forward-looking path that Iren is taking.

With respect to another important challenge, that of the European Taxonomy, a single system to classify environmentally sustainable economic activities, Iren scores significant results: 58% of the activities managed by the Group are in fact eligible for the Taxonomy, of which 52%, equal to about 800 million euro, are aligned for the "climate change mitigation" objective.

The Group's positive performance is the result of the great commitment of Iren women and men, their dedication and sense of responsibility towards the great challenges ahead and towards our territorial communities. For this, we wish to express our sincere thanks to the people who work in Iren Group and remember the fundamental contribution of shareholders, stakeholders, members of the Board of Directors and the Board of Statutory Auditors in pursuing sustainable growth capable of generating value for the communities.

The realisation of Iren Group's strategy for the development of renewable energy sources as a sustainable option in the medium to long term led to a growth in "green" production of over 30% in 2023 compared to the previous year.



Chairperson

Luca Dal Fabbro

A handwritten signature in black ink, appearing to read "Luca Dal Fabbro".



Deputy Chairperson

Moris Ferretti

A handwritten signature in black ink, appearing to read "Moris Ferretti".



Chief Executive Officer

Paolo Signorini

A handwritten signature in black ink, appearing to read "P. Signorini".

Iren Group

The Group operates in a multi-regional area with more than **11,000 employees**, a portfolio of nearly **2.2 million customers** in the energy sector, more than **3 million residents** served in the integrated water cycle and over **3.8 million residents** in environmental services.

IN THIS CHAPTER WE TALK ABOUT

business
model



areas
served



business
sectors



ownership
structure



recognition





Iren: business model and value chain

[GRI 2-1, 2-2, 2-6, 2-7, 3-3, 201-1, 203-1, 204-1, 302-1, 302-4, 303-3, 305-3, 305-4, 401-1, 403-9, 404-1, G4-EU1, G4-EU2, G4-EU4]

Iren, a multi-utility listed on the Italian Stock Exchange, operates in the sectors of electricity (production, distribution and sale), district heating (production, distribution and sale), gas (distribution and sale), management of integrated water services, environmental services (waste collection and disposal), integrated solutions (smart solutions) for energy efficiency of public and private entities and services for public administrations, in various regions of Italy [» SEE PAGE 25](#)

Iren Group, which boasts a history of 120 years of community services, is structured on the model of an industrial holding company (the parent company Iren S.p.A.), which groups together all the corporate staff activities, and four Business Units - governed by four parent companies - which preside over activities by line of business according to a model based on skills and process digitalisation, highly scalable with the immediate integration of all the entities acquired. The Group’s structure is aimed at strengthening the local presence and the integration of the different supply chains.

STRATEGIC BUSINESS UNITS AND AREAS OF ACTIVITY

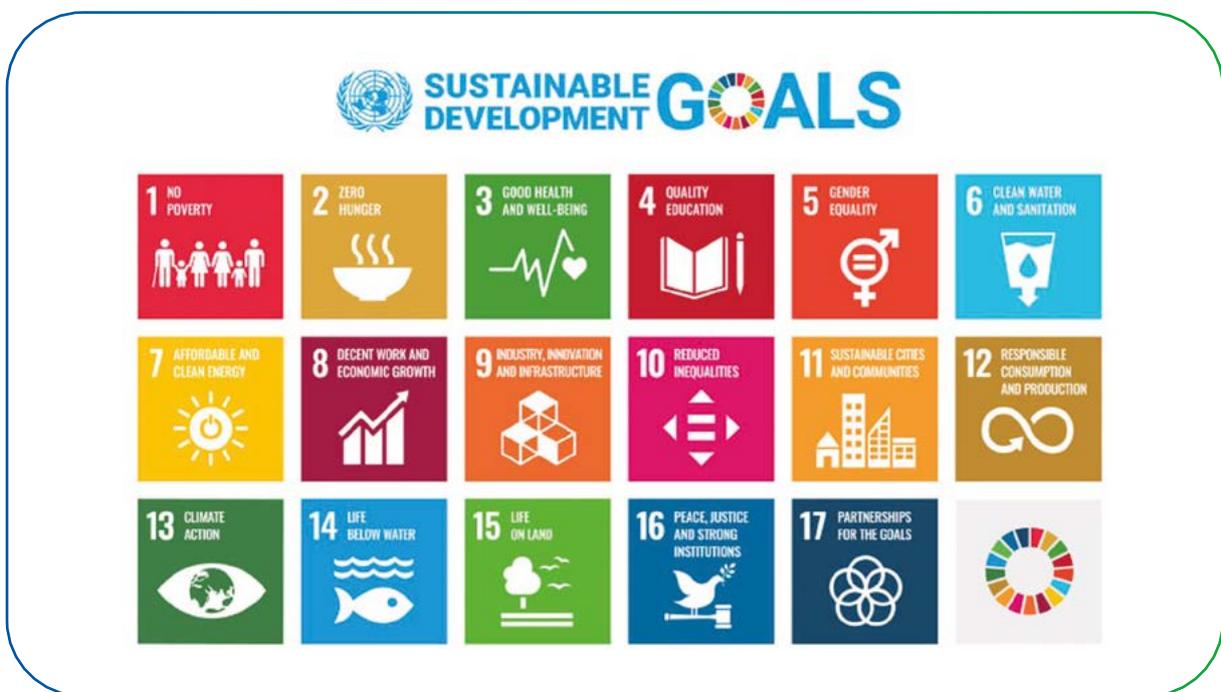


Shaping tomorrow every day: this is the **purpose**, the highest aim of Iren Group. The raison d'être that encapsulates the Group's values and objectives and that means looking towards a long-term horizon to build growth with a very broad vision of what surrounds us: people and territories at the centre, the environment that drives our actions, treating every resource sustainably and aiming for the best through innovation. It means working daily to build a future together that is a place to live well.

The Group's purpose translates into a **business model** that is oriented towards transforming, through the activities managed by the Group, input resources (environmental, social, economic and governance) to create value for the company and the various stakeholders in the short-, medium- and long-term. The Group works to improve the quality of life of the communities in which it operates, through the provision of services and the creation of infrastructure to enrich and enhance the area. Thanks to the synergies between the various business areas, also with a view to innovation, the Group guarantees the utmost commitment to reduce the environmental and social impact, to satisfy the needs of customers and communities and to guarantee high safety standards for employees and suppliers.

Iren Group contributes to sustainable development in line with the United Nations Objectives (UN Sustainable Development Goals - SDGs), integrating this commitment into its business model through an assessment of the SDGs to which Iren contributes and can contribute more in the future.

To this end, all 17 SDGs were analysed, with their relative targets, and the Group's areas of activity that contribute to their achievement were identified, allowing for the selection of 9 priority Objectives - to which Objective 17 is added in a transversal manner, considered a fundamental tool to achieve the other objectives - that were taken up in the Strategic Plan (➤ [SEE PAGE 113](#)) in which economic, financial, environmental and social sustainability are combined, taking into consideration the priorities of stakeholders detected through the materiality analysis (➤ [SEE PAGE 102](#)) and the constant and structured comparison.



Underpinning the business model are the mission, vision and values - approved by the Board of Directors and an integral part of the Group's Code of Ethics - which embody the Group's purpose and goal and translate into the strategies, objectives, policies and governance principles to guide and monitor the Group's sustainable development.

Purpose and business model to create value over time



In 2023, the business model was strengthened through the implementation of several strategic transactions:

- the award in favour of Ireti of the tender for the selection of the private partner of ARCA Srl (Azienda reggiana per la cura dell'acqua), a mixed public-private company that will manage the integrated water service in 41 municipalities in the province of Reggio Emilia, with more than 500,000 inhabitants served, for a duration of 17 years starting from 1 January 2024;
- the acquisition, by Ireti, of 51% of Am.Ter SpA held by the municipalities of Campo Ligure, Cogoleto, Masone, Mele and Rossiglione, in addition to the 49% already owned by Iren Acqua, bringing the entire capital of Am.Ter within Iren Group. Am.Ter manages the water cycle in 7 municipalities in the western area of the province of Genoa;
- the acquisition of control of Acquaenna, through the Ireti 50.867% shareholding, which manages the water service in all the municipalities of the province of Enna, for approximately 177,000 inhabitants, with entrusting until 2034;
- the acquisition of the entire share capital of Romeo 2 S.r.l., a company that manages the concessions of the Savona 1 and Vercelli ATEM, for about 19,000 PDR (redelivery points), and of the business units related to the management of the concessions of the Parma and Piacenza 2 ATEM with about 3,200 PDR;
- the stipulation by Iren Ambiente of contracts for the concession, following public tenders, of the waste management service in the Parma and Piacenza territorial basins for a duration of 15 years, starting from 1 January 2024. The assignment covers 89 municipalities with more than 710,000 inhabitants served;
- the start-up of the full-scale operation of the OFMSW plant in Reggio Emilia, capable of treating 100,000 tonnes of sorted organic waste and 67,000 tonnes of green fraction (grass clippings and prunings), with an annual production of 9 million cubic metres of biomethane, 53,000 tonnes of compost and 10,000 tonnes of food grade CO₂ for industrial and food use;
- the start of operation of the ASM Vercelli Circular Wood plant, a unique example in Italy in terms of type and technology, for the production of logistic supports from wood coming exclusively from sorted waste collection. The plant is able to process 110,000 tonnes/year of wood waste to produce up to 750,000 pallets and approximately 135,000 cubic metres of pallet blocks;
- the acquisition, through Iren Ambiente, of a majority stake (88.43%) in ReMat, an innovative start-up company operating in the circular economy sector, active in the polyurethane recycling chain to create products with technical performance comparable to that of new polyurethane;
- the acquisition, through Iren Ambiente Toscana, of control of Semia Green Srl, a company active in the collection of biogas from landfills that will build an innovative photovoltaic panel recycling plant in the province of Siena, where up to 5,000 tonnes/year of panels can be processed when fully operational, obtaining the recycling of 98% of the panel composition;
- the assignment for seven years to San Germano, through a public tender, of the management of the services of collection and transport of solid urban waste, refuse collection and other ancillary services for the protection of the environment, relating to the municipality of Cuneo and 53 other municipalities in the province, for 163,000 inhabitants served;
- the signing of shareholders' agreements between the shareholders of Sienambiente (Iren Ambiente Toscana, the Province of Siena, and the Siena municipalities) which, confirming the strategic partnership in the environmental sector, envisage that from 1 January 2024, Sienambiente will be consolidated in Iren Group's accounts, being able to count on the Group's synergies and resources to develop the ambitious business plan that include investments in plants for the recovery of unsorted and sorted waste;

- the acquisition, through Iren Green Generation, of 100% of Limes 20 Srl, holder of the authorisation for the construction of a new 20 MWp photovoltaic plant in Sicily;
- the commissioning of the photovoltaic park built in the province of Matera, which, with a capacity of 30 MWp, is the largest in Basilicata and, thanks to 55,000 panels, can reach an annual production of 50 GWh;
- the acquisition, through Iren Green Generation, of 100% of WFL Srl, owner of the recently-built wind farm in Cairo Montenotte (SV), already in operation with a total capacity of 6 MW and for which procedures are underway to authorise an increase in capacity to 7 MW, with an expected production of approximately 18 GWh/year;
- the partnership initiated by Iren Smart Solutions with Byom, Amaranto Holding and Fusion to develop engineering, permitting, works management and support activities for the testing and commissioning of medium- and large-scale renewable plants, capable of satisfying the physical self-consumption of corporate customers;
- the obtaining of 124 million Euro in funding under the PNRR, which, in line with the objectives of the 2030 Business Plan, will enable the implementation of 15 projects for the circular economy, electricity grid resilience, water grid leakage reduction, district heating and innovation;
- the rationalisation and reorganisation of some companies in the Waste Management, Energy, Networks and Market Business Units.

Moreover, in support of its strategic plan, the Group signed a Sustainability Linked loan with the EIB, the margin of which is linked to the achievement of certain indicators (KPIs) related to the reduction of water losses, and with CDP a green line of financing for the energy efficiency of public buildings in the City of Turin (for further details on sustainable finance instruments, [» SEE PAGE 154](#)).

For more information on corporate changes, please refer to the Methodological Note ([» SEE PAGE 360](#)).

The results achieved by Iren in 2023 confirm the solidity and sustainability of the business model, as well as its resilience even in a socio-economic and environmental scenario of strong uncertainty.

Our resources

1.3 million TOE
of primary energy consumed

608 million m³
of water withdrawn for
production processes

277 million m³
of water withdrawn for
distribution

11,004
employees

250,200
training hours

5,481
suppliers for over **1,260**
million Euro ordered for
goods (20%), works (28%) and
services (52%)

3.4 GW
of installed electrical
generation capacity

8,444 km
of gas distribution networks

7,883 km
of water distribution networks

1,134 km
of district heating networks

21,977 km
of water distribution networks

1,380
treatment plants

3.8 million t
of waste treated

3.2 billion Euro
of equity

3.3
NFP/Ebitda ratio

1.3 billion Euro
of gross investments

4.5 billion Euro
of property, plant and
equipment

Business Model

Our purpose: SHAPING TOMORROW EVERY DAY

Our vision

to improve people's quality of life. Making companies more competitive. To look at territorial growth with a focus on change. To merge development and sustainability into one unique value. We are the multi-utility company that wants to build this future through innovative choices. For everyone, every day.

Our mission

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

Our values

responsibility, belonging, customer satisfaction, growth and enhancement of employees, teamwork, transparency, change, flexibility and sustainability.

with our strategy



Leader in **green transition** to accelerate sustainability in all businesses



Reference partner in the **area** maximising opportunities for growth and synergy



Highest levels of **quality of service** in all areas, to be the first choice for all stakeholders

through our value chain



■ Networks BU ■ Energy BU ■ Waste Management BU ■ Market BU

* for the characteristics of Iren Group's customers see the chapter Service Quality on page 250

** for more details on the supply chain see the chapter Enabling Resources on page 288

The value we created in 2023

337 gCO₂eq/kWh direct GHG emissions from energy production (scope 1)

0,6% renewable electricity purchased (scope 2 emissions)

-16% scope 3 emissions from use of products sold (gas)

-11% scope 3 emissions from fuel and energy activities

260 l/inhabitant/day of water withdrawals from the environment for water distribution

937,000 t of waste sent for material recovery

0.8 GW of installed renewable capacity

367,000 TOE saved by our customers through the use of Iren products and services

25.1% of women in managerial positions

+3,222 new hires compared to 2020

45 injury incidence rate for employees

23 average hours of training per employee

11.2 million Euro for community projects

+0.2 GW of installed renewable electricity generation capacity compared to 2020

1,031 million m³ of gas distributed

2,500 million m³ of gas sold

3.5 TWh of electricity distributed

13.3 TWh of electricity sold

2.1 TWh of heat sold

179 million m³ of water sold

181 million m³ of water treated

904 GWh of energy produced from waste

6,490 million Euro of revenues

1,197 million Euro of Ebitda

255 million Euro of net profit

1,780 million Euro of economic value generated and distributed

18 innovation projects

Our goals for 2030⁽¹⁾

176 gCO₂eq/kWh direct GHG emissions from energy production (scope 1)

100% renewable electricity purchased (scope 2 emissions)

-25% scope 3 emissions from use of products sold (gas)

-13% scope 3 emissions from fuel and energy activities

261 l/inhabitant/day of water withdrawals from the environment for water distribution

2.3 million t of waste sent for material recovery

3.4 GW of installed renewable capacity

700,000 TOE saved by our customers through the use of Iren products and services

30.0% of women in managerial positions

+4,000 new hires compared to 2020

42 injury incidence rate for employees

30 average hours of training per employee

+2.8 GW of installed renewable electricity generation capacity compared to 2020

6,700 million Euro of revenues

1,870 million Euro of Ebitda

460 million Euro of net profit

10.5 billion Euro of cumulative gross investments from 2023

2.7x NFP/Ebitda ratio

⁽¹⁾ All Group objectives are detailed on page 114



Scale of the organisation

[GRI 2-1, 2-6, 2-7, 201-1, 203-1, 204-1, 302-1, 302-4, 303-3, 305-1, 305-2, 305-4, 305-5, 306-3, 401-1, 403-9, 404-1, 404-3, 405-1, G4-EU2, G4-EU4]

Value

0.1188 EURO
Proposed dividend per share

1,780
MILLION EURO
Added value distributed

57%
Ordered to local suppliers

6,490
MILLION EURO
Revenues

1,269
MILLION EURO
Orders to suppliers

1,311
MILLION EURO
Capex

1,101
Suppliers involved in ESG profile survey

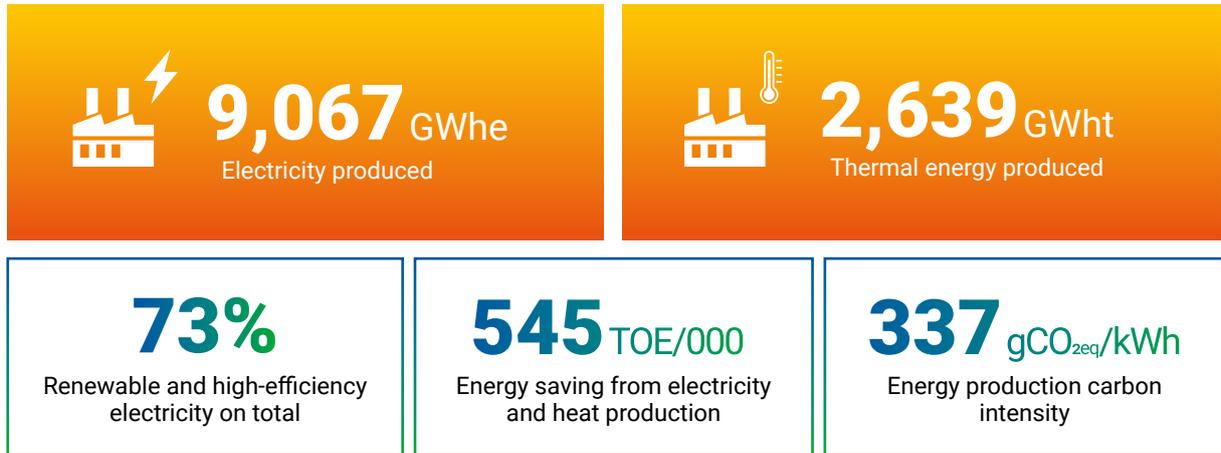
96%
Investments in reference local areas

4.9
MILLION EURO
Investments in innovation and research

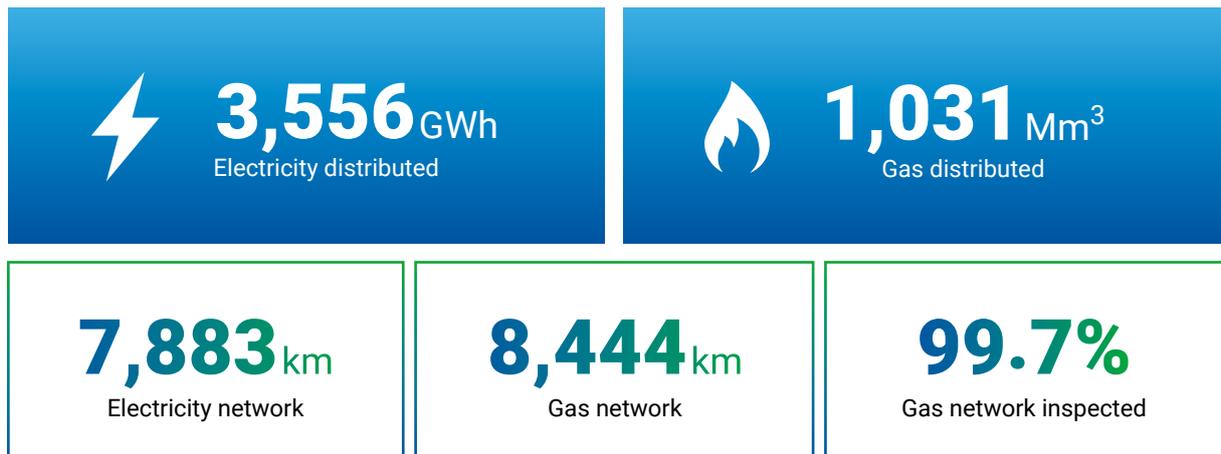


2,050
MILLION EURO
Green Bonds issued

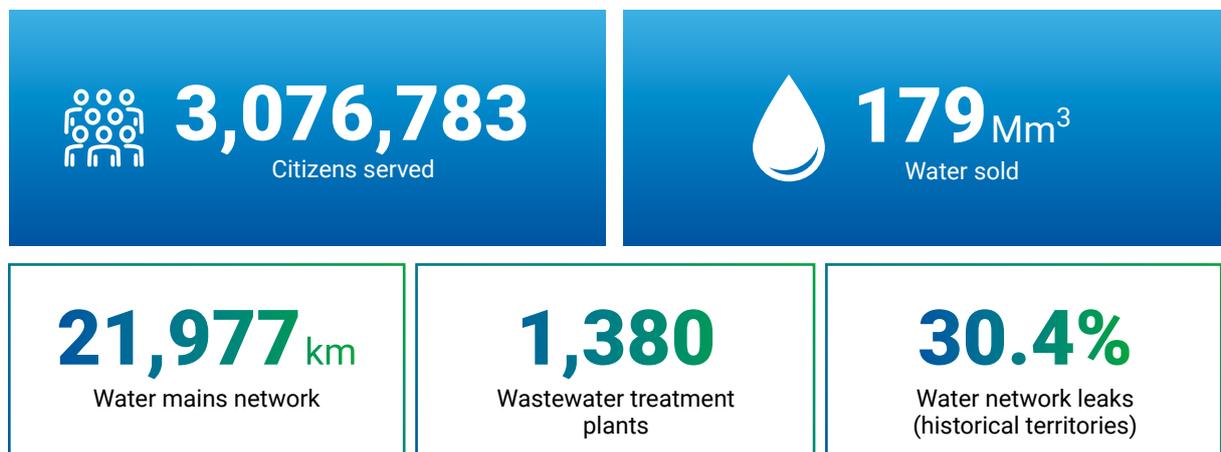
NET ENERGY OUTPUT



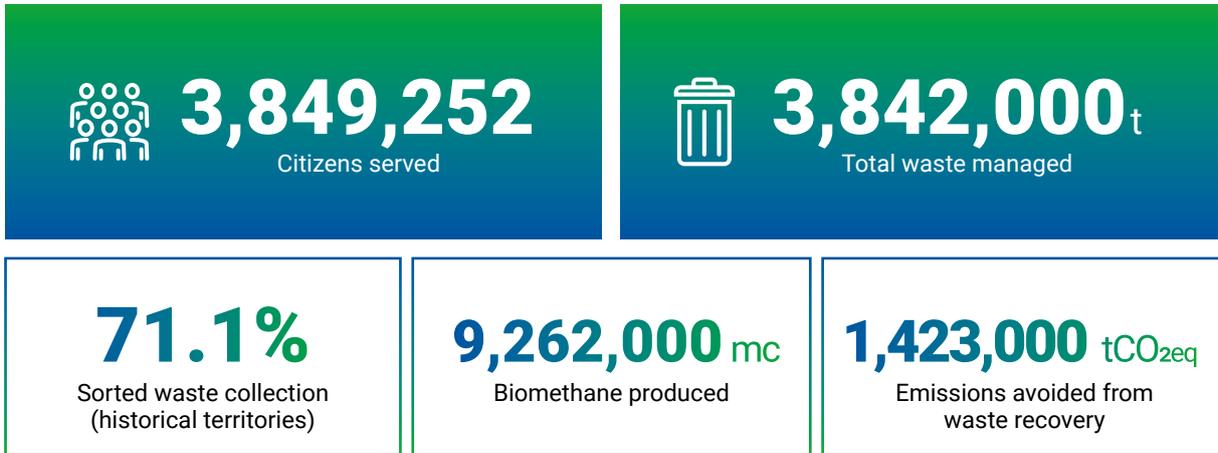
ELECTRICITY DISTRIBUTION AND GAS DISTRIBUTION



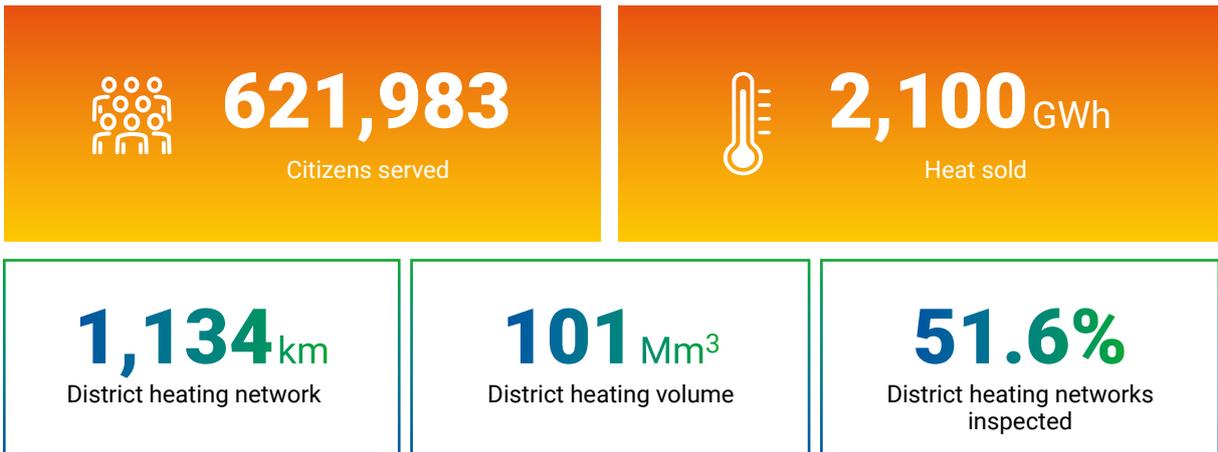
INTEGRATED WATER SERVICE



WASTE MANAGEMENT SERVICES



DISTRICT HEATING



ENVIRONMENTAL IMPACTS



Personnel



25.1% Women managers

53% Female presence on Iren Board of Directors



100% Employees involved in training activities

23 Average training hours per capita

Customers and Communities



550

Projects for energy requalification in public and private buildings



336

Projects supported in favour of communities



111

Sustainability projects carried out by Iren Local Committees



73,807

People involved in sustainability education projects



50

Social cooperatives operating for the Group

Group Structure (31.12.2023)



BUSINESS UNIT
Energy



BUSINESS UNIT
Waste Management



BUSINESS UNIT
Market



BUSINESS UNIT
Networks

- Asti Energia e Calore 62%**
B.I. Energia 47,50%
Dogliani Energia 100%
Fratello Sole Energie Solidali 40%
Iren Green Generation 100%
| Iren Green Generation Tech 100%
| Limes 1 51%
| Limes 2 51%
| Limes 20 100%
| Mara Solar 100%
| Omnia Power 100%
| WLF 100%
Iren Smart Solutions 60% (+20%)
Iren Ambiente and 20% Iren Mercato)
| Alfa Solutions 86%
| Lab 231 100%
Maira 82%
| Formaira 100%
Valle Dora Energia 74,50%

- ACAM Ambiente 100%**
Amiat V 93,06%
| Amiat 80%
A.S.A (BO) 49%
Bonifica Autocisterne 51%
Bonifiche Servizi Ambientali 100%
Gaia 45%
I.Blu 80%
Iren Ambiente Parma 100%
Iren Ambiente Piacenza 100%
Iren Ambiente Toscana 100%
| CSAI 40,32%
| Futura 40% (+ 40% Iren Ambiente e 20% Sei Toscana)
| Scarlino Energia 100%
| Semia Green 50,91% (+ 49,09% Iren Ambiente)
| Senambiente)
| Sei Toscana 41,77% (+ 20,62% Iren Ambiente e 16,37% Valdarno Ambiente)
| Ekovision 100%
| Valdisieve 70,96% (+0,96% Iren Ambiente Toscana)
| Senambiente 40%
| Valdarno Ambiente 56,02% (+43,98% CSAI)
| CRCM 76,06% (+7,15% Senambiente)
| TB 100%
Manduriambiente 95,29%
ReCos 99,51%
Re Mat 88,43%
Rigenera materiali 100%
San Germano 100%
Seta 48,85%
Territorio e Risorse 65% (+35% ASM Vercelli)
TRM 80%
Uniproject 100%

- Alegas 98%**
Atena Trading 59,97%
Salerno Energia Vendite 50%

- ACAM Acque 100%**
Acquaenna 50,87%
AM.TER. 51% (+49% Iren Acqua)
ASA (LI) 40%
ASM Vercelli 59,97%
Consorzio GPO 62,35%
E.G.U.A. 49%
Iren Acqua 60%
| Iren Acqua Tigullio 66,55%
Iren Acqua Reggio 100%
Iren Laboratori 90,89%
Iren Gas 100%
| Romeo 2 100%
Nord Ovest Servizi 45% (+30% Amiat)

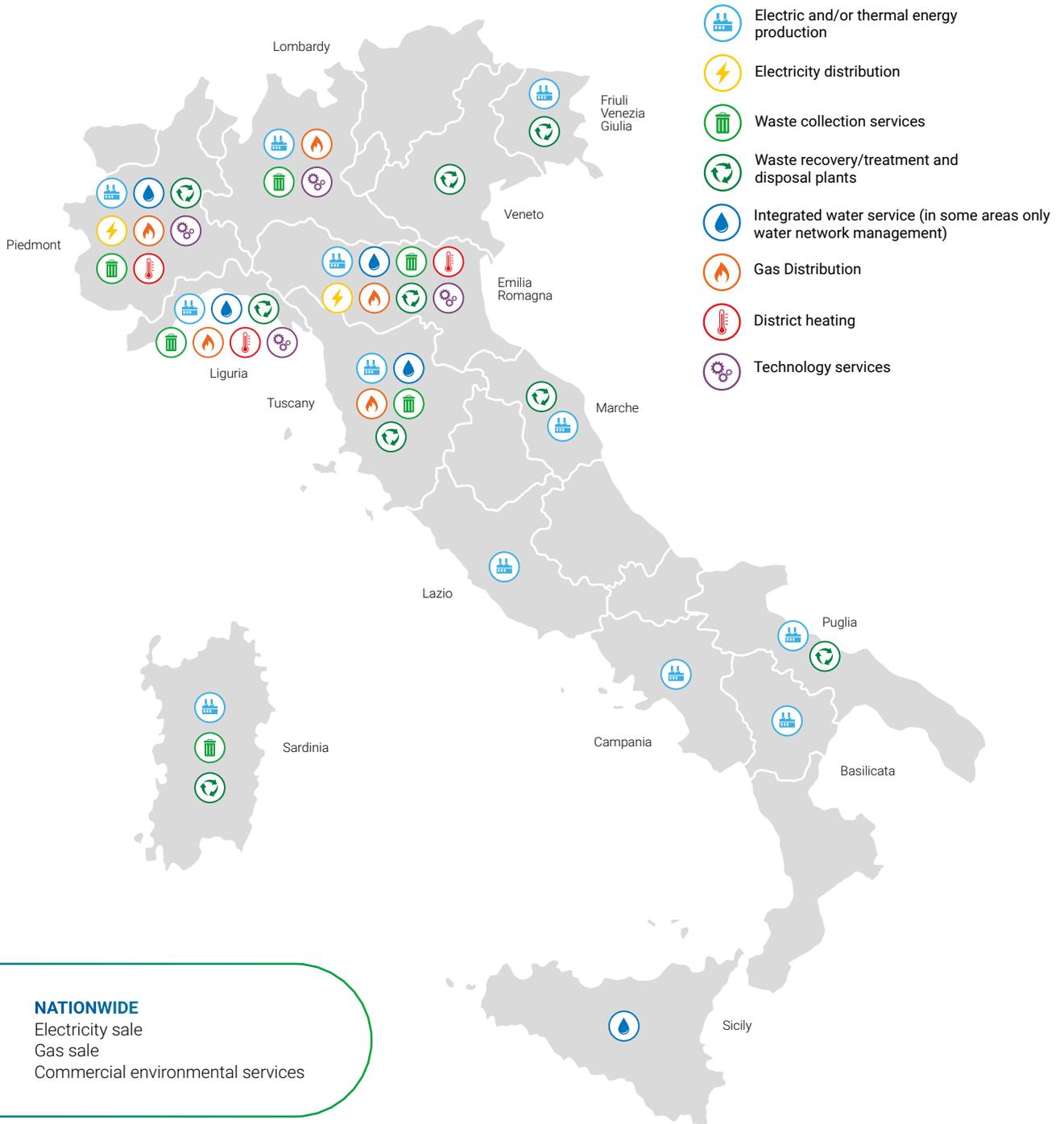
MAIN INVESTEE COMPANIES

Key: in *grey and italics*, companies that are not fully consolidated but are considered relevant to sustainability and reported separately



Main areas served

[GRI 2-1, 2-6]





Business sectors

[GRI 2-6, G4-EU1, EU2, EU3, EU4]

Production of electricity and thermal energy

Main indicators	
Energy production plants (no.)	230
of which hydroelectric	33
of which photovoltaic	110
of which thermoelectric cogeneration	7
of which thermoelectric	1
of which waste-to-energy	3
of which biogas on landfills and wastewater treatment plants	12
of which thermal	63
of which biomass	1
Installed electrical power (electricity set-up)	3,411 MWe
of which photovoltaic power	189 MWe
Installed thermal power	2,583 MWt
Electricity produced	9,067 GWhe
Thermal energy (heat) produced	2,639 GWht

Electricity produced by plants fuelled by renewable or high-efficiency cogeneration sources, which account for 64% of the Group's plant portfolio, generate 73% of all output (» [SEE PAGE 176](#)). Photovoltaic plants produced 214 GWh of electricity in 2023.

Market

The Group operates in the sale of electricity, gas and heat for district heating, and of extra-commodity services and products, in particular for energy efficiency. It is present throughout Italy, with a greater concentration in the central-northern areas. The main sources available are the Group's energy production plants.

SALE OF NATURAL GAS

Main indicators	
Gas procured	2,500 million m³
gas sold to end customers	999 million m ³
gas consumption by the Group	1,496 million m ³
gas in storage as at 31/12	4.5 million m ³
Retail customers (no.)	978,563

SALE OF ELECTRICITY

Main indicators	
Electricity sold	13,290 GWh
to end customers and wholesalers	7,219 GWh
on the Stock Exchange	6,071 GWh
Retail customers (no.)	1,193,138

In 2023, 1,755 GWh of certified green energy was sold to end customers

SALE OF HEAT FOR DISTRICT HEATING

Main indicators	
Heat sold	2,100 GWh
Thermal energy purchased from third parties	3.4 GWh
Customers served	55,381

Through its own co-generation and transport networks, the Group offers the service of district heating to Turin, Nichelino, Moncalieri, Beinasco, Collegno, Grugliasco, Rivoli, Reggio Emilia, Parma, Piacenza, Genoa. District heating helps to protect the environment with greater reliability and safety compared to traditional heating plants.

Gas distribution

The distribution service, managed in 119 municipalities, guarantees the withdrawal of natural gas from Snam Rete Gas pipelines and its transportation through local networks for delivery to end users. Iren Group also manages the distribution and sale of LPG, in the Reggio Emilia area and the province of Genoa in particular, via 14 and 7 storage plants respectively, located in towns that are still not reached by the natural gas network.

Local Area	km of network	End customers	Gas distributed (Mm ³)
Emilia Romagna	6,182	399,197	721
Liguria	1,847	328,400	46
Piedmont	415	29,773	264
Total	8,444	757,370	1,031

Electricity distribution

City	km of network	End customers	Electricity distributed (GWh)
Parma	2,604	131,988	838
Turin	4,728	571,071	2,531
Vercelli	551	28,999	187
Total	7,883	732,058	3,556

In Turin and Parma, the distribution of electricity is carried out by Ireti, while in Vercelli, it is assigned to ASM Vercelli.

District heating

The Turin district heating network is the most extensive in Italy. In 2023, the development projects outlined in the Business Plan continued.

Area	km of network	Volume (Mm ³)	Residents served ⁽¹⁾
Turin and surrounding municipalities	769	76.8	512,640
Reggio Emilia	219	13.9	57,002
Parma	103	6.4	35,597
Piacenza	35	2.4	8,833
Genoa	8	1.6	7,911
Total	1,134	101.1	621,983

⁽¹⁾ Estimated data for residential utilities

Integrated water service

Main indicators	
Water networks	21,977 km
Sewer networks	12,117 km
Wastewater treatment plants	1,380
Dams	6
Residents served	3,076,783
Municipalities served	266
Customers served	963,605
Water sold	179 Mm ³

The integrated water service - which includes the procurement and distribution of drinking water, management of the sewer networks and water treatment activities - is managed in the provinces of Asti, Enna, Genoa, La Spezia, Imperia, Savona, Parma, Piacenza, Reggio Emilia and Vercelli (in some areas only water network management).

Waste management services

Main indicators	
Waste managed	3,842,166 t
Urban waste treated	2,977,112 t
Sorted waste collection ⁽¹⁾	71.1 %
Residents served	3,849,252
Collection centres managed	246
Municipalities served	436
Plants managed	63
of which material recovery	23
of which treatment	11
of which storage	22
of which waste-to-energy	3
of which operating landfills	4

The Group manages environmental health services in the provinces of Parma, Piacenza, Reggio Emilia, La Spezia, Vercelli, Arezzo, Grosseto, Livorno, Siena and in the city of Turin. Through the company San Germano, it provides the waste collection service in several areas of Piedmont, Lombardy and Sardinia.

The environmental services include the collection and sending for recovery or disposal of solid urban waste or similar and non-hazardous special waste, as well as its transportation to plants belonging to the Group or third parties.

⁽¹⁾ Figure for historical areas served

Smart Solutions

The Group, thanks to its know-how, through Iren Smart Solutions (certified ESCo), addresses companies, condominiums, Public Administration and third sector entities, with an articulated portfolio of services:

- **energy efficiency of the building-plant system**, both public and private, through integrated energy requalification interventions (building envelope insulation, replacement of windows and doors, replacement of traditional boilers with high-efficiency cogeneration boilers or heat pumps) and with the possibility of managing the requalified plants;
- realisation of **photovoltaic, solar thermal plants, storage** systems;
- **energy upgrading in the industrial sector**, including through the construction of cogeneration and trigeneration plants;
- realisation of **Renewable Energy Communities (REC)**;
- **energy consulting**, energy management and implementation of consumption **monitoring systems**;
- **technological global service** for the operation and maintenance of all plants (electrical, motive power, heating, lifting, fire protection, television, burglar alarm, special) of complex real estate assets;
- **lighting redevelopment** in the industrial, residential and tertiary sectors, through the use of LED lighting;
- **public, artistic and traffic light**, with plant and lighting upgrading, maintenance and remote control;
- implementation and integrated management of **interconnected technological and IT solutions** for **smart cities** (e.g. smart traffic lights, video surveillance and security, smart parking).

Other services

The Group's telecommunications network extends over the Turin area and from the ridge of the Susa Valley to Susa. In Turin, the fibre optic network extends for about 200 km and connects over 400 customer sites and plants, including the main sites of the Group. The network is used, in particular, for the supervision and remote control of electrical distribution, district heating, public lighting and for the data collection system of electric meters and district heating condominiums. Through the Group's network, various passage points for restricted traffic areas (ZTL), traffic light regulators and remote control of the water network are also managed. The network is also interconnected with the Group's regional offices, major cloud providers and data centres via a redundant 10Gbps infrastructure dedicated to the Group.

Companies outside the consolidation reporting scope

The Group also includes a number of companies that are not consolidated on a line-by-line basis, but are considered significant in terms of environmental and social sustainability, on the basis of different criteria, such as the stake held, the business managed and the governance in place. For a correct and comprehensive representation of the Group's activities, qualitative and quantitative information is provided below for these companies, with the aim of making the information complete.

B.I. ENERGIA

BI Energia is the investee of Iren Energia (47.5%) and Consorzio di Bonifica dell'Emilia Centrale [Central Emilia Conservation Consortium] (52.5%), which manages the flowing water hydroelectric plant in Castellarano on the river Secchia, in San Michele dei Mucchietti (Modena). The plant uses the jump of an existing crosshead to produce electricity.

Main indicators	u.m.	2023	2022
Electricity produced	MWh	5,825	2,426

FRATELLO SOLE ENERGIE SOLIDALI

Fratello Sole Energie Solidali is a social non-profit enterprise founded by Iren Energia (40%) and Fratello Sole (60%) and operates in support of charitable and socially useful entities in the field of energy costs savings. Until July 2023, it has provided management and energy efficiency services to the real estate assets of both its shareholders, consisting of over 3,000 buildings, and of social enterprises, non-profit organisations and associations, as the person responsible for the design and execution of energy efficiency measures, thanks to its technological partner Iren Smart Solutions, and has also developed e-mobility projects for its customers. From the second half of 2023, following regulatory developments in the sector (Legislative Decree 21/2022), it plays the role of technical consultant, assisting shareholders in energy efficiency projects (from diagnosis to understanding the technical-economic feasibility), in accessing tax facilitations and subsidised and impact finance, up to the selection of companies and professionals to carry out the interventions; it also carries out the social and environmental impact assessment. The four sites completed in 2023 generated annual energy savings of 1,640 MWh.

E.G.U.A.

E.G.U.A S.r.l., owned by Ireti (49%), manages the integrated water service in the municipality of Cogorno (GE) for which it has outsourced the management of all phases to Iren Acqua Tigullio: collection, purification, treatment, distribution, gathering and wastewater disposal, design, construction, operation and maintenance of networks and plants. E.G.U.A. has a quality management system certified according to ISO 9001.

Main indicators	u.m.	2023	2022
Residents served	no.	7,701	7,736
Municipalities served	no.	1	1
Water sold	m ³	301,883	297,318
Water networks	km	48	48
Sewer networks	km	34	34
Electricity consumption	kWh	611,018	297,012

ASA

ASA S.p.A. is the company, owned by municipalities in the provinces of Livorno, Pisa and Siena and Ireti (40 percent), that manages the integrated water service in five regional sub-districts of Tuscany: North-East (Livorno, Collesalveti and Capraia Isola), Alta Val di Cecina (main municipality Volterra), Bassa Val di Cecina (main municipalities Cecina and Rosignano M.), Val di Cornia (main municipality Piombino) and Isola d'Elba (Elba Island). The Company also manages gas distribution in Livorno, Collesalveti, Rosignano Marittimo, Castagneto Carducci and San Vincenzo. ASA is ISO 9001 and ISO 45001 certified.

Main indicators	u.m.	2023	2022
Residents served (IWS)	no.	411,520	406,582
Municipalities served (IWS)	no.	32	32
Water sold	m ³	23,736,161	24,380,817
Water networks	km	3,659	3,636
Sewer networks	km	1,284	1,280
Wastewater treatment plants	no.	73	73
Residents served by gas distribution	no.	215,506	216,208
Municipalities served by gas distribution	no.	5	5
Natural gas distributed	sm ³	68,373,402	72,949,769
Gas Networks	km	702	702
Electricity consumption	kWh	67,462,695	68,922,858
Natural gas consumption	sm ³	200,000	194,235
Water consumption	sm ³	1,734,134	1,788,377
Waste generated	t	14,425	14,342
Employees as at 31/12	no.	536	540

A.S.A. AZIENDA SERVIZI AMBIENTALI

The company A.S.A. S.C.p.A., owned by Iren Ambiente (49%), manages the design and construction of plants for the disposal of urban and special, hazardous and non-hazardous waste, the organisation and management, direct and indirect, of plants for the disposal of waste produced by third parties and the remediation of polluted sites. It is the operator of the landfill for non-hazardous waste located in the municipality of Castel Maggiore (BO). A.S.A. adopts an ISO 45001 and ISO 14001 certified management system and the site managed by the company has obtained EMAS registration.

Main indicators	u.m.	2023	2022
Special waste managed (non-hazardous)	t	124,649	128,091
Electricity consumption	kWh	64,565	63,216
Water consumption	m ³	84	81
Waste generated	t	13,757	10,972
Employees as at 31/12	no.	5	5

GAIA

GAIA S.p.A., owned by Iren Ambiente (45%), manages waste treatment, recovery and disposal plants in the province of Asti. GAIA's activities are spread across the entire province, with a structured plant system: 12 collection centres for citizens to dispose of sorted waste collection, a sorted waste recovery plant, a plant for the mechanical-biological treatment (MBT) of unsorted waste (Asti), a compost and anaerobic digestion plant (San Damiano d'Asti) for the recovery of organic waste and a landfill for non-hazardous waste (Cerro Tanaro). GAIA adopts a management system certified in accordance with ISO 9001, ISO 45001 and ISO 14001. All of the sites managed by the Company are EMAS certified.

Main indicators	u.m.	2023	2022
Residents served waste collection	no.	204,141	204,465
Municipalities served waste collection	no.	114	115
Waste collected in Eco-stations	t	8,242	8,277
Waste treated at the plants	t	244,564	223,801
SW recovery	t	48,266	36,984
MBT	t	46,638	47,178
transfer station	t	7,265	7,685
composting	t	78,498	53,219
non-hazardous waste landfill	t	63,897	78,735
Electricity consumption	kWh	11,196,784	5,268,093
Natural gas consumption	sm ³	21,145	21,103
Water consumption	m ³	21,541	21,267
Waste generated	t	21,063	20,093
Employees as at 31/12	no.	178	164

SETA

SETA (Società Ecologica Territorio Ambiente) S.p.A. is the contractor of the urban waste collection service for Catchment Area 16 in the Metropolitan City of Turin. Operating in waste collection and disposal, it is 51.15% controlled by a few municipalities in the Consortium of Catchment Area 16 (area to the north of Turin), both directly and indirectly through the consortium, and is an investee of Iren Ambiente (48.85%). SETA manages, post-conduct, the controlled landfill called Chivasso 0, previously assigned for the disposal of non-hazardous waste and 11 collection centres across the territory, where citizens can dispose of the sorted waste sent for recovery and a reuse Centre. SETA adopts a Quality, Safety and Environment management system certified in accordance with ISO 9001, ISO 45001 and ISO 14001.

Main indicators	u.m.	2023	2022
Residents served	no.	223,850	224,069
Municipalities served	no.	31	31
MSW collected - sorted waste	t	63,365	61,348
MSW collected - unsorted waste	t	39,187	39,802
Sorted waste collection	%	62	61
Electricity consumption	kWh	522,513	494,277
Natural gas consumption	sm ³	83,842	86,621
Water consumption	m ³	11,853	9,448
Waste generated	t	4,012	5,445
Employees as at 31/12	no.	216	217

CSAI (CENTRO SERVIZI AMBIENTE IMPIANTI)

CSAI S.p.A., owned by Iren Ambiente Toscana (40.32%), is a public-private company in the province of Arezzo that deals with the disposal of non-hazardous urban-derived waste and non-hazardous special waste, as well as the production of electricity from renewable sources (landfill biogas). The company owns and manages two landfills (in the municipalities of Terranuova Bracciolini and Castiglion Fibocchi) with biogas recovery, no longer operational. In December 2023, the company approved a business plan that includes the construction of a liquid waste treatment plant, the construction of photovoltaic plants and a plant for the production of biomethane from landfill biogas. CSAI adopts a Quality, Safety, Environment and Energy management system certified in accordance with ISO 9001, ISO 45001, ISO 14001 and ISO 50001.

Main indicators	u.m.	2023	2022
Waste sent to landfill	t	0	107,715
Electricity produced from landfills	kWh	19,193,821	22,054,637
Electricity consumption	kWh	983,999	1,044,748
Water consumption	m ³	1,902	2,062
Waste generated	t	33,192	35,175
Employees as at 31/12	no.	22	33

SIENA AMBIENTE

Siena Ambiente S.p.A. is a mixed public/private capital company: 60% held by public shareholders (province of Siena and municipalities of the province of Siena) and 40% held by Iren Ambiente Toscana. The company manages, in the province of Siena, a composting plant, a plant hub for composting, sorting and recovery of waste (organic, paper, cardboard, multi-material, unsorted), a landfill with energy recovery and a waste-to-energy plant. It also operates, on a residual basis, in the disposal of special non-hazardous waste and, through subsidiaries, produces electricity from renewable sources (photovoltaic plants).

In September 2022, work began on the revamping of the Le Cortine plant complex, which houses the composting, sorting and material recovery plants. The hub, as a result of the project, necessarily stopped conferring in 2023 and will resume operations in 2024. The revamping includes the implementation, upstream of the composting section, of an anaerobic digestion plant with biomethane production and CO₂ recovery. The sorting and recovery of waste will be carried out by means of a line also equipped with optical sorters, thanks to which greater efficiency in recovery will be guaranteed.

Siena Ambiente adopts an integrated Quality, Safety and Environment management system, according to the ISO 9001, ISO 45001 and ISO 14001 standards and all the managed sites have obtained EMAS registration.

Main indicators	u.m.	2023	2022
Total waste managed	t	174,738	204,707
Waste treated in material recovery plants ⁽¹⁾	t	12,213	81,803
Waste treated in WTE	t	65,205	66,529
Waste treated by landfills	t	97,320	56,374
Compost produced	t	1,749	4,095
Electricity produced by WTE	kWh	42,053,011	42,598,659
Electricity produced from landfills	kWh	5,069,644	3,508,259
Electricity produced from photovoltaic	kWh	1,532,292	1,986,872
Electricity consumption	kWh	7,753,889	10,786,910
Natural gas consumption	sm ³	656,162	639,236
Water consumption	m ³	23,311	22,557
Waste generated	t	107	182
Employees as at 31/12	no.	100	102

⁽¹⁾ The figure for 2023 refers only to the composting plant in the municipality of Abbadia, due to the shutdown for revamping of the waste sorting and recovery plant.

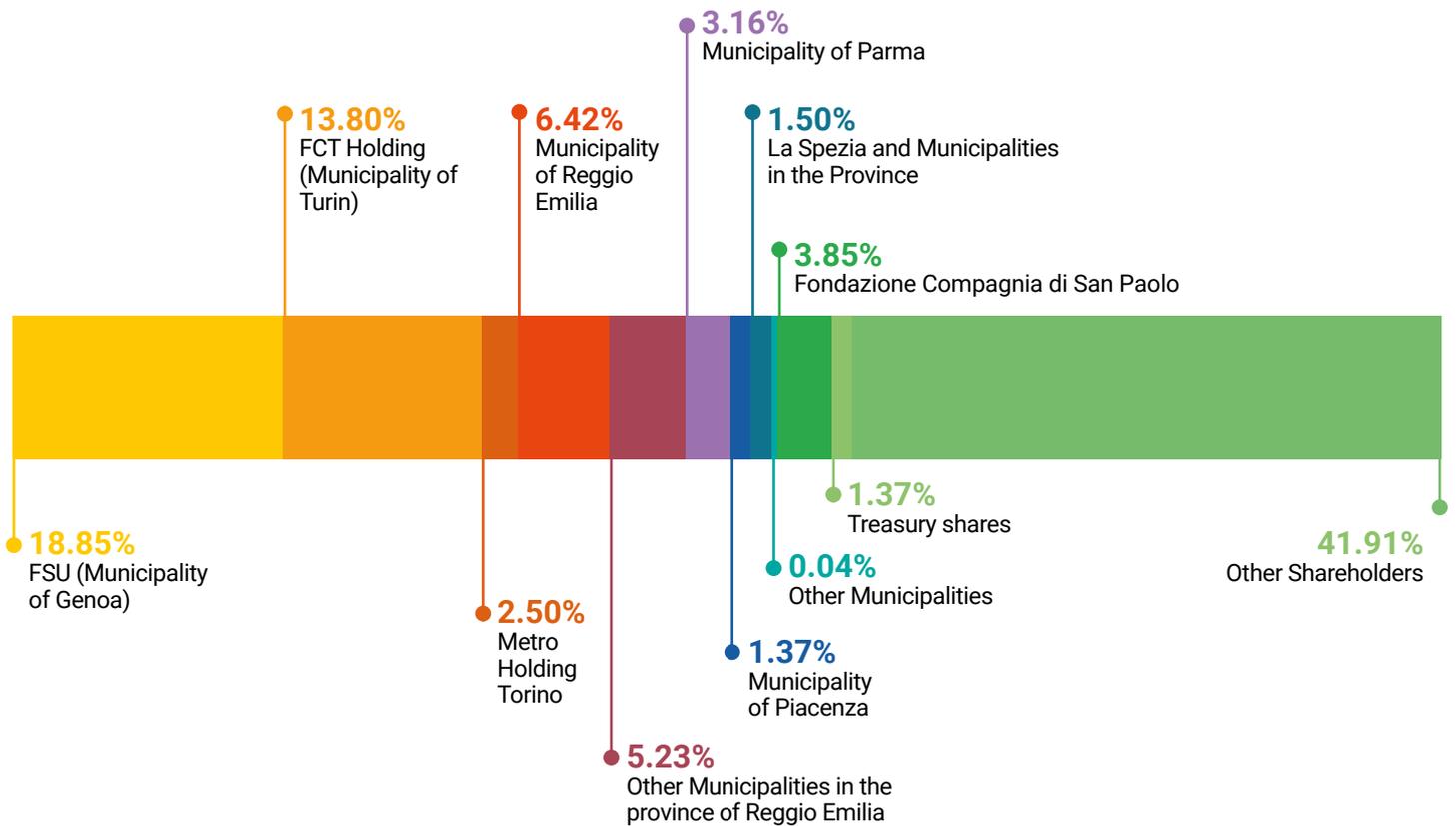


Ownership structure

[GRI 2-1]

At 31/12/2023, the most significant Group shareholders that hold a stake, directly or indirectly in Iren, are represented in the graph below.

IREN SHAREHOLDING STRUCTURE (% OF SHARE CAPITAL)



At 31 December 2023, the Iren share capital is represented by **1,300,931,377 ordinary shares**, of which:

- **745,920,586**
ordinary shares with increased voting rights
conferring a total of 1,491,841,172 voting rights exclusively on the Shareholders' resolutions subject to increased voting rights (art. 6-bis, paragraph 1 of the Articles of Association);
- **555,010,791**
ordinary shares without increased voting rights
conferring in total the equivalent number of voting rights on all Shareholders' resolutions other than those subject to increased voting rights.

At 31 December 2023, the ordinary shares of Iren conferred by 93 Public Shareholders (Finanziaria Sviluppo Utilities, Finanziaria Città di Torino Holding, Metro Holding Torino, Soci Emiliani and Soci Spezzini) to a Shareholders' Agreement aimed at guaranteeing unity and stability of direction, also through the use of the increased voting rights, are divided into:

- **685,947,668**
ordinary shares contributed to the Voting Syndicate
representing in total 1,371,418,000 voting rights with reference to meeting resolutions with increased voting rights;
- **455,379,435**
ordinary shares bound by the Block Syndicate
representing in total 35% of the Iren share capital, and their respective circulation is restricted.

During the 2023 financial year, there were no changes in the ownership structure.

At 31 December 2023, Iren held 17,855,645 treasury shares, equal to 1.37% of the share capital. Retail shareholders hold more than 5% of the Iren share capital, while the remainder is held by nearly 350 institutional investors.

On 4 May 2023, the Ordinary Shareholders' Meeting was held, which approved the 2022 Financial Statements, the proposed dividend, the Report on the 2023 Remuneration Policy and on Compensation Paid in 2022, the proposed adjustment of remuneration to inflation for the position of statutory auditor, and the proposal to authorise the purchase and disposal of treasury shares.



Awards and recognition

In 2023, Iren Group received various recognitions relevant to corporate and environmental responsibility.



Top Employer certification assigned for the Company's excellence in HR policies and strategies and their implementation to contribute to people's well-being, improve the work environment and the world of work.



Best in Media Communication certification (for the third consecutive year): recognition for the work done to measure the impact of corporate communication, taking into account the positioning in the media and the quality of the relationships established with journalists. Special award to the Iren "Planets B" project to raise awareness for the green transition of our planet.



Iren Group was included in the **Bloomberg Gender-Equality Index (GEI)**, the international index that measures gender equality in companies on the basis of five pillars: female leadership and internal talent pipeline, gender pay equity, inclusive culture, anti-sexual harassment policies and corporate brand perception in terms of support for women.



Areté Award in the **Corporate Communication** category, awarded at the CSR and Social Innovation Show, for the originality of the Iren campaign "I Capolavori del Climate Change" (The Masterpieces of Climate Change), the initiative to raise awareness of the risks of global warming.



Awarding, for the two-year period 2023-2024, of the **HFC (Health Friendly Company)** label by the ONDA Foundation, National Observatory on Women's and Gender Health. The label recognises the company's commitment to protecting the health and well-being of its people, by including it in a training programme of welfare policy strengthening.



Luci & Ombre (Light & Shadows)/SOUL Award to the short film "La tribù delle luci" (The Tribe of Lights), awarded by the Wood Film Fest 2023 - a festival dedicated to themes such as ecology, climate and the preservation of our planet -, for the union of the topic of light and shadows between respect for nature and return to sociality.



Smau Innovation Award 2023 to the Iren4Planet service that allows customers to calculate their environmental impact, based on consumption, habits and spending behaviour, and receive suggestions to reduce their carbon footprint



Award for the campaign "È possibile con Iren" (It is possible with Iren), as part of the **55th Key Award & 10th Radio Key Award**. The award, given in the Automotive & Energy category, emphasises the company's ability to distinguish itself in a competitive and constantly evolving area, and its willingness to position itself as a one-stop supplier capable of responding to every need for the individual, the home and the family.



RICREA (National Consortium for the Recycling and Recovery of Steel Packaging) awarded ACAM Ambiente for its commitment and results achieved in the sorted waste collection of steel packaging in the municipality of La Spezia.



ARERA awarded Ireti and Iren Acqua for their technical quality performance in the two-year period 2020-2021. Ireti was placed in a position of absolute excellence in the global ranking of the best national operators, in particular for the services provided in the Emilia-Romagna territories, while Iren Acqua was ranked 1st for the improvement of the indicator related to the adequacy of the sewerage system (M4).



Promotion Awards 2023 - Iren Luce Gas e Servizi was awarded in the Best Performance category for the behavioural loyalty project "Be Iren".

A scenic landscape featuring a range of rugged, rocky mountains in the background, partially covered in snow. In the middle ground, a dense forest of evergreen trees stretches across the valley. In the foreground, a calm lake perfectly reflects the mountains and the forest above. The sky is a clear, pale blue. The overall mood is serene and natural.

Governance for sustainable growth



IN THIS CHAPTER WE TALK ABOUT

governance



risk
management



policies
and tools





Sustainability Governance

[GRI 2-9, 2-10, 2-11, 2-12, 2-13, 2-14, 2-15, 2-16, 2-17, 2-18, 2-23, 2-24, 3-3]

Governance for sustainable growth is expressed through a coherent system of direction, policies, integration of ESG (environmental, social and governance) factors in the corporate strategy, with medium- and long-term objectives and targets, management of the risks and opportunities arising from ESG factors. The strategic guidelines for sustainable growth, approved by the Board of Directors, guide operations, affect the remuneration policies and are monitored through a reporting system for transparent communication to stakeholders.

The Sustainability Policy defines the commitments, while the Code of Ethics establishes the general principles, the conduct criteria and the control system to maintain and strengthen trust with the stakeholders. Training and raising the awareness of people are the keys to consolidating an ethical culture that tangibly influences the Group's development opportunities. Starting with the Board of Directors, the governance approach involves the entire organisation, assigning specific levels of responsibility to different roles.

Solid, ethical and transparent governance for sustainable growth



Risks

- Failure to achieve the objectives and targets (economic-financial and ESG) set out in the Business Plan and consequent negative impacts (operating, economic, financial and reputational)
- Commission of offences related to Legislative Decree 231/2001
- Non-compliance with tax regulations
- Non-compliance with financial and non-financial reporting regulations
- Company's administrative responsibility for violation of rules and regulations
- Criminal liability of management for violation of regulations
- Violation of the Code of Ethics conduct criteria
- Infringement of confidentiality or abuse of privileged information
- Negative operational, economic and reputational impacts deriving from conduct contrary to company ethics, rules and regulations



Opportunities

- Mitigation of risks with potential internal and external economic, environmental and social impacts
- Adherence to the Cooperative Compliance regime in the tax field
- Positive reputation



Management methods

- Planning and monitoring of business plan objectives and targets (economic/financial and ESG)
- Internal Control and Risk Management System
- ERM system integrated with ESG topics
- MbO and LTI system with ESG objectives
- Audit, Risk and Sustainability Committee
- Induction for the Board of Directors on ESG topics
- ESG Strategic Integration Committee
- Code of Ethics
- Sustainability Policy
- Organisational Model 231 and information flows to the Supervisory Bodies
- Governance solutions consistent with the Corporate Governance Code
- Internal Audit Plan
- Employee training on Model 231 and Code of Ethics
- Tax Control Framework
- Antitrust Code of Conduct
- Local Committees
- Procedures: Whistleblowing; Internal dealing; Management of information related to transparency obligations; Internal management and external disclosure of relevant information and/or inside information; Governance of administrative and accounting procedures; Drafting of the Sustainability Report/NFS

Iren Group's governance is based on shared rules that inspire and direct strategies and corporate activities. The policies and instruments adopted guarantee respect for ethical values, principles and behaviours within an industrial model that plans for sustainable growth.

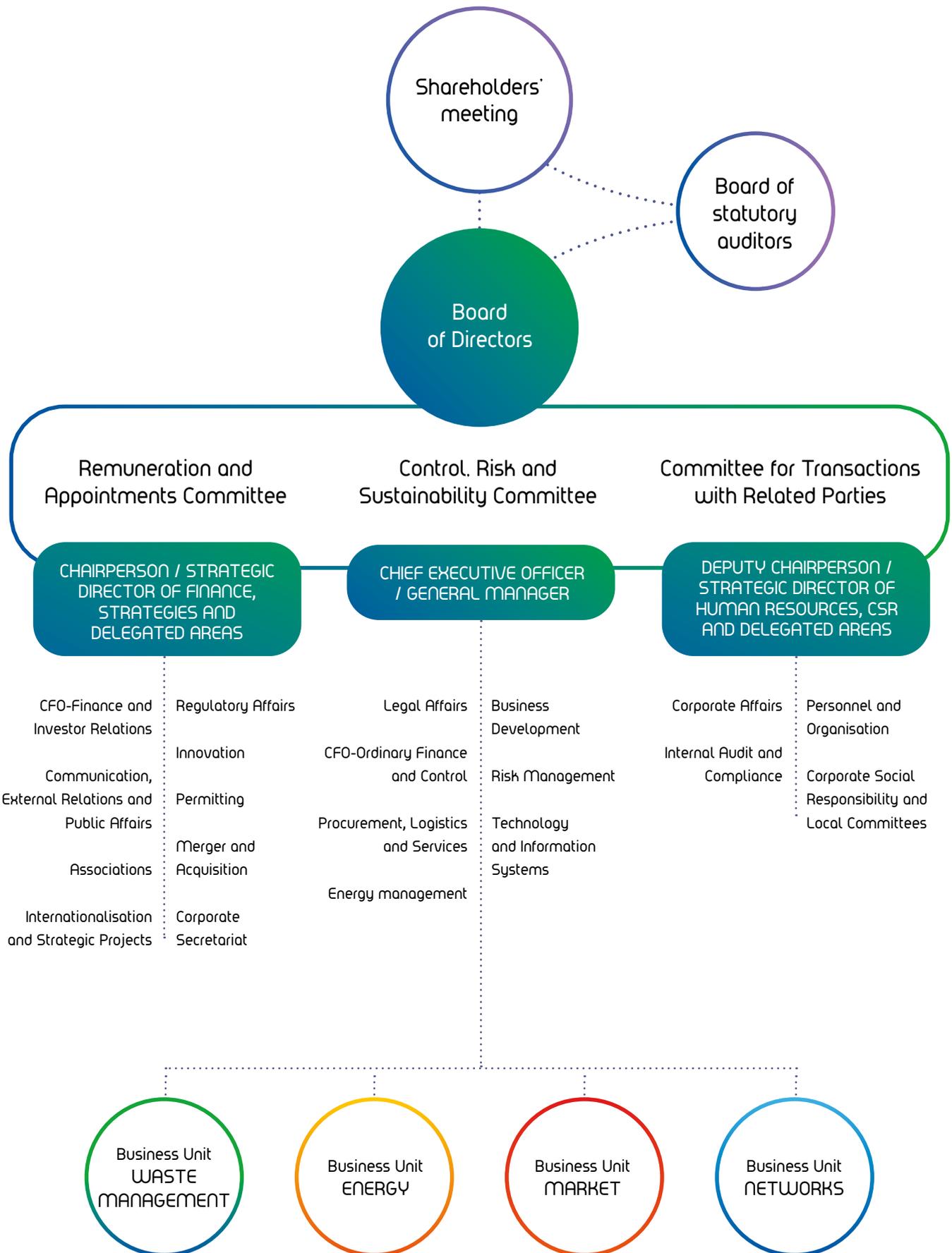
In order to ensure consistency between behaviours and strategies, Iren has adopted a system of internal rules that configure a corporate governance model based on the division of responsibilities and on a balanced relationship between management and control, which guarantees that risks and opportunities are duly taken into account in the decision-making processes and contributes to spreading the corporate culture at all levels and enhancing skills, increasing awareness among internal resources and contractors that the Group plays a vital role in creating value for the community.

The strategies of Iren Group and the sustainability objectives, integrated in business objectives, are defined by the **Board of Directors** of Iren, which examines the risks and opportunities linked to the socio-environmental and economic context, also on the occasion of approval of the Business and Financial Plan, the annual budget, the examination and approval of new extraordinary and development operations, the Consolidated Financial Statements and the Sustainability Report.

In defining its strategic guidelines and plans, the Board of Directors contemplates the need to pursue sustainable success, which also extends to the development of remuneration policies (» [SEE PAGE 77](#)) and the Internal Control and Risk Management System (» [SEE PAGE 56](#)). The medium-term (2026) and long-term (2030) Strategic Plan, approved by the BoD, includes sustainability objectives and targets (» [SEE PAGE 113](#)), also in relation to climate change and the Group's commitment to transparent reporting in this regard, with particular focus on the four areas outlined by the Task Force on Climate-related Financial Disclosures (TCFD) of the Financial Stability Board (for detailed references » [SEE PAGE 377](#)):

- **Governance** - description of the role of the Iren corporate governance system in relation to climate change issues;
- **Strategy** - illustration of the main risks and opportunities relating to climate change, the different scenarios considered and the strategy developed as the company's response to mitigate and adapt to the risks and to maximise the opportunities;
- **Risks** - description of the identification, assessment and management process for the risks and opportunities related to climate change adopted by the Group;
- **Metrics and targets** - main metrics related to climate change used by the Group, as well as the main objectives set to promote a low-carbon business model.

The Board of Directors analyses and approves the Sustainability Report, which serves as a non-financial statement (NFS) pursuant to Legislative Decree 254/2016, drawn up annually to publicise the Group's environmental, social and economic strategies and performance, to transparently communicate compliance with the commitments undertaken, future commitments and ability to meet stakeholder expectations. The Sustainability Report is prepared by the Corporate Social Responsibility and Local Committees Department, which reports directly to the Deputy Chairperson, who holds the relevant powers.



Furthermore, in line with the structure of delegated powers, outlined by the Board of Directors and currently in force:

- **the Executive Chairperson** of the Board of Directors acts as liaison between executive and non-executive directors, ensures the effective functioning of the Board's work, is the Strategic Director of Finance, Strategies and the areas delegated (Investor Relations, Regulatory Affairs, Communications, External Relations and Public Affairs, Associations, Permitting, Innovation, Internationalisation and Strategic Projects, Merger and Acquisition and Company Secretariat), and is director in charge of risk management pertaining to the areas of responsibility;
- **the Executive Deputy Chairperson** is the Strategic Director of Human Resources, Corporate Social Responsibility and the areas delegated (Corporate Affairs, Internal Audit and Compliance, Local Committees), and responsible therein for managing the 231/01 system, the privacy system (GDPR), overseeing the environmental and social sustainability of the company's activities and processes, preparing the draft Sustainability Report/Non-Financial Statement (as per Legislative Decree 254/2016), and is director in charge of managing the risks pertaining to the areas of responsibility. The Deputy Chairperson updates the Board of Directors and the Control, Risk and Sustainability Committee on the status of sustainability projects, stakeholder engagement and consultation activities on sustainability issues with stakeholders, also managed through the Corporate Social Responsibility and Local Committees Department. Through Local Committees, of which the Deputy Chairperson is an ex officio member, stakeholders can also draw the Group's attention to issues concerning services and environmental and social sustainability topics. The results of stakeholder engagement activities generate project ideas for the improvement of environmental and social performance and are reported annually in the Sustainability Report;
- **the Chief Executive Officer and General Manager** is responsible for the management of the company with powers of coordination and control, and in particular with responsibility for the areas of CFO-Ordinary Finance and Control - within which strategic planning is developed, with the indication of objectives and with the monitoring and control of the Group's activities and results - Legal Affairs, Procurement, Logistics and Services, Business Development, Information Technology and Systems and Risk Management. Holds the role of director in charge of managing the risks pertaining to related areas of responsibility.

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

The **Control, Risk and Sustainability Committee** (» SEE PAGE 49) is responsible for examining the guidelines of the sustainability plan – integrated in the strategic plan –, assessing risks and evaluating economic, environmental and social performance, and supervising the implementation of the sustainability plan and the system for evaluating and improving the environmental, economic and social impact of the Group's activities.

For the integration and monitoring of ESG (Environment, Social, Governance) factors, from strategic planning to the management and monitoring of the Group's activities, the **ESG Strategic Integration Committee** has been established (» SEE PAGE 54), which includes the Directors of the primary Staff and Business Unit functions, and which operates in close relationship with the **Sustainable Finance Committee** (» SEE PAGE 54) responsible for defining and managing the Group's sustainable finance framework.

Iren adopts a traditional corporate governance system that complies with the recommendations of the Corporate Governance Code and with the Regulations on transactions with related parties adopted by Consob.

Board of Directors

The Board of Directors (BoD) has full powers for the ordinary and extraordinary administration, implementation and achievement of the company business objectives, with the sole exclusion of powers which by Law or by the Articles of Association are the responsibility of the Shareholders' Meeting.

The Iren Board of Directors is responsible for defining the sustainability policies and principles of conduct to be adopted at Group level, in order to ensure the creation of value over time for Shareholders and for all other stakeholders, together with the definition of the sustainability plan that the Board itself has chosen to integrate into the Strategic Plan for the development of the Group.

The Board of Directors assesses the organisation's economic, environmental and social performance, any significant risks and opportunities, and its compliance with standards, codes of conduct and the principles declared during the approval of the strategic, business and financial planning, the annual budget, the financial statements, the interim management reports and M&A transactions. The Board of Directors also evaluates the social and environmental performance reported quarterly and annually in the Sustainability Report.

The assessment of social and environmental risks and performance also takes place with the support of the Control, Risk and Sustainability Committee (made up of 4 Independent Directors), which also exercises competences in the field of Corporate Social Responsibility.

The Board of Directors in office at 31 December 2023 was appointed (for three years, until the approval of the Company's Financial Statements at 31 December 2024) by the Shareholders' Meeting held on 21 June 2022 and consists of 15 Members. For the appointment, in addition to the provisions of the Shareholders' Agreements between Iren Public Shareholders, the list voting mechanism was adopted, as provided for by the Articles of Association, which guarantees an adequate presence of the less represented gender (equal to at least two-fifths of the total) and of Members designated by minority shareholders, as well as at least two Members who meet the independence requirements prescribed by law.

The Board of Directors adopts appropriate solutions to facilitate the identification and management of

situations where a Director may be vested with personal interests or interests on behalf of third parties

in a particular transaction. In this case, as provided for by art. 2391 Civil Code, the Director makes a prior communication to the other Directors and to the Board of Statutory Auditors - specifying the nature, terms, origin and scope of the interest - and, in the case of the Chief Executive Officer, must also refrain from carrying out the operation, vesting the BoD with the same.

The BoD, during the meeting of 20 April 2022 formulated its guidelines to the Shareholders on the **qualitative-quantitative composition of the administrative body** for the three years 2022-2024, providing indications on its size and of the Internal Board Committees and on the professional and managerial figures whose presence in the administrative body was considered appropriate. The document (available at gruppoidren.it > Governance > Shareholders' Meeting) was circulated and made available to the Shareholders' Meeting to allow Shareholders to make their own evaluations on the subject. As far as the quantitative profile is concerned, the number of Board Members is deemed adequate in relation to the size and complexity of the Company's organisational structure, in order to effectively oversee the Company's operations in terms of management and control; the correct size of the administrative body is also determined according to the number and composition of the Board Committees, with advisory, proposing and investigative functions, in which a decisive role is entrusted to the non-executive and independent Board Members. From a qualitative point of view, without prejudice to the statutory provision regarding possession of the integrity requirements, the objective of the Board of Directors was to combine different professional and managerial profiles, recognising the value attributed to the complementarity of experience and skills, together with gender and age diversity, for the purposes of the proper functioning of the Board itself. The issue of the appointment and composition of the Corporate Bodies, including the Board of Directors, is among the topics covered by the Policy for Managing Dialogue with Shareholders and Investors approved by the Board of Directors ([» SEE PAGE 129](#)) and published on the Group's website.

Under the terms of the Articles of Association, the BoD delegates powers to one or more of its members and can assign powers to the Chairperson, Deputy Chairperson and CEO, provided they do not conflict with each other. The Delegated Bodies may delegate part of their duties and responsibilities to those working directly under their management. In such cases, the **delegation**

process is based on notarised powers of attorney and letters of appointment naming the delegated persons. The Delegated Bodies are responsible for assessing whether the delegated persons possess the appropriate skills and personal characteristics, and request periodic reports on the powers conferred with regard to economic, environmental and social aspects. The powers of attorney/delegation specify which contexts may be sub-delegated, informing the relevant Delegated Body of the same. In the event of sub-delegation, it is the responsibility of the delegating party to evaluate the skills and personal characteristics of the delegates. Delegated persons are generally executives or junior managers, but in certain contexts (e.g. security) may reach clerical workers. The Corporate Affairs and Organisation Departments always check the overall consistency and

correctness of the delegation system.

The BoD has resolved that the Corporate Social Responsibility and Local Committees department, centralised at the Parent Company level, among others, reports to the Deputy Chairperson. An Executive has been appointed the Director of this department. The assessment of the **existence of the independence requirements** for the Directors of Iren is carried out - based on the criteria defined by the TUF and the Corporate Governance Code - by the Board of Directors after appointment and, subsequently, on an annual basis. The assessment is also conducted when circumstances regarding independence arise. The Board of Statutory Auditors checks the correct application of the verification criteria and procedures adopted by the BoD to assess the independence of its members and discloses to the

22 meetings of the BoD in 2023

17 on ESG issues

market the outcome of the audit in the Corporate Governance Report or in the Auditors' Report to the Shareholders' Meeting.

The BoD establishes rules to ensure the transparency and substantial and procedural correctness of **related party** transactions and discloses them in the Directors' Report. The Board of Statutory Auditors oversees compliance with the adopted rules and refers to them in its Report to the Shareholders' Meeting.

During 2023 the Iren Board of Directors held 22 meetings, with average participation of 97% of its members. There were 17 Board meetings where **ESG issues** were discussed, with reference to: approval of the Sustainability Report and material issues; annual budget; sustainable finance programmes and instruments; quarterly ESG performance of the Group; Business Plan to 2030; Corporate Governance; Sustainability Policy; induction programme for the BoD; Remuneration Policy; internal control system, risk management and Group risk map; cyber risk; innovation for green transition; Organisational Model 231; whistleblowing; activities of the Control, Risk and Sustainability Committee; stakeholder engagement; worker health and safety; development of renewables; energy communities; circular economy; business continuity management; antitrust compliance programme; initiatives to support the populations affected by the Emilia-Romagna floods.

Also in 2023, the **induction programme** continued for Board Members and the Board of Statutory Auditors, aimed at broadening their knowledge of the business sectors in which Iren operates, of company dynamics and their evolution with a view to sustainable success and of the principles of proper risk management, as well as of the reference legislative and regulatory framework. Six induction sessions were held during the year, focusing on: anti-money laundering and anti-corruption compliance; in-depth analysis of business units; internal control and risk management system; executive compensation; cyber security and artificial intelligence. The initiatives were developed both by the relevant Business Unit or Staff Managers and by authoritative external experts. The aforementioned initiatives have been important training, information and communication opportunities, in relation to the corporate, economic, social and environmental aspects.

During each meeting of the Board of Directors, a constant data stream by the Internal Board Committees towards all Directors was ensured, also guaranteeing the prompt notification of any critical areas identified.

In line with the provisions of the Corporate Governance Code, at least once a year, the Board of Directors performs a **self-assessment of its performance** and that of its Committees (so-called board evaluation) as well of their size and composition. The results of the activity were also presented to the Board of Directors for the purpose of evaluating and implementing the corrective and improvement actions identified on the basis of the critical

issues that emerged in past years. The activity is carried out with the support of an independent advisor selected after a beauty contest.

As part of the board evaluation activities carried out by the administrative body in office until approval of the 2021 Financial Statements, assessments were conducted on the qualitative and quantitative characteristics of the board, also with reference to the issue of independence, diversity (gender and age) and the mix of skills deemed optimal for the effective functioning of the Board of Directors, which were included in the guidelines addressed to shareholders on the optimal composition of the Board of Directors for the three-year period 2022-2024. Similar assessments were carried out by the current Board of Directors, when it conducted its annual self-assessment.

To date, the Board of Directors has not adopted a succession plan for Executive Directors, as the rules for their appointment and replacement are foreseen in the Articles of Association and applicable Shareholders' Agreements. In compliance with Recommendation no. 24 of the Corporate Governance Code (January 2020), the Iren Board of Directors adopted a contingency plan for Directors holding special offices in the Company, which was implemented on 12 June 2023, when the CEO ceased to hold office and positions in the Group. In order to ensure stability and continuity in the management of the company, the powers previously held by the CEO were divided among the other executive directors (Chairperson and Deputy Chairperson) in the interval necessary to identify the new CEO, whose appointment was formalised on 30 August 2023.

COMPOSITION OF THE BOARD OF DIRECTORS AND BOARD COMMITTEES AS AT 31/12/2023

The female gender is represented on the Board of Directors by 8 out of 15 Members, in compliance with gender balance regulations.



53%
Women



47%
Men

In terms of age, 5 directors are aged between 30 and 50, 7 are aged between 51 and 60 and 3 are over 60; the overall average age is 54.

33%

30-50 years

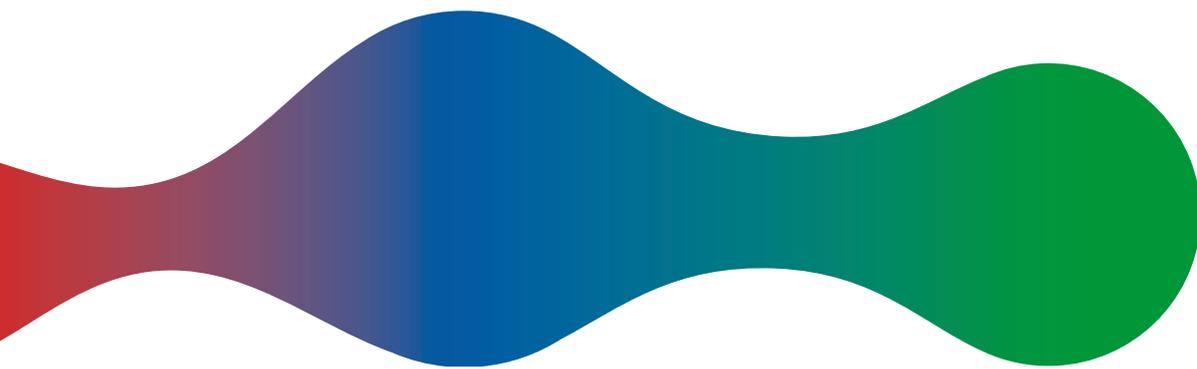
47%

51-60 years

20%

>60 years

Of members, 40% have been in office less than or equal to 3 years, 47% between 3 and 5 years, 13% more than 5 years.



Name and Surname ⁽¹⁾	Office	Gender	Executive	TUF independence	Code Independence	Remuneration & Appointments Committee (RAC)	Control, Risk and Sustainability Committee (CRSC)	Committee for Transactions with Related Parties (CTRP)
Luca Dal Fabbro ▲	Chairperson	M	● R					
Moris Ferretti ▲	Deputy Chairperson	M	● R					
Gianni Vittorio Armani ⁽²⁾ ▲	CEO/General Manager	M	● R					
Paolo Signorini ⁽³⁾	CEO/General Manager	M	● R					
Francesca Culasso ▲	Director	F		●	●		P	
Enrica Maria Ghia Δ	Director	F		●	●		C	
Pietro Paolo Giampellegrini ▲	Director	M		●	●	P		
Patrizia Paglia ▲	Director	F		●	●	C		
Francesca Grasselli ▲	Director	F		●	●			C
Giuliana Mattiazzo ▲	Director	F		●	●			C
Cristiano Lavaggi ▲	Director	M		●		C		
Tiziana Merlino ▲	Director	F		●	●		C	
Giacomo Malmesi ▲	Director	M		●	●		C	
Cristina Repetto ▲	Director	F		●	●			C
Gianluca Micconi ▲	Director	M		●	●	C		
Licia Soncini Δ	Director	F		●	●			P

⁽¹⁾ All members of the Board of Directors are of Italian nationality.

⁽²⁾ From 29/05/2021 to 12/06/2023.

⁽³⁾ From 30/08/2023 to 31/12/2023.

Key: M = male; F = female; R = Director in charge of the internal control and risk management system; P = Chairperson; C = Member;

▲ = Director drawn from the majority list; Δ = Director drawn from the minority list

The Board Members have proven expertise in the sector (industry), in finance, economics, law, science and in environmental and social (ESG) sustainability issues. Moreover, the presence within the Board of Directors of different backgrounds, deriving from the educational backgrounds and international professional experiences of more than 50% of the Board Members, guarantees Iren the integration of different cultural contributions with respect to the area in which the Group operates.

SKILLS OF THE BOARD OF DIRECTORS

Skills	Luca Dal Fabbro	Moris Ferretti	Gianni Vittorio Armani ⁽¹⁾	Paolo Signorini ⁽²⁾	Francesca Culasso	Enrica Maria Ghia	Pietro Paolo Giampellegrini	Patrizia Paglia	Francesca Grasselli	Giuliana Mattiazzo	Cristiano Lavaggi	Tiziana Merlino	Giacomo Malmesi	Cristina Repetto	Gianluca Micconi	Licia Soncini
Industry	●	●	●	●		●	●	●	●		●	●	●		●	●
Scientific	●		●							●						
Risk management	●	●	●	●	●	●					●		●			
ESG	●	●	●		●	●				●	●	●	●			●
Finance				●	●			●	●					●		
Legal				●		●	●						●			
IT										●						

⁽¹⁾ From 29/05/2021 to 12/06/2023. ⁽²⁾ From 30/08/2023 to 31/12/2023

In the Report on Corporate Governance and Ownership Structure, guidelines are defined regarding the maximum number of offices for directors in the administrative or control bodies in other listed or large-sized companies, which can be considered compatible with an effective performance of the office of director of Iren, taking into account the commitment deriving from the role held. In the same Report, all the roles held by the directors in office are indicated.

Board Committees

REMUNERATION AND APPOINTMENTS COMMITTEE (RAC)

The Iren Remuneration and Appointments Committee, appointed for the three-year period 2022-2024, is made up of four non-executive Directors, the majority of whom are independent, including the Chairperson.

Upon appointment, the BoD assessed that all Members of the RAC have adequate knowledge and experience in the field of remuneration policies.

The RAC:

- periodically assesses the suitability, overall consistency and actual application of the remuneration policy of Directors and Senior Executives with strategic responsibilities, by making use of the information provided by CEOs;
- submits proposals on the subject to the Board of Directors;
- presenting proposals or expressing opinions to the BoD regarding the remuneration of Executive Directors and other Directors with specific offices, as well as establishing performance objectives relating to the variable part of said remuneration;
- monitors the application of the decisions adopted by the BoD by verifying, in particular, the actual fulfilment of performance objectives;
- attends to the preliminary work for the preparation of the remuneration policy for Executive Directors and Senior Executives with strategic responsibilities of the Group, needed for the BoD to adopt the measures it is responsible for, after interacting with the Control, Risk and Sustainability Committee on risk profiles;
- formulating opinions to the BoD in respect of its own size and composition, and making recommendations on the professionals whose presence in the BoD is deemed desirable;
- proposes candidates to the BoD for the office of Director in cases of co-opting, where independent Directors need to be replaced, ensuring compliance with the requirements on the minimum number of independent directors and on the percentages reserved for the less-represented gender;
- expresses recommendations to the BoD in relation to the maximum number of appointments that members can take as Director or Statutory Auditor in other listed companies, financial, banking, insurance or relatively large companies, compatible with the efficient performance of the office of company Director, bearing in mind the participation of Board Members in the Committees established within the Board, as well as the exceptions to the bans on competition provided for by art. 2390 of the Civil Code;
- performs enquiries into preparation of the plan for the succession of Executive Directors, if the BoD decides to adopt such a plan;
- supporting the BoD in the annual self-assessment activity.

The power to determine the remuneration of the Directors holding specific office pursuant to the Articles of Association resides with the BoD, upon approval of the RAC and the Board of Statutory Auditors.

The Committee is responsible for the preliminary assessment – with respect to the decisions of the BoD – of the Annual Remuneration Report to be made available to the public before the annual Shareholders' Meeting called to approve the Financial Statements. The Report (to which reference should be made for further details) illustrates the remuneration Policy for Members of the BoD, the Board of Statutory Auditors and Senior Executives with strategic responsibilities (section one) and the remuneration paid in the reference year, for any reason and in any form, by Iren or its subsidiaries (second section). In addition to ensuring transparency, the Report is aimed at increasing the knowledge and awareness of shareholders and, in general, investors and the market.

Pursuant to the Committee Regulations, the Chairperson or another member of the Committee must be present at the annual Shareholders' Meeting called to approve the Financial Statements, also in order to inform Shareholders of the methods by which the Committee performs its assigned duties. After the Shareholders' Meeting, the RAC analyses the voting results on the Report on Remuneration Policy and Compensation Paid, examines any concerns arising at the Shareholders' Meeting and carries out assessments to review the Remuneration Policy adopted by the Group. Moreover - in consideration of the consensus collected on the Report and given the results of the engagement activity with proxy advisors and institutional investors, carried out with the support of a consultant - the RAC conducted in-depth studies with the aim of implementing the indications emerged during the Shareholders' Meeting and improving the communication to the market of the remuneration policies adopted.

CONTROL, RISK AND SUSTAINABILITY COMMITTEE (CRSC)

The Control, Risk and Sustainability Committee (CRSC) is composed of four non-executive directors, all independent. Upon appointment, the BoD assessed that all CRSC Members have adequate knowledge and experience in risk management.

Pursuing the priority objective of creating value for its stakeholders in the medium- and long-term, the BoD defines the nature and level of risk compatible with the strategic objectives, assessing all the elements that may be relevant for the Company's sustainable success, as well as the guidelines of the Internal Control and Risk Management System, whose adequacy and effectiveness it assesses on an annual basis. In carrying out this role of guidance and assessment, the BoD is supported by the CRSC, which carries out assessments and provides a preventive opinion for the performance of the role that the BoD is responsible for in matters of internal control, risk management and sustainability.

The CRSC is also called upon to:

- assess, together with the Company Financial Reporting Manager and having consulted with the external auditor and the Board of Statutory Auditors, the proper use of the accounting principles and their consistency for the purpose of drafting the Consolidated Financial Statements;
- express opinions on specific aspects relative to identifying the main corporate risks (in particular, specific aspects relative to Risk Policies, the identification of the main company risks and the Audit Plan, as well as in regards the guidelines of the Internal Control and Risk Management System);
- express preliminary opinions with respect to resolutions of the BoD on a series of issues, including the appointment/ revocation and remuneration of the Manager of the Internal Audit Unit;
- examine the periodic reports on the assessment of the Internal Control and Risk Management System and those of particular relevance drafted by Internal Audit;
- monitor the autonomy, adequacy, effectiveness and efficiency of the Internal Audit Unit;
- request that the Internal Audit Unit carry out checks on specific operating areas, providing simultaneous communication to the Chairperson of the Board of Statutory Auditors;
- report to the BoD on the activities carried out and on the adequacy of the Internal Control and Risk Management System at least every six months, on the occasion of the approval of the annual and half-yearly financial reports;
- through suitable preliminary activities, support the assessments and decisions of the BoD relating to the management of risks arising from detrimental acts of which it has become aware;
- supervise the sustainability policies and observance of principles of conduct adopted on the subject by the Company and its subsidiaries;
- examine the issues in the preliminary work in terms of long-term sustainability of the underlying principles and guidelines of strategic planning, the Business Plan and short-term planning, monitoring the effective implementation thereof;

- assess, together with the CSR and Local Committees Department and having consulted the external auditor, the correct use of the standards adopted in order to draft the non-financial information provided for by the legislations in force;
- supervise the system for assessing and improving the environmental, economic and social impacts deriving from the business activities in the local areas;
- examine the periodic reports on the implementation of the structured comparison measures with stakeholders in the local areas where the Group operates, through Local Committees, and those concerning consistency with CSR issues of cultural activities and promotion of the Group's image.

The CRSC convenes, at least twice a year, the Director of Risk Management and the other control functions to report on the situation and on the monitoring of the Group's risks.

The Committee requests in-depth reviews of specific issues and commissions detailed analyses of certain sensitive risks or projects of a strategic nature. In particular, the Risk Management Department carries out an annual update of the Business Plan risk assessment (qualitative-quantitative risk assessment, specific focus on Plan investments and focus on climate change risks), or in any case at the time of its approval.

M&A transactions and other initiatives of a strategic nature were assessed during the year and were subject to detailed analysis, with a particular focus on the impact of these transactions on the Group's sustainability objectives (environmental indicators, where significant, and social indicators relating, for example, to compliance with labour, health and safety and governance policies) and consistency with the EU Taxonomy.

The Risk Management and CSR and Local Committees Departments are convened by the CRSC at least twice a year, with one of the meetings held before the approval by the BoD of the Consolidated Financial Statements and the Sustainability Report.



COMMITTEE FOR TRANSACTIONS WITH RELATED PARTIES (CTRP)

The Committee for Transactions with Related Parties (CTRP), composed of four Non-Executive Directors, all independent, expresses its opinion on the performance of transactions of lesser and greater importance with Related Parties and, in general, performs all the other duties pursuant to the Regulation on transactions with related parties adopted by Consob.

The procedure for transactions with related parties of the Group, approved by the BoD (available on the Group website), identifies three types of transaction: greater importance, lesser importance, and transactions of small amounts – and lays out procedural and transparency conditions according to the type of transaction, in accordance with the provisions of the Consob Regulation.

Iren has also established the Evaluation Commission for Transactions with Related Parties (composed of the Directors of the Administration, Finance and Control, Legal Affairs, Corporate Affairs, Risk Management and Corporate Responsibility Departments and, depending on the transaction in question, the First-Level Directors involved), with the function of monitoring the process of evaluating transactions with related parties.

The procedure attributes a central role to the CTRP and, to guarantee the double requirement of independence and non-relation of the Members of the CTRP with the individual transaction in question, outlines the mechanisms for identifying any persons responsible, as an alternative, for the investigation.

For Transactions of lesser importance, the CTRP is required to express a non-binding, supported opinion regarding the Company's interest in the completion of the transaction and the convenience and substantial correctness of the relative conditions. For Transactions of greater importance, the CTRP is involved during the investigatory phase and is required to express a preliminary and binding favourable opinion regarding

the company's interest in the completion of the transaction, as well as the convenience and substantial correctness of the relative conditions. In this case, the Evaluation Commission for Transactions with Related Parties is responsible for the drafting of a document to be disclosed to the public, in accordance with Consob Regulation, within seven days of the approval of the transaction by the competent body or, in the event that the competent body decides to present a contractual agreement, from the moment that the preliminary contract is concluded according to the applicable guidelines.

The procedure for transactions with related parties envisages, in line with the requirements of Consob regulations, an obligation to abstain from voting on minor and major transactions by any Directors who have an interest in the transaction, on their own behalf or on behalf of third parties, that conflicts with that of the Company.

In the case of transactions involving the remuneration of Directors vested with special offices and Senior Executives with strategic responsibilities, the Remuneration and Appointments Committee assumes responsibility for the matter, limited to cases where the composition of the Committee meets the minimum requirements of independence and non-relation of its members as required by the Consob Regulation.

Stakeholder information on related party transactions is provided in the Report on Corporate Governance and Ownership Structure and in the interim and annual reports on operations.

Board of Statutory Auditors

Iren's Board of Statutory Auditors in office as at 31 December 2023 was appointed (for three years until approval of the Financial Statements as at 31 December 2023) by the Shareholders' Meeting of 06 May 2021 and is composed of 5 Standing Auditors and 2 Alternate Auditors.

The Articles of Association establish the appointment of the Board of Statutory Auditors through the submission of the lists in order to guarantee an adequate presence of the less-represented gender within the Board.

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

More specifically, on the basis of the above-mentioned information flows, the Board of Auditors is responsible for verifying:

- the compliance of the acts and deliberations of the governing bodies with the regulation, statutory provisions and the Corporate Governance Code, as well as the tangible means of implementing the same;
- the compliance of management choices with the principles of correct administration and, thus, with the general criteria of economic rationality, such as control of substantial legitimacy and compliance with the operative procedures and/or practices in force;
- the adequacy of the organisation structure compared to the size and complexity of the Company, placing particular attention on the completeness of existing Company departments, on the separation and on contrasting responsibilities in the functions and duties, as well as the clear definition of mandates or powers of each department;
- the adequacy of the internal control system in relation to the size and complexity of the Company and the sector in which the Group operates, as well as strategic objectives;
- fulfilment of the obligations to draw up and publish the Non-Financial Statement under Italian Legislative Decree 254/2016;
- the adequacy of the procedures adopted by the BoD to regulate transactions with related parties, as well as the compliance of the same with the laws and regulations on transparency and public information.

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

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

The outcome of the supervisory activity carried out is reported in the Report of the Board of Statutory Auditors to the Shareholders' Meeting, which also contains information on the supervision activity carried out with regard to the compliance of the procedures adopted by Iren with the principles indicated by Consob concerning related parties, as well as on their observance.

Composition as at 31/12/2023	
Michele Rutigliano	Chairperson
Simone Caprari	Standing Auditor
Cristina Chiantia	Standing Auditor
Ugo Ballerini	Standing Auditor
Sonia Ferrero	Standing Auditor
Lucia Tacchino	Alternate Auditor
Fabrizio Riccardo Di Giusto	Alternate Auditor

Governance in Group companies

Iren Ambiente, Iren Energia, Iren Mercato and Ireti have a traditional corporate governance system with a BoD composed of 3 members, in the case of the first three companies, and by 4 members, in the case of Ireti, and a Board of Statutory Auditors composed of 3 Standing Auditors and 2 Alternate Auditors.

On 21 June 2022, the Iren BoD made the appointments (for the three-year period 2022-2024) for the position of CEO of first-tier companies (SPL), proposed by the Iren CEO, and for the positions of Chairperson, Director and/or Chairperson or member of the Board of Statutory Auditors of SPL, proposed by the Iren BoD. The appointed persons are primarily selected from Group personnel (Directors of the Parent Company,

Senior Executives or Managers of Group companies, with suitable professional profiles), or persons external to the Group with experience and expertise appropriate to the role in question. One member of the Iren Board of Statutory Auditors must be present on the company Boards of Statutory Auditors.

As for the other companies reported in this Sustainability Report, the traditional corporate governance system is the one predominately adopted, with a monocratic composition of the administrative body in some cases and a collegial composition in others. The designations of competence of Iren Group within the governing bodies are disciplined by the respective Articles of Associations and Shareholders' Agreements in force for each company.

Iren's management and coordination of the subsidiaries Iren Ambiente, Iren Energia, Iren Mercato and Ireti is expressly provided and governed by the Iren Articles of Association and those of the companies. For other subsidiaries, management and coordination, where not expressly governed by the respective Articles of Association, derives from the organisational structure whereby the Business Departments are appointed by the Parent Company and report to its Chief Executive Officer.



Management structures for sustainability

ESG STRATEGIC INTEGRATION COMMITTEE

The integration and monitoring of ESG (Environment, Social, Governance) factors, from strategic planning to the management and monitoring of the Group's activities, is entrusted to the ESG Strategic Integration Committee, set up to ensure:

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

The Committee consists of: Director of Administration, Finance and Control, Director of Procurement, Logistics and Services, Director of Communication and External Relations, Director of CSR and Local Committees, Director of Personnel and Organisation, Director of Risk Management, Manager of Sustainable Finance, Manager of Investor Relations and Manager of Strategic Planning and Management Control. The Committee is expected to involve the Directors of the BUs and other Departments in a targeted manner and ensure the mainstreaming of ESG factors at all Group levels.

SUSTAINABLE FINANCE COMMITTEE

The Sustainable Finance Committee operates in conjunction with the ESG Strategic Integration Committee and is responsible for defining the sustainable finance framework and for carrying out the following tasks:

- identification and selection of investments, activities and projects considered eligible for access to sustainable finance instruments, based on market standards and national and international frameworks, and which produce a positive and measurable impact in line with the Group's Sustainability Policy;
- monitoring the progress of projects and activities financed with sustainable finance instruments;
- ensuring proper management of the process throughout the duration of the activated loan.

The Sustainable Finance Committee has the right of veto in the selection of activities/projects eligible for sustainable finance instruments, is coordinated by the Director of Administration, Finance and Control and is composed of: Director of CSR and Local Committees, Manager of Strategic Planning and Management Control, Manager of Finance and Manager of Investor Relations.

CSR AND LOCAL COMMITTEES DEPARTMENT

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

- definition of the sustainability impacts, targets and objectives for the Group's strategic plans, budgets and finance, in coordination with Strategic Planning, Finance and BUs;
- definition of sustainability goals for the Group's MbO and LTI system, in collaboration with Personnel and Strategic Planning;
- participation in the ESG Strategic Integration Committee and the Sustainable Financing Committee set up to identify, within the Group's investments, those with a positive environmental and social impact;
- overseeing and managing activities for the Group's non-financial reporting according to international standards and presentation to stakeholders;
- definition and enforcement of guidelines on non-financial reporting by Group companies;
- definition of the detailed improvement plan relevant to the Group Corporate Responsibility;
- definition of the engagement plan, management and analysis of the results from the dialogue with stakeholders;
- issue and update of the Code of Ethics, in collaboration with the Compliance Department;
- issue and update of the operational Regulations for the Local Committees;
- establishment and management of the Local Committees and the on-line platform irencollabora.it;
- coordination of projects promoted by the Local Committees;
- creation of customer satisfaction surveys for Group companies;
- participation in working tables and initiatives on strategic integration of sustainability and CSR;
- processing and provision of data and information for sustainability ratings.





Risk Management

[GRI 2-12, 2-16, 2-23, 2-24, 3-3, 201-2]

Iren Group has an Internal Control and Risk Management System (ICRMS), under the Corporate Governance Code for Listed Companies (now and hereinafter, Code) and the internal guidelines, which is configured as a transversal process that involves, with different roles and within the context of their respective competences, the administrative and control bodies of the Group, the Control, Risk and Sustainability Committee (CRSC), the Directors of the Parent Company appointed for the Internal Control and Management of Risks and Sustainability, the Manager of the Internal Audit Unit, the Director of Risk Management, the Financial Reporting Manager, as well as all personnel of Iren Group companies.

In particular, the BoD has a role in guiding and assessing the adequacy of the ICRMS with respect to the characteristics of the company and carries out, subject to the opinion of the Control, Risk and Sustainability Committee, the following tasks:

- defines the plan (strategic priorities, commitments and objectives) for the sustainable development of the Group;
- defines sustainability policies and conduct principles in order to ensure the creation of value over time for Shareholders and for other stakeholders;
- defines the guidelines of the ICRMS consistently with the strategies and assesses, at least once a year, the adequacy of this system with respect to the company's characteristics and its risk profile, as well as its effectiveness;
- appoints and removes the Manager of the Internal Audit Unit, ensuring the latter is provided with adequate resources to perform duties, and defines remuneration in line with company policies. If the Internal Audit function is entrusted to an external entity, it ensures that it meets the adequate requirements of professionalism, independence and organisation, providing adequate reasons for this choice in the Corporate Governance Report;
- at least on an annual basis, approves the work plan prepared by the Internal Audit Unit Manager, after consultation with the Board of Statutory Auditors and the Directors in charge of the ICRMS;
- evaluates the opportunity to take measures to ensure the effectiveness and impartiality of the corporate functions involved in the controls, verifying that they have adequate professionalism and resources;
- assigns – in the case of Iren to a body made up of external parties – the oversight functions provided for by Legislative Decree no. 231/2001;
- assesses, after consultation with the Board of Statutory Auditors, the results presented by the statutory auditor in any letter of suggestions and in the additional report addressed to the control body;
- describes, in the Corporate Governance Report, the main features of the ICRMS, the methods of coordination among the subjects involved in it, indicating the models and national and international best practices of reference and expressing its assessment of its adequacy;
- approves, on an annual basis, the work plan prepared by the Risk Management Director, and, on a three-yearly basis, the test plan defined within the framework of the Business Continuity Model, after hearing the opinion of the CRSC.

The BoD, through the CRSC, convenes the Director of Risk Management and the other control departments on at least a half-yearly basis for a report on Group risks in which the risk map is presented with the main risks in terms of impact and probability and mitigation actions, and provides the results of specific analyses, such as the results of the Risk Commissions and specific risk assessments.

The Risk Management Department periodically updates the Group’s risk map by interviewing all risk owners, sharing and fine-tuning the results. The risk map is very detailed and contains qualitative and quantitative assessments of each individual elementary risk, as well as the detail of controls and mitigation actions in place or planned. For specific company projects of a strategic nature - such as, for example, the Business Plan, acquisition transactions or investments of an industrial nature - CRSC requests a specific risk assessment from the Risk Management Department.

In the half-year report presented at special meetings - pursuant to the Corporate Governance Code - by the Manager of Internal Audit to the CRSC, the results of audits of Internal Audit, any critical issues that have emerged and the progress of actions taken in respect of previous years’ audits (follow up) are reported. At the same meetings, the CRSC receives in-depth briefings from the Directors/Managers of other functions supporting the Committee activities, including the CFO, the Director of Risk Management, the 231 System Compliance and Privacy Manager and the Director of CSR and Local Committees.

The CRSC, on the basis of the information received, reports every six months to the BoD pointing out the critical areas identified and expressing its opinion on the adequacy of the ICRMS . With regard to any critical issues identified, the Manager of Internal Audit prepares reports on particularly significant events for the Chairpersons of the Board of Statutory Auditors, the CRSC and the Board of Directors.

Corporate risk management is an essential element of the ICRMS, and in this regard, the Corporate Governance Code attributes specific responsibilities.

The Enterprise Risk Management (ERM) model of Iren Group defines the methodological approach for the integrated management of the risks, which are broken down into the following phases:



Integrated risk governance is a pivotal tool in sustainability governance

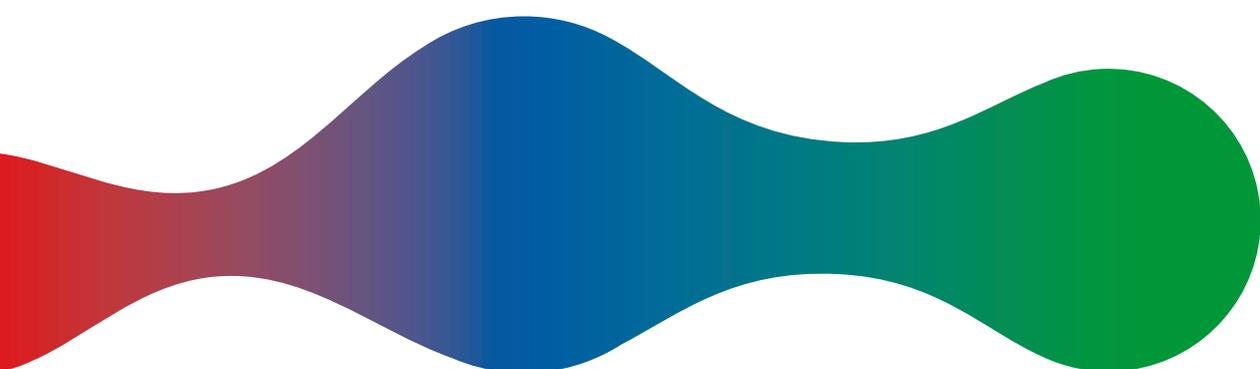
Each process stage is performed in accordance with standards and references defined at Group level.

The Group's ERM model regulates the roles of the various parties involved in the risk management process, which is under the responsibility of the BoD, envisages specific Committees that are responsible for the management of each type of risks and focuses in particular on the management of:

- **financial risks** related to liquidity, interest rates, exchange rates and spreads;
- **credit risks**, related to events that may negatively affect the achievement of credit management objectives;
- **IT risks (cyber risks)**, attributable to threats to cyber security, in particular as regards data integrity, confidentiality and availability;
- **energy risks**, attributable to the supply of gas for the thermoelectric generation and the commercialisation of electricity and gas, as well as the hedging derivatives markets;
- **climate change risks**, which include risks due to the transition to a low-carbon economy (transition risks) and physical risks that may arise from catastrophic environmental events (acute risks) or from medium- to long-term changes in environmental patterns (chronic risks) [» SEE PAGE 62](#) ;
- **tax risks**, which can be traced back to the risk of operating in violation of tax regulations or in contrast with the principles and purposes of the tax system;
- **operational risks**, relating to asset ownership, the exercise of business activities, processes and procedures. Also included are the rules and regulatory risks, whose impact on the business is monitored on an ongoing basis;
- **reputational risks**, which relate to the impact on stakeholders of any malpractice.

For each type of risk, specific Policies have been defined - approved by the BoD on the proposal of the Director in charge of the ICRMS to which the Risk Management Department reports (Chief Executive Officer) in agreement with the Chairperson and Deputy Chairperson (also identified as Directors in charge of the ICRMS), to the extent of their respective competences, subject to the non-binding opinion of the CRSC and reporting to the Board of Statutory Auditors - with the primary objective of explaining the strategic guidelines, the organisational/management principles, the macro-processes and the techniques necessary for the active management of the related risks.

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



Enviromental, social and governance (ESG) risks

In line with the commitments expressed in the Sustainability Policy, ethical and responsible conduct for sustainable growth cannot disregard the assessment of relevant impacts in relation to risks and opportunities related to material topics for Iren Group.

To this end, the environmental, social and governance (ESG) impacts are assessed for each risk category envisaged in the Group’s risk model, as shown in the following map. A comprehensive, detailed and integrated risk register is also produced, which also considers ESG impacts on the mapped risk categories. For each risk category, the operational, contractual and insurance mitigation measures implemented, in progress and to be implemented to reduce the risk level are identified. By way of non-exhaustive example, the main risk categories with social impacts are: supply chain, consumer behaviour, technological innovation, service quality, infrastructure and systems; those with environmental impacts are: legislative and regulatory changes, natural and accidental events, climate change, infrastructures and plants, while those with an impact on governance are relations with institutional bodies, relations with regulatory

bodies, legal/litigation, internal and external compliance and adequacy of processes. This last aspect is fundamental to guarantee the resilience of the business even in the face of unforeseen events, ensuring the continuity of critical processes. Precisely for this reason, the Group has formalised and implemented a **Business Continuity Management model** with the organisational and technological safeguards to ensure the continuity of processes, as well as a proactive and structured response to emergency or crisis events. In 2022, the BoD approved a “Crisis simulation and ordinary test plan” - spread over a three-year period, with approximately four crisis and ordinary tests per year - which has the objective of actively exercising the Group’s response capacity to all scenarios of interruption of the processes tested and verifying the appropriate implementation of the defined continuity strategies and identifying further ones, finally defining an action plan.

EXTERNAL RISK		INTERNAL RISK		
SOCIAL AND ECONOMIC CONTEXT RISKS	REGULATORY RISKS	FINANCIAL RISKS	STRATEGIC RISKS	OPERATIONAL RISKS
Competitors	Normative and regulatory changes 	Interest rate	Model and business sector  	Process adequacy  
Financial and capital markets	Authorisation processes	Credit	Capital allocation	Infrastructures and plants  
Macroeconomic / Politic  	Relations with Regulatory Bodies 	Liquidity	M&A  	Environment  
Supply Chain  	RISKS FROM EXTERNAL EVENTS	Exchange rate	Reputation 	Human Resources 
Consumer behaviour  	Natural/accidental events  	Commodities	Governance 	ICT   
Relations with Institutional Bodies 	Anthropic events	LEGAL AND COMPLIANCE RISKS		Quality of service  
Technological innovation  	Climate change  	Financial and non-financial information	Legal/ litigation  	Health and Safety 
	Illegal acts of third parties 	Internal and external compliance	 	Purchase planning

ESG categories:  Governance risks  Environmental risks  Social risks

The analysis carried out, also with specific reference to the provisions of Legislative Decree 254/2016 (art. 3, paragraph 1, point c), shows how material topics are considered in the enterprise risk management model and how specific management methods are envisaged for each, as highlighted in the sections of this document in which the various issues are discussed in more detail.

Material topics	Related risk/ opportunity categories (*)	Management methods
Growth and value creation for the company and stakeholders	• Strategic • Social and economic context • Regulatory	page 138
Responsibility and quality in service delivery and customer orientation (value chain)	• Process adequacy • Quality of service • Legal/Litigation • Internal and external compliance • Reputation • Supply chain	page 250
Efficient, reliable and secure management of processes and infrastructure	• Operational • Legal/Litigation • Reputation	page 260
Circular economy and waste management	• Business model and sectors • Environment • Climate change • Quality of service • Supply chain • Internal and external compliance • Reputation	page 193
Solid, ethic and transparent governance for sustainable growth	• Governance • Legal/Litigation • Internal and external compliance • Reputation	page 40
Sustainable use of water resources	• Business model and sectors • Climate change • Process adequacy • Environment • Quality of service	page 183
Employment, development of human resources, welfare and industrial relations	• Human resources • Legal/Litigation • Reputation • Relations with Institutional Entities	page 288
Energy efficiency and renewable production to reduce environmental and economic impacts	• Social and economic context • Business model and sectors • Climate change • Natural/accidental events • Environment • Legal and regulatory changes • Reputation	page 176
Decarbonization and reduction of emissions	• Climate change • Process adequacy • Infrastructure and facilities • Environment • Supply chain • Internal and external compliance	page 165
Occupational health and safety	• Health and safety • Reputation • Legal/Litigation • Internal and external compliance	page 317
Effective and transparent dialogue and communication with stakeholders (value chain)	• Governance • Relations with Institutional Bodies • Financial and non-financial reporting • Internal and external compliance • Reputation	page 120
Protection of human rights (value chain)	• Human resources • Supply chain • Legal/Litigation • Reputation	page 80
Diversity and inclusion	• Human resources • Reputation	page 312

Material topics	Related risk/ opportunity categories (*)	Management methods
Sustainable management of the supply chain (value chain)	<ul style="list-style-type: none"> • Supply chain • Process adequacy • Environment • Health and Safety • Reputation 	page 333
Sustainable development of the local areas and communities (value chain)	<ul style="list-style-type: none"> • Business model and sectors • Reputation • Relations with Institutional Bodies • Technological innovation 	page 222
Biodiversity	<ul style="list-style-type: none"> • Natural/accidental events • Climate change • Process adequacy • Environment • Internal and external compliance 	page 213
Innovation, digital transformation and smart cities	<ul style="list-style-type: none"> • Strategic • Technological innovation 	page 345

(*) Specific risks/opportunities identified for each material topic are given in the discussion of management methods.

The Group Risk Management Department, which reports to the Deputy Chairperson, is responsible, among other things, for the integrated management of the Group's Enterprise Risk Management system, in terms of methodological setting, definition of risk policies and monitoring of the system and the management of insurance policies. A periodic assessment process is also in place with regard to adverse events in the various sectors and across all Group's areas in order to describe in detail their causes and implement the most suitable methods for preventing and/or limiting the impacts of the events.



Climate risks

The Climate Change Risk Policy of Iren Group carefully analyses and regulates the risk factors, both physical and transitional, the strategies towards these factors (exclusion, acceptance and management) and the guidelines for reporting, aimed at guaranteeing information transparency to all stakeholders.

The Climate Change Risk Commission - made up of the Director of Risk Management, the Director of CSR and Local Committees, the CFO and the Business Unit Directors - periodically examines the Group's risk profile, defining and proposing to the CEO the updating of the management strategies of the risk classes and reporting to the Delegated Bodies any emerging criticalities.

The Risk Management Department considers these risks in its insurance programme.

Among the effects of climate change, account is taken of extremes of atmospheric phenomena (**acute physical risks**) that can generate events such as droughts and fires, heat waves, cyclones, landslides, water bombs, floods; these events produce impacts on the hydrology of hydroelectric and aqueduct plants, with the related economic implications and are aspects of attention for the consequences they produce on the property assets (e.g. failures in the district heating network) and on margins (reduction due to damage to production facilities).

These events also have an impact on the scheduling of the availability of thermoelectric generating units and the related scheduled maintenance.

Furthermore, climate change trends determine progressive changes in climatic variables (**chronic physical risks**) such as, for example, temperature, which mainly impacts on the dynamics of consumption of heat for district heating, gas, water and electricity or rainfall, with impacts on the production of hydroelectric plants and on the scarcity of water resources for distribution.

Financial implications for the Group, in relation to climate change, also arise from possible political, market, technological and regulatory developments (**transition risks**) that may produce risks and/or opportunities for the Group, such as costs associated with the Emission Trading System and their variation. In the model of assessment of risks from climate change implemented by Iren Group, the analysis is based on the definition of some **time horizons** (2030, 2040, 2050), identified in line with the objectives of the Strategic and Sustainability Plan, and on the use of **climate and socio-economic data** series necessary to define scenarios of evolution of the main quantities underlying the analysis.

Climate data are based on three International Panel on Climate Change (IPCC) scenarios: CPR 2.6, CPR 4.5 and CPR 8.5. The model also uses socio-economic data as inputs that are primarily based on scenarios published annually by the International Energy Agency (IEA) in the World Energy Outlook (WEO)

» SEE PAGE 100.

From a methodological point of view, the analysis carried out starts from the results of the implementation of specific models for the Group's key assets, in particular those that would potentially be more exposed to risks from climate change, and which make it possible to carry out a medium- and long-term scenario analysis, quantifying the change in economic and financial variables related to the operation of the assets taken into consideration.

The first phase of analysis concerns the association of each risk factor, identified within the scope of the Group's Climate Change Risk Policy, with possible risks/opportunities mapped for the various Group businesses. KPIs, obtained from the simulations, are then analysed, providing a quantification of the impact of risk within the simulation model.

Application of the model shows that actions introduced as part of the Business Plan to 2030, which also outlines asset-specific investments, have a mitigating effect on the impacts of climate change. Mitigation actions of a strategic nature, linked to investments, are flanked by others of an operational and insurance nature.

The table below provides a summary of the analysis carried out and shows the main risks identified for each business area with the relative quantification and the most significant mitigation actions implemented or planned by 2030.

RISK ANALYSIS

Risk/scope/
time horizon ⁽¹⁾

Impact ⁽²⁾

Mitigation actions and
their effectiveness

ACUTE PHYSICAL RISKS

Drought

Reduction in hydroelectric production due to changes in water resource availability.

Scope Impacted:

Hydroelectric plants

Horizon:



Reduced marginality relative to hydroelectric production due to drought resulting from increased temperatures (evapo-transpiration from reservoirs) and precipitation regime.

Level: ⁽³⁾



Analysis of the change in water source availability (primary energy) as well as hydraulic turbine efficiency. Careful management of storage tanks, where present, to ensure the availability of the water resource. Monitoring the ratio of installed power to producible power that varies depending on the availability of the water source. If the ratio is slightly less than 1, the hydraulic turbine can be revamped to increase its efficiency.

Efficacy: low.⁽³⁾

Extreme events (floods, landslides, storm surges, water bombs, snowstorms...)

Damage to the infrastructures of the Group and its partners due to the occurrence of extreme weather events

Scope Impacted:

Group.

Horizon:



Direct and indirect damage to the Group with potential business interruption, consequent decrease in turnover and increased costs to carry out repair work.

Level: ⁽⁴⁾



Implementation of asset-specific analysis and risk assessment to analyse the vulnerability of buildings, machinery, goods, and supply chains to catastrophic natural events. Statistical monitoring of past events and conducting Business Impact Analysis. Some specific mitigation actions at the plant level are, for example, formalised emergency and evacuation plans with assignment of roles and responsibilities and the performance of periodic tests, maintaining distance from waterways, the implementation of earthquake-resistant infrastructure, the definition of a business continuity management plan, and the compartmentalisation of premises. Analysis, for all assets, of insurance strategy to verify adequacy of coverage.

Efficacy: high.

CHRONIC PHYSICAL RISKS

Temperature increase

Inability to meet drinking water demand due to water stress situations

Scope Impacted:

Aqueducts.

Horizon:



Decrease in the margin of the aqueduct network due to the inability to meet the demand for drinking water in the areas served due to lack of availability of water resources in the supply sources, caused by changes in temperature and precipitation.

Level:



Analysis of water source availability, district subdivision and routine maintenance of networks to reduce resource waste (water network losses at 20% by 2030 compared to the current value of 30.4% in historical territories).

Implementation of Water Safety Plans. The Strategic Plan foresees investments for the maintenance of the water network and the consequent efficiency with the reduction of losses equal to about 600 million Euro.

Efficacy: average.

Increase in temperature

Increase in the volumes of water to be treated at the plant inlet related to the increase in drinking water demand influenced by the increase in temperature.

Scope Impacted:

Wastewater treatment plants.

Horizon:



Increased wastewater treatment costs due to the increase in the volume of incoming wastewater caused by the change in drinking water demand closely linked to rising temperatures, as well as demographic variables. For mixed network wastewater treatment plants, to which rainwater therefore also flows, the impact also takes into account the variability of rainfall.

Level: ⁽³⁾



The Strategic Plan includes investments for the maintenance of the sewer networks and the renewal and expansion of the wastewater treatment system amounting to approximately 600 million Euro.

Efficacy: low.⁽³⁾

Risk/scope/ time horizon ⁽¹⁾	Impact ⁽²⁾	Mitigation actions and their effectiveness
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CHRONIC PHYSICAL RISKS

Increase in temperature

Decrease in gas and thermal energy requirements for heating due to the increase in average temperatures, balanced by the increase in electrical consumption (use of air conditioning systems and greater spread of electric mobility)

Scope Impacted:

Market

Horizon:



Decrease in EBITDA due to lower sales of natural gas for heating and heat for district heating, offset by increased EBITDA from higher sales of electricity.

Level:



Monitoring of the volumes of gas and heat sold and planning of a greater penetration of the cooling and electricity sales businesses both in terms of increased volumes and in terms of new customers acquired (especially in the household segment).

Efficacy: high.

Temperature increase

Decrease in thermal energy demand for heating due to increase in average temperatures.

Scope Impacted:

District heating network

Horizon:



Reduction in the marginality of the district heating network related to the contraction of the demand for thermal energy per capita in correlation with the increase in average temperatures.

Level:



Annual monitoring of both the heating degree days (in the local areas served) and the thermal energy demand satisfied through the district heating network. Reductions in requirements can be offset by extensions of networks and district heating volumes. The Strategic Plan includes investments for the maintenance, development and extension of the district heating network and plants that feed it, with an increase in volumes (+20% to 2030 vs 2020) amounting to approximately 700 million Euro.

Efficacy: average.

Temperature increase

Damage to infrastructure caused by increased temperature, e.g. reduced expected life of transformers and stations, and overloading of electricity grids resulting in heatwave-related blackouts.

Scope Impacted:

Electricity network.

Horizon:



Increased costs resulting from repairing damage to plant and infrastructure caused by the chronic rise in temperatures. Higher costs to replace damaged components and ARERA penalties resulting from the occurrence of blackouts on the electricity grid caused by heat waves in the summer period.

Level:



Construction and refurbishment of stations and network renewal. The Strategic Plan allocates investments of around 600 million Euro to the efficiency of electricity distribution networks and plants.

Efficacy: high.

Temperature increase

Change in electricity production as an effect of temperature increase and solar radiation variation.

Scope Impacted:

Photovoltaic.

Horizon:



Change in production with consequent impact on unit margin.

Level: ⁽³⁾



As the park is newly built and acquired, no investments are planned in the short to medium-term.

Efficacy: low.⁽³⁾

Risk/scope/
time horizon ⁽¹⁾

Impact ⁽²⁾

Mitigation actions and
their effectiveness

TRANSITION RISKS

Political and legal

Tightening of the Emission Trading System Regulations.

Scope Impacted:

Thermoelectric power plants.

Horizon:



Increased cost of emissions or extended applicability of a tightened ETS to new plants, resulting in decreased plant margins. Financial impacts, such as the increase in the levelised cost of energy, resulting from the possible transition to a carbon tax.

Level:



Monitoring of the CO₂ emissions of the assets and control of the evolution of the relevant environmental regulations. Evaluation of the introduction of technologies aimed at reducing CO₂ emissions into the atmosphere, as well as any revamping necessary to adapt assets to more stringent environmental regulations or the adoption of more sustainable technologies. Partial replacement of fuel gas with hydrogen blend.

The Strategic Plan includes investments to improve the efficiency of thermoelectric power plants amounting to approximately 240 million Euro.

Efficacy: high.

Political and legal

Stricter environmental regulations on waste-to-energy plants.

Scope Impacted:

WTE.

Horizon:



Costs for revamping and upgrading facilities to more stringent environmental regulations on WTE facilities, including with respect to the introduction of "zero-waste" policies and constraints on air emissions. Increased costs resulting from the introduction of taxation or inclusion of WTE in the ETS in the face of possible tightening of regulations on the subject of atmospheric emissions.

Level:



Monitoring of the CO₂ emissions of the assets and control of the evolution of the relevant environmental regulations. Assessment of the introduction of technologies to reduce CO₂ emissions, as well as any revamping required to bring assets into compliance with more stringent environmental regulations or adoption of more sustainable technologies, such as carbon capture & storage systems.

In a context of technological evolution with regard to the stages of CO₂ capture and storage, the Strategic Plan provides for a share of investment that will be adjusted over time according to the availability of new technologies.

Efficacy: average.

⁽¹⁾ Time Horizon: B=short-term, M=medium-term, L=long-term

⁽²⁾ The rating scale refers to the impact on EBITDA expected in 2030 (downside for risks and upside for opportunities): low <1%, medium between 1 and 5%, high >5%

⁽³⁾ Please note that the valuation is provided on a prudential basis, referring to a limited scope of assets:

- Hydroelectric plants: analysed assets representing 43% of hydroelectric production;
- Waste treatment plants: analysed assets representing 26% of treated water volumes;
- Photovoltaic systems: analysed assets representing 42% of photovoltaic production.

⁽⁴⁾ The quantification is based on the impact of natural catastrophic events on the Group's main assets.

OPPORTUNITIES ANALYSIS

Opportunity/scope/ time horizon ⁽¹⁾

Impact ⁽²⁾

Strategy to realise the opportunity

Products and services

Dissemination of new integrated solutions, e.g. for production and energy efficiency.

Market penetration with an energy offering more aligned with changing consumption by end users.

Scope Impacted:

Group.

Horizon:



Increased revenues from:

- favourable competitive positioning in the energy sector thanks to the dissemination and adoption of new technological solutions;
- direct impact on the number of customers reached, thanks to the push towards electrification of consumption and the change in consumer preferences towards "green" energy;
- increasing number of energy efficiency interventions on buildings.

Level:



Monitoring of the penetration rate of services offered and competitors' offerings.

Expansion of the portfolio of integrated services provided.

Increased offerings of electricity produced exclusively from renewable sources.

Dedicated campaigns to respond to changes in consumer preference.

The Strategic Plan provides for investments related to the deployment of new integrated solutions, such as the installation of public charging stations for electric vehicles, the development of energy communities, e-buses, energy efficiency products/services, new smart cities services amounting to approximately 1.3 billion Euro.

Market

Access to finance through diversification of financial instruments

Scope Impacted:

Group.

Horizon:



Increased opportunities to access capital through sustainable finance instruments such as Green Bond, EIB loans, Sustainable Loan for Hydro, Sustainability linked revolving credit facility.

Strategic Plan with sustainability objectives and targets, also SBT.

Publication of the Sustainable Finance Framework, establishment of the Sustainable Finance Committee, third-party reviews of projects financed with sustainable finance instruments, monitoring of regulations, relations with financial markets.

Resource efficiency

Circular economy

Scope Impacted:

Impianti trattamento rifiuti.

Horizon:



Increase in revenue related to:

- consolidation of regulatory frameworks that regulate and incentivise material recovery and the production of biogas and biomethane from waste;
- increased volumes handled by current facilities;
- acquisitions of companies in the sector;
- development of plants and technologies for material recovery and production of biomethane, biogas.

Monitoring of regulations and development of an investment plan mainly aimed at the development of plants for the recovery of waste materials.

The Strategic Plan includes investments in the circular economy of approximately 1.6 billion Euro.



⁽¹⁾ Time Horizon: B=short-term, M=medium-term, L=long-term

⁽²⁾ The rating scale refers to the impact on EBITDA expected in 2030 (downside for risks and upside for opportunities): low <1%, medium between 1 and 5%, high >5%



Governance policies and tools

[GRI 2-16, 2-20, 2-23, 2-24, 2-25, 2-26, 3-3, 205-1, 205-2, 205-3, 407-1]

Iren considers sustainability as a fundamental lever for its corporate culture, incorporating it into its strategy, and the creation of value over time for the Group and its stakeholders and, for this reason, is committed to conducting its activities considering the interests of its stakeholders, in the awareness that dialogue and the sharing of objectives are tools through which to create mutual value.

A way of doing business that finds its foundation in the business model [» SEE PAGE 14](#) and in the Group's Strategic Plan [» SEE PAGE 113](#), where there is a concrete commitment towards the Sustainable Development Goals of the Agenda 2030 (SDGs), and which guarantees long-term resilience, also by reacting quickly and effectively to scenario changes.

The Group has defined and formalised its own Sustainability Policy , approved by the Board of Directors, to guide its decisions and make concrete commitments to ensure responsible business management.

The Sustainability Policy, published on the Group website (gruppofiren.it > sustainability > sustainability governance > sustainability policy), is developed to guide the integration of sustainability issues at a strategic and operational level and to promote awareness of the commitments undertaken in pursuing sustainable development in the medium- and long- term, in line with as established in the mission, vision, values and Code of Ethics, on which the Group's conduct principles are based, and in coherence with the Organisation, Management and Control Model adopted pursuant to Legislative Decree 231/2001.

The Sustainability Policy defines Iren Group's approach towards ESG (Environmental, Social, Governance) factors, considered relevant for the Group - as defined in the materiality analysis -, commitments and lines of action to help build a sustainable future, improve its sustainability performance, and manage and mitigate ESG risks to which the Group is exposed - in an integrated manner with the Group's risk management system.

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

- supporting the strategic choices - including the governance of risks, opportunities and impacts - that are operationally articulated in the Strategic Plan;
- creating the framework for specific corporate management policies, for example, the Integrated Management System Policy (quality, safety, environment and energy efficiency) , the Risk Management Policies (such as the Energy Risk Policy, Operational Risk Policy, Climate Change Risk Policy, Cyber Risk Policy and Tax Risk Policy), the Diversity and Inclusion Policy, the Policy for Managing Dialogue with Shareholders and Investors, the Privacy Management Model, the Biodiversity Policy and other relevant policies;

⁽¹⁾ The Policy is in line with the Corporate Governance Code approved by the Borsa Italiana Corporate Governance Committee in January 2020. The Policy is drafted in accordance with the regulations on non-financial reporting and initiatives to promote sustainable investments.

⁽²⁾ Integrated Management System (quality, safety, environment and energy efficiency): system that complies with ISO 9001, ISO 45001, ISO 14001, ISO 50001 standards, structured to implement adequate control over all operational processes, with a focus on increasing customer orientation and based on the identification and management of risks, against a continuous analysis of the organisation's context, needs, and stakeholders' expectations.

- improving the ESG risk management process;
- facilitating the non-financial reporting process;
- increasing the level of knowledge and awareness of the expected outcomes regarding the material issues;
- spreading the culture of sustainability.

To this end, the Sustainability Policy formalises the Group's commitments regarding:

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

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

Also central is the **Code of Ethics** » [SEE PAGE 70](#), approved by the Board of Directors, which translates Iren Group's mission, vision and values into rules of conduct for all those who work with and for the Group.

The Code is a cornerstone of the organisational model aimed at preventing the offences envisaged by Legislative Decree 231/2001, and pivots on the concept of sustainable development, recalling the goals of the UN 2030 Agenda. In the Sustainability Policy and in the Code of Ethics, reference is made to respect for **Human rights** » [SEE PAGE 80](#). The Code of Ethics, published on the Group's website ([gruppoiden.it > sustainability > sustainability governance > code of ethics](#)), is an integral part of the employment contracts for Group employees and, as far as collaborators are concerned, understood as all those who perform their activities in favour of Iren, acceptance of the Code or, in any case, adherence to the provisions and principles set out there in represent an essential element in the stipulation of contracts of any nature.

As evidenced in the Sustainability Policy, commitments to ethical and responsible conduct for sustainable growth, which apply to all the Group's activities, are further supported by specific policies, management systems and procedures, approved by the Board of Directors, among which are:

- Internal control and risk management system ([gruppoiden.it > governance > internal control, risk management, compliance](#)) » [SEE PAGE 56](#);
- Enterprise Risk Management system policies ([gruppoiden.it > investors > risk management](#)) » [SEE PAGE 57](#);
- Organisation and management model 231 ([gruppoiden.it > governance > internal control, risk management, compliance](#)) » [SEE PAGE 73](#);
- Integrated Certified Management System ([gruppoiden.it > about us > management system](#)) » [SEE PAGE 86](#);
- Remuneration Policy ([gruppoiden.it > governance > remuneration policies](#)) » [SEE PAGE 77](#);
- Procedure for transactions with related parties ([gruppoiden.it > governance > internal control, risk management, compliance](#)) » [SEE PAGE 51](#);
- Procedure for the internal management and external communication of material information and/or privileged information and for keeping the Insider Register ([gruppoiden.it > governance > internal control, risk management, compliance > market abuse](#));

- Internal dealing procedure (gruppoinen.it > governance > internal dealing);
- Tax strategy (gruppoinen.it > governance > internal control, risk management, compliance) >> [SEE PAGE 144](#);
- Antitrust Guidelines and Code of Conduct >> [SEE PAGE 91](#);
- Vendor management system with ESG criteria (portaleacquisti.gruppoinen.it) >> [SEE PAGE 335](#);
- Legality protocols with the Prefectures for the prevention of attempts by organised crime to infiltrate public works contracts and concessions (portaleacquisti.gruppoinen.it > contractual conditions) >> [SEE PAGE 335](#);
- Compliance with social standards for the supply chain (portaleacquisti.gruppoinen.it > contractual conditions) >> [SEE PAGE 339](#);
- Policy for Managing Dialogue With Shareholders and Investors (gruppoinen.it > governance > our governance > shareholder dialogue policies) >> [SEE PAGE 129](#);
- Sustainable Financing Framework (gruppoinen.it > investors > financial profile > sustainable finance) >> [SEE PAGE 154](#);
- Regulation of Local Advisory Committees and Local Councils for structured dialogue with stakeholders (gruppoinen.it > sustainability > stakeholder involvement > local committees) >> [SEE PAGE 123](#);
- Management system for the processing of personal data pursuant to art. 5 GDPR >> [SEE PAGE 89](#).

The set of policies adopted by the Group define commitments, behavioural criteria and measures to prevent and mitigate potential negative impacts.



Code of Ethics

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

In the context of the specific activities carried out, compliance with the Code of Ethics makes it possible to prevent the offences referred to in Legislative Decree 231/2001, including the offence of corruption.

The Code of Ethics also focuses on the concept of sustainable development, referring to the UN 2030 Agenda objectives, considered fundamental by Iren Group, which believes that behaviours are becoming increasingly ethical and equitable starting from the pursuit of social, economic and environmental sustainability.

In order to make the Group's commitments to ethical and responsible conduct known in a transparent manner, the Code of Ethics is published on the Group's website (gruppofire.it > sustainability > sustainability governance > code of ethics).

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

management of promotional activities, sponsorships and contributions, aspects of accounting, taxation and internal controls, reporting and whistleblowing.

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

Observation of the content of the Code of Ethics by all those who work on behalf of Iren is fundamental for the smooth operation, reliability and reputation of the Group. For this reason, Iren is committed to disseminating and promoting knowledge of the Code of Ethics inside and outside the organisation and in 2023, involved 370 employees in training activities on the Code. For utmost dissemination and to support ethical conduct and compliance with the law and Code of Ethics, Iren Group also makes available information concerning laws, regulations and insights regarding quality, safety and environment to all stakeholders, both internal and external. This can be found on the Company's website and Intranet.

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

With regard to the external parties to whom the Code is addressed, the Group undertakes to introduce contractual clauses and/or to obtain signed declarations that formalise the acknowledgement, acceptance and compliance with the principles set out in the Code. Explicit acceptance of the Code of Ethics is required by all suppliers from the offer stage, without the possibility of exceptions or amendments. Companies participating in the tenders are required to report any attempt to disturb, any irregularities or misrepresentation by any competitor or party involved, during the tender and/or when performing the contract, to Iren Group Company that calls the tender, as well as any anomalous request or demand from Group employees or anyone who can influence the decisions of the tender or the contract and its execution.

The Code of Ethics – which underlines that control over the adequacy, effectiveness and suitability of the Organisational Model 231/01 is guaranteed by the Supervisory Body – requires recipients to report to the Supervisory Body or their superiors (if employees) or the Iren Internal Audit and Compliance Department, depending on their area of competence, any possible violation, also potential, of the Code of Ethics or any request for infringement that has been addressed to them.

Reports to the Supervisory Body may be made by:

- a special e-mail box accessible only to members of the Supervisory Body;
- letter to be sent to the Chairperson of the competent Supervisory Body;
- special IT tool “Iren Integrity Line”.

The procedures for making such reports are indicated on the website of each Group company and on the company intranet. The reporting channels are able to guarantee the confidentiality of the identity of the reporting party in the management of the report.

If the Supervisory Body ascertains that the subject of the report does not fall within its competence, it shall, without prejudice to the obligations of confidentiality and in compliance with the rules and principles protecting the reporting party, inform the Group’s Internal Audit and Compliance Department.

If the report is forwarded by employees to their supervisor, the supervisor shall report to the Group Internal Audit and Compliance Department.

If the report is sent to the Internal Audit and Compliance Department of the Group, the Director carries out a specific investigation, the results of which will be the subject of a report to the Chief Executive Officer of the Company concerned, as well as a report to the Chairperson, Deputy Chairperson and Chief Executive Officer of Iren and, if applicable, to the Supervisory Body of the Company concerned, each for the measures for which they are responsible. If the report concerns one of the aforementioned bodies, the outcome of the investigation will not be sent to the person in question.

In addition, the Group has adopted a specific procedure governing the handling of reports of violations, of which the reporting party has become aware in the work context (e.g., reporting channel, methods for receiving and analysing reports, methods for protecting the reporting party in order to prevent any retaliation, reporting), also in order to implement the provisions introduced by Legislative Decree 24/2023 on the protection of whistleblowers (so-called “whistleblowing”). The **“Procedure for the management of whistleblowing reports”** regulates the following macro-areas: the subject of the report, the persons who may submit it, the methods and channels for submitting reports, the person handling the report, the stage of investigation of the report, applicable sanctions, and the methods for filing and storing reports.

The report may concern violations, conduct, acts or omissions likely to harm the public interest or the integrity of the Company - in accordance with the provisions of Legislative Decree 24/2023 - including, precisely, even potential violations of the Code of Ethics and of the Organisational Model 231, of which whistleblowers have become aware in the context of their work.

The report can be made through a special IT platform called “Iren Integrity Line”, where it is also possible to report conduct constituting violations of corporate policies and rules that may result in fraud or damage, even potential, to colleagues, shareholders and stakeholders in general.

For all reports, the confidentiality of the reporting party’s identity is guaranteed. In particular, on the “Iren Integrity Line” platform, the identification data of the reporting party, if communicated, are encrypted and therefore visible only and exclusively to the parties delegated to receive and manage the reports. The platform allows reporting parties, if they wish, to remain anonymous by ticking the appropriate option. Once the report has been entered - which can be in writing or orally by recording a voice mail - the platform allows the reporting party to monitor the progress of the handling or communicate directly - however, anonymously, if desired - with the report handler in the event of further enquiries, which can also take place through a face-to-face meeting.

All personal data are processed in accordance with the GDPR (EU Regulation 2016/679) governing the processing of personal data, Legislative Decree no. 196/2003, Legislative Decree no. 101/2018, Legislative Decree no. 24/2023,

as well as any other data protection legislation applicable in Italy, in full respect of fundamental rights and freedoms. The reports, for the purpose of verifying the justification of the circumstances represented in them, are entrusted to the Whistleblowing Committee - composed of the Director of Internal Audit and Compliance, the Director of Legal Affairs and Corporate Affairs and the Director of Personnel and Organisation - which acts as the Manager, as well as to the Chairperson of the Supervisory Body of the company concerned.

The Committee verifies the reported facts in compliance with the principles of objectivity and confidentiality, including the possible hearing of the reporting party and of any other persons who may report on the reported facts, availing itself, if it deems it necessary, of the support and cooperation of external consultants or of the competent corporate structures, depending on the subject of the report.

In the event that the report concerns a member of the Whistleblowing Committee, it is submitted exclusively to the attention of the Supervisory Body of the company concerned by the report.

At the end of the investigation, the Committee draws up a report indicating the results of the investigation carried out and informs the reporting party of the action taken or intended to be taken on the report.

The Committee informs the reporting party of the conclusion of the investigation by means of the "Iren Integrity Line" platform and, in the event of a well-founded report, shares the results of the investigation with the competent corporate function for the adoption of any consequent disciplinary/sanction measures and for any improvement actions. In the event of an unfounded report, it is archived.

The Committee also informs the competent corporate bodies, together with the Chairperson, Deputy Chairperson and CEO of Iren of the closure of the preliminary investigation and the outcome of the verification activities carried out.

If the report contains elements relevant to Model 231, the investigation is conducted by the Committee and the Chairperson of the Supervisory Body of the company concerned.

All the persons involved in the management of reports and each competent Body or Function of the Company shall ensure that, in line with the provisions of Legislative Decree 24/2023, those who have made them and subjects so-called facilitators, are not subjected to retaliation, discrimination or, in any case, penalisation, whether direct or indirect, for reasons connected directly or indirectly to the report, ensuring, in particular, the adequate confidentiality of said subjects.

With regard to the reports received, during the year, concerning alleged violations of the Code of Ethics, refer to as reported in the paragraph "Organisational Model 231".

Organisational Model 231

Iren and the Group's main companies have adopted Organisation, Management and Control Models pursuant to Legislative Decree 231/2001 (Model 231), which configure a structured and organic system of control activities and procedures to prevent, where possible, conduct that could constitute the commission of the crimes covered under the Decree. The list of offences was further extended by the 2023 regulatory intervention, thus requiring an update of the Group Models to ensure their effective prevention capacity.

The new Models were submitted to the Supervisory Bodies, presented to the Boards of Directors of the individual companies for their approval and published on the companies' intranet. All employees were informed of the approval of the new 231 Models, reminding them that they are required to consult them and adopt conduct compliant with their provisions.

Predicate offences (Legislative Decree 231/2001)	Applicability to Iren
Offences related to relations with the Public Administration such as corruption, incitement to corruption, undue induction to give or promise benefits, extortion, embezzlement to the detriment of the State, undue receipt of funds to the detriment of the State, fraud to the detriment of the State, aggravated fraud to obtain public funds and computer fraud to the detriment of the State	
Forgery of money, public credit cards, revenue stamps and identification instruments or signs	
Corporate offences such as, for example, false corporate communications, obstruction of control, unlawful distribution of profits and reserves, unlawful transactions on shares or quotas of the company or of the parent company, transactions to the detriment of creditors, failure to communicate conflicts of interest, bribery among private individuals, instigation of bribery among private individuals, unlawful influence on the meeting, market rigging, obstructing the exercise of the functions of public supervisory authorities	
Crimes for the purpose of terrorism and subversion of democratic order provided for by the Penal Code and special laws	
Offences of market abuse such as abuse of privileged information and market manipulation	
Offence of female genital mutilation practices	
Crimes relating to health and safety in the workplace such as manslaughter and grievous bodily harm	
Crimes of receiving stolen goods, money laundering, utilisation of money, good or benefits of unlawful origin, self-laundering	
Computer crimes and unlawful processing of data	
Copyright infringement crimes	
Crimes of employing third country citizens staying illegally	
Offences of organised crime, both on a transnational and national scale such as, for example, criminal association, Mafia-type association, also foreign, kidnapping for the purpose of extortion, induction to not make statements or to make false statements to the judicial authorities, personal aiding and abetting	
Crimes of induction to not make statements or to make false statements to the judicial authorities	

Predicote offences (Legislative Decree 231/2001)	Applicability to Iren
Crimes against the individual person such as trafficking in persons, reduction and maintenance in slavery and illicit intermediation and exploitation of labour, and crimes of racism and xenophobia	✓
Environmental offences such as environmental pollution, environmental disaster, culpable offences against the environment, trafficking and abandonment of highly radioactive material, offences against protected animal or plant species, destruction or deterioration of habitats within protected sites, offences relating to atmospheric emissions, management of wastewater discharges, waste management, activities organised for the illegal trafficking of waste	✓
Corruption and incitement to corruption between private individuals	✓
Crimes against industry and commerce such as disturbance of the freedom of industry or trade and fraud in the exercise of trade	✓
Fraud in sports competitions, abusive exercise of gambling or betting and games of chance exercised by means of prohibited devices	✗
Tax offences such as fraudulent declaration through the use of invoices or other documents for non-existent transactions	✓
Smuggling	✗
Offences relating to non-cash payment instruments	✗
Crimes against cultural heritage and laundering of cultural goods and devastation and looting of cultural and landscape heritage	✗

The provisions contained in Model 231 must be complied with by all those who perform, even de facto, management, administration, direction or control functions in the Company, by employees, as well as by those who, although not belonging to the Company, operate on its behalf.

The adoption of Model 231, in addition to representing grounds for exemption from the Company's liability with regard to the commission of the offences referred to in Legislative Decree 231/2001, is an act of social responsibility towards its shareholders, employees, customers, suppliers as well as the community and represents a fundamental tool for spreading the culture of sustainability. On this basis, Iren, Iren Ambiente, Iren Energia, Iren Mercato and Ireti recently updated their Model 231 by including explicit references to sustainability and social responsibility in the General Part and Special Parts. Indeed, the Group believes that compliance, of which Model 231 is a relevant example, is also a fundamental tool for spreading the culture of sustainability.

The adequacy, effectiveness and suitability of the Model 231, of which the Code of Ethics is an integral part, is monitored by the Supervisory Body. Each recipient of the Model 231 is required to report any breaches or suspected breaches of the Code of Ethics or the

control principles outlined in the Model (so-called whistleblowing), using the application "Iren Integrity Line" >>> [SEE PAGE 71](#).

Any reports received from internal and external parties during the period about alleged breaches of the Model 231 or Code of Ethics are discussed in the Supervisory Body's half-yearly report to the BoD.

In 2023, four reports were received by Iren Group's Supervisory Bodies, which were taken into account in accordance with the procedures in force. On the basis of the investigations carried out and, in some cases, still in progress, it emerged that a report was not considered relevant from the point of view of Legislative Decree 231/2001 nor of violations of the Code of Ethics; for two reports, considered relevant under both the aforementioned profiles, the competent structures have taken - or are in the process of taking - the relevant measures, also with procedural updates aimed at preventing the critical issues highlighted; with regard to another report, considered relevant, the investigation is still in progress.

SUPERVISORY BODIES

Iren and the companies in the Group, by resolution of their respective Boards of Directors, have appointed Supervisory Bodies (SB) pursuant to Legislative Decree 231/2001, tasked with monitoring the functioning and compliance of the Model 231 and updating it, and with the objective of meeting the requirements of autonomy, independence, professionalism and continuity of action. The Supervisory Body is vested with the powers of initiative and control necessary to ensure effective and efficient supervision of the operation of and compliance with the Model under the provisions of art. 6 of Legislative Decree 231/01.

The Supervisory Body carries out, with the assistance of the competent Company Departments, checks on the areas of activity that are considered at risk under Legislative Decree 231/2001, and half-yearly reports to the Board of Directors on its activities and findings. When deemed necessary, the Supervisory Body gives suggestions aimed at improving the control system for activities and oversees their implementation. The assignment of these responsibilities to a body equipped with autonomous powers of initiative and control, together with the correct and effective performance of the same therefore represent fundamental prerequisites for the exemption from liability provided for by Legislative Decree 231/01.

CORRUPTION PREVENTION

In the performance of its activities, Iren Group companies manage relations with the Public Administrations and with third parties, regulated by the principles established by the Code of Ethics and the Model 231, which provide the guidelines and codes of conduct that aim to prevent, insofar as possible, the commission of offences pursuant to the Decree, including corruption offence. Company processes are also regulated by specific procedures defining roles, responsibilities and methods of control, establishing the traceability of processes and the clarity of authorisations to ensure transparency and honesty in the company's activities.

The Model 231 of each of the Group companies identifies, within the activities carried out, the corporate processes and areas "sensitive" to the potential risk of committing the offenses indicated by the Decree. The Iren Model 231 identifies the activities sensitive to the risk of corruption, for which suitable internal rules are envisaged to supplement the Code of Ethics (general control principles and specific behaviour and control protocols), such as:

- definition of purchasing requirements and preparation of technical specifications;
- selection and formation of contractual relations with suppliers;
- consulting selection and management (public and private bodies);
- HR selection, recruitment and management, management of the bonus system;
- management of sponsorships, gifts and donations;

- support in the management of relationships with public bodies to attain or renew authorisations, licences and concessions for carrying out corporate activities;
- management of public grants, payments and contributions;
- support to Group companies in participating in tenders for the sale/award of public utility services.

The process mapping, risk self-assessment, preparation of the Model of Organisation, Management and Control, examination and approval of the document by the Board of Directors, its dissemination and relative training initiatives, are also training activities on anti-corruption for each of the parties involved in the various activities.

The audit activities concerning the issue of corruption fall into the context of broader audit activities regarding the internal control system of processes with a view to preventing the most significant risks, including corruption. By way of example, in 2023, audits were conducted on the following processes: sponsorship management, procurement, invoicing, credit management, waste sales, and management of technical approvals required by the tax bonus legislation.

With regard to communication and training on the offences of Legislative Decree 231, which also includes policies and procedures for the prevention of corruption, the activity is diversified according to the roles and responsibilities of the recipients, with the aim

of conveying knowledge and instructions on specific aspects of the Model 231 such to ensure the awareness and full understanding of the internal provisions to be complied with and the ethical standards that inspire our conduct.

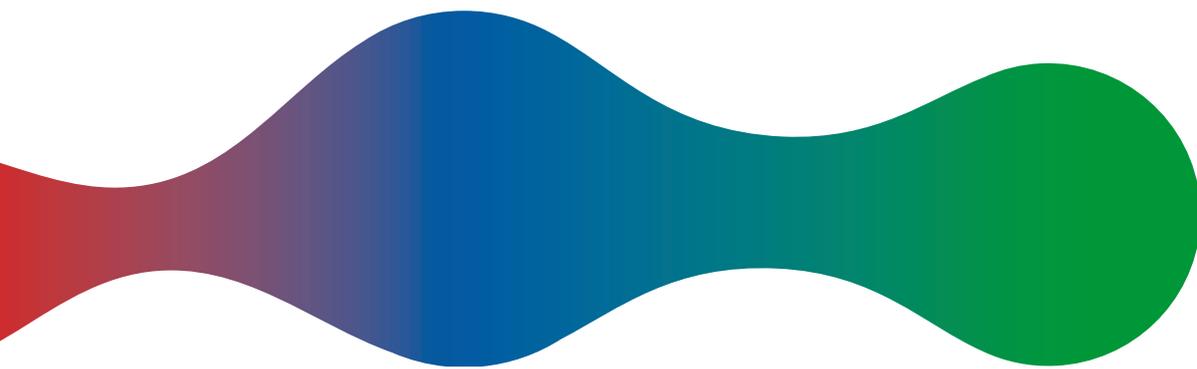
The training for executives, junior managers and office workers is delivered through e-learning sessions that are updated and renewed periodically following changes to legislation. This makes it possible to quickly reach all personnel and to assign the entire path or individual training modules according to the individual's previous training status. The frequency and content of the training activities are designed to provide a full understanding of the Decree and awareness of the Model. Training is mandatory and controls are in place to verify participation and learning. Based on the policy adopted, employee training activities were planned in 2023, which saw 1,495 hours provided to 370 employees.

During the year, work was carried out on implementing the new version of the e-learning training module, which takes into account the regulatory updates that have taken place and will be disseminated to the entire company population from early 2024.

All employees, starting with the onboarding programme [SEE PAGE 297](#), are also provided with information on their company's Model 231 and Code of Ethics, to which a specific channel is dedicated on the company intranet. Appropriate communication tools are adopted to update employees on any changes made to the Model and, in this context, it is recalled that the Model itself identifies specific behaviour and control protocols that all employees are responsibly required to comply with in carrying out their work activities. In 2023, no confirmed instances of corruption were reported within Group companies.

Training on anti-corruption policies and procedures	2023		2022		2021	
	no.	%	no.	%	no.	%
Total trained employees	370		520		346	
of which	no.	%	no.	%	no.	%
Executives	2	1.7	4	3.6	2	2.0
Junior managers	9	2.3	16	4.3	14	4.1
White collars	341	7.4	459	11	301	7.9
Blue collars (*)	18	0.3	41	0.8	29	0.6

(*) Staff who have voluntarily taken advantage of the training opportunities in the Group catalogue on anti-corruption issues.



Remuneration policies

[GRI 2-19, 2-20, 2-24]

The Remuneration Policy adopted by Iren Group represents a tool to support its medium- and long-term strategies for sustainable development. In fact, the incentive capacity of the systems is always ensured in line with the Group's strategic objectives, with attention to ESG profiles.

In general, the Remuneration Policy represents a tool to ensure the pursuit of business sustainability objectives, guarantee an increase in shareholder value, in line with the Business Plan, and adequate retention of strategic positions for governance and business.

The Policy, in addition to illustrating the criteria for determining the fixed fees due to non-executive Directors, members of the Board of Statutory Auditors and members of the Board Committees, indicates the guidelines, also in terms of pay mix, for the Executive Chairperson and Strategic Director of Finance, Strategies and delegated areas, the Executive Deputy Chairperson and Strategic Director of Human Resources, CSR and delegated areas, the Chief Executive Officer and General Manager and for other Senior Executives with strategic responsibilities (Directors of the Waste Management BU, Energy BU, Market BU, Networks BU, Administration, Finance and Control, Personnel and Organisation, Technologies and Information Systems, Procurement, Logistics and Services).

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

The BoD defines, on the proposal of the Remuneration and Appointments Committee and having consulted the Board of Statutory Auditors, the structure and remuneration for the Directors vested with particular offices (Chairperson, Deputy Chairperson and Chief Executive Officer), the remuneration for the participation of the Directors in the Committees set up within the same Board, the policy for the remuneration of the BoD and of the Senior Executives with strategic responsibilities of the Group, after preliminary investigation by the Remuneration and Appointments Committee (RAC), carried out jointly with the Control, Risk and Sustainability Committee (CRSC), as regards risk and sustainability profiles.

After assessment by the RAC, the Board of Directors also defines the objectives to which is correlated the short-term and long-term annual variable component of the remuneration of the Executive Chairperson and Strategic Director of Finance, Strategies and delegated areas, the Executive Deputy Chairperson and Strategic Director of Human Resources, CSR and delegated areas, and the Chief Executive Officer and General Manager.

Taking into account the provisions of the Remuneration Policy, the Deputy Chairperson determines the remuneration of Senior Executives with strategic responsibilities and defines the objectives to which the short- and long-term annual variable component of the same is related, involving the RAC in the process, in order to obtain the relevant opinion in advance. The RAC may make use of external consultants who are experts in remuneration policies, verifying in advance that they are not in situations that compromise their independence of judgement.

The remuneration of **Non-Executive Directors** is not related to the results achieved, but it is commensurate with the commitment required of each of them, bearing in mind their potential participation in one or more of the Committees within the Board of Directors.

With regard to the **Directors holding special offices** (Chairperson, Deputy Chairperson and Chief Executive Officer), the gross annual remuneration for the offices held was established by the Board of Directors, in compliance with the caps set by the Shareholders' Meeting.

For the Executive Chairperson and Strategic Director of Finance, Strategies and delegated areas, the Executive Deputy Chairperson and Strategic Director Human Resources, CSR and delegated areas, the Chief Executive Officer and General Manager, and for Senior Executives with strategic responsibilities, the **variable part of remuneration** is divided into two parts, the short-term and the long-term. .

Short-term variable remuneration is paid upon achievement of all performance targets and is set, in the target amount, equal to 30.3% of the gross annual remuneration for the Chief Executive Officer and General Manager; 37.9% of the gross annual remuneration for the Executive Deputy Chairperson and Strategic Director Human Resources, CSR and delegated areas; 30.8% of the gross annual remuneration for the Executive Chairperson and Strategic Director Finance, Strategies and delegated areas; 38.1%, on average, of the gross

annual remuneration for the other Senior Executives with strategic responsibilities.

Short-term variable remuneration is based on a MbO (management by objectives) system that takes into account the Group's main objectives related to economic-financial performance (weight 40%), major strategic projects (weight 30%) and ESG factors through a performance target linked to the priority areas defined in the Business Plan such as decarbonization, circular economy, resilient cities, water resources, customer focus, employee focus and gender diversity, which weighs 30% of the total variable remuneration. The system provides a "gate" condition linked to the maintenance of the rating on investment grade by a leading rating agency. For 2023, in addition to the minimum threshold of the individual objective, equal to 60%, a minimum threshold of average overall achievement of the individual objectives greater than and/or equal to 70% has been established, as a further condition for access to the payment. In order to incentivise the Group's value creation with respect to the planned targets, a correction factor for individual results with a priori defined weights and metrics was maintained in 2023 as well. The maximum amount attainable as short-term variable compensation can reach 120% of the target amount.

The Plan for **variable long-term remuneration** - LTI Plan 2022-2024 (Long-Term Incentive) - was approved by the BoD on 28 April 2022 and provides for the accrual of a monetary bonus based on the 2022-2024 three-year performance. The Plan has among its recipients: Executive Chairperson and Deputy Chairperson, Chief Executive Officer⁽³⁾, Senior Executives with strategic responsibilities, and other top management resources capable of making a significant contribution to the achievement of the objectives of the Business Plan.

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

Disbursement of the bonus, as provided by the 2022-2024 LTI Plan, is subordinate to meeting a gate condition (attribution, at the end of 2024, of an Investment Grade rating by one of the major ratings agencies) and the achievement of the following

objectives, identified in line with as established in the Business Plan: Cumulative EBITDA 2022-2024 (weight: 35%); Cumulative Operating Cash Flow Levered 2022-2024 (weight: 20%); Cumulative Investments 2022-2024 (weight: 20%); Sustainability/ESG - composite target (weight: 25%). For each economic-financial objective, a threshold level has been defined, equal to 90% of the target as defined, below which no disbursement of the linked premium will be made. An overall threshold level has been defined for the Sustainability/ESG objective, equal to 70% of the defined target, below which no disbursement of the related bonus portion is envisaged. The ESG composite target considers:

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

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

Generally, without prejudice to compliance with the regulations in force, no indemnity is provided for directorship severance for Iren Directors. For the Executive Chairperson and Strategic Director of Finance, Strategies and delegated areas, the Executive Deputy Chairperson and Strategic Director Human Resources, CSR and delegated areas and the Chief Executive Officer and General Manager of Iren, in the event of dismissal in the absence of just cause, an indemnity equal to the remuneration that they would have received for the period remaining until the end of their current term of employment as executives is provided for, in accordance with the legal regulation of fixed-term employment contracts, with two limitations: minimum floor of six months' salary and a maximum cap of eighteen months' salary.

⁽³⁾ By virtue of the change of CEO/General Manager in 2023, neither the outgoing nor the incoming CEO/General Manager will benefit from the LTI Plan, as they do not meet the requirements.

For all Senior Executives with strategic responsibilities, payments and accruals as of the end of the relationship have been established in accordance with the law and the relevant National Labour Contract. For Iren non-executive Directors, no agreements have been established which provide indemnities in the case of early termination of the office.

Iren prepares an Annual Report on Remuneration and compensation paid which, among other things, gives an account of the remuneration paid in the year of reference, for any reason and in any form, by Iren or its subsidiaries. In addition to ensuring transparency, the Report is aimed at increasing the knowledge and awareness of shareholders and, in general, investors and the market.

The Report, examined in a preparatory manner by the Remuneration and Appointments Committee and approved by the Board of Directors, is submitted to the Shareholders' Meeting for a vote: a binding vote for the

Remuneration Policy (section one) and a non-binding vote for the part relating to the Compensation paid (section two). The Shareholders' Meeting, held on 21 June 2023, approved the Remuneration Policy 2023 and resolved in favour of the compensation paid for the financial year 2022. The voting results are available on the Group's website.

The policy on the subject of the remuneration of the Directors of the Company and of Senior Executives with strategic responsibilities of Iren Group, as well as its implementation, is among the topics covered by the Policy for Managing Dialogue with Shareholders and Investors, published on the website of the Group. With reference to companies other than the Parent Company, the determination of the remuneration due to the members of the relevant administrative bodies takes into account the principles on this matter resolved by the Shareholders' Meeting of Iren on 21 June 2023.



Policies for the protection of human rights

[GRI 2-23, 2-24, 3-3, 406-1, 407-1, 408-1, 409-1]

Respect for human rights represents the foundation for sustainable development, which is why Iren Group is committed, as indicated in the Sustainability Policy, to respecting all universally recognised human rights in its activities and to promoting respect for them in activities entrusted to, or conducted with, partners and stakeholders, in line with the principles of the United Nations Global Compact to which the Group adheres.

Protection of human rights






Risks

- Violation of the conduct criteria of the Code of Ethics and current regulations on human rights by employees, collaborators and suppliers
- Discriminatory actions against customers and employees
- Violation of the rights of people with disabilities
- Violation of the rights of employees and contractors in the supply chain
- Negative operational, economic and reputational impacts of human rights violations



Opportunities

- Promoting the inalienability of people's rights throughout the value chain



Management methods

- Code of Ethics
- Sustainability Policy
- Organisational Model 231 and information flows to the Supervisory Bodies
- Contractual clauses with suppliers on social criteria
- National Collective Agreements
- Service charters
- Removal of architectural barriers in Group buildings
- Accessibility of services for people with disabilities
- Whistleblowing procedure

Iren considers the UN Universal Declaration of Human Rights, the Conventions and Recommendations of the International Labour Organization (ILO) as indispensable, as well as the Earth Charter drawn up by the Earth Council. Furthermore, the principles and policies adopted by Iren Group refer to as expressed in the Sustainability Policy, in the Code of Ethics, in the 231 Models and are aligned with the OECD Guidelines intended for multinational companies, signed by the Italian State.

The Group condemns any kind of discrimination and places the care, respect and dignity of people at the centre of its growth and the sustainable development of its communities and territory. The suppliers' system is managed with same principles and is also constantly monitored on these aspects.

The Group operates in Italy where, starting from the fundamental principles of the Constitution of the Republic, an articulated system of rules helps to prevent the risk of violation of human rights; without prejudice to this, Iren Group, in its Sustainability Policy and in its Code of Ethics, assumes as central respect for human rights, the dignity of people and the condemnation of any discrimination - trade union, political, religious, racial, language or gender -, with the promotion of an inclusive culture at every level. These principles translate into the rejection of all forms of forced labour or employment of irregular staff, of negotiations or assignments that might violate or contradict the fundamental principles underlying the respect for human dignity, and in our commitment to not collaborate with partners that violate these principles. The translation of these principles into commitments and policies is highlighted below.

EMPLOYEES AND COLLABORATORS

The Group recognises that human assets constitute a factor of fundamental importance for its development and that respect for human resources and their valorisation are a primary value. For this reason, the Group undertakes, as expressly provided for in the Sustainability Policy, to implement all initiatives that allow it to enhance and increase the skills, creativity and active participation of personnel, to increase their motivation and encourage their growth and professional fulfillment, with the aim of respecting, protecting and promoting human rights and fundamental freedoms for all.

Below are the human rights principles that Iren Group pursues in its relations with its employees and collaborators, requiring them to respect them, in order to foster the construction of a working environment inspired by collaboration, trust and mutual respect.

Protecting the health and safety of workers

Iren recognises the health and safety of workers as a priority objective, to be maintained on a daily basis with a company policy oriented towards making the necessary investments (this principle is expressly set out in the Code of Ethics, the Sustainability Policy, the Organisational Model 231 and the Integrated Management System Policy)

» [SEE PAGE 317.](#)

Combating forced labour and child labour

Iren Group, as expressly explained in the Code of Ethics and in the Sustainability Policy, rejects any form of forced labour and does not tolerate violations of human rights, nor the use of irregular personnel. Personnel who work in the Group are hired with a regular employment contract and any form of irregular work is not tolerated. The Group therefore excludes the use of child or forced labour and is committed to promoting its effective elimination also along its supply chain.

Right to freedom of association: trade union freedoms and freedom of association in employee representative bodies

Iren Group guarantees, as set out in the Sustainability Policy, freedom of association and the effective recognition of the right to collective bargaining, sharing with the Trade Unions (OO.SS.) a system of industrial relations based on constant and constructive confrontation. To this end, the Group and Trade Unions have signed a Group Industrial Relations Protocol, which dictates the rules that govern relations between the Parties. This has led to a model being put in place based on the sharing of business decisions, which aims to optimise people who, in order to enable

⁽⁴⁾With particular reference to the following ILO Conventions: C1 - Hours of Work (Industry), C29 - Forced Labour, C87 - Freedom of Association and Protection of the Right to Organise, C95 - Protection of Wages, C98 - Right to Organise and Collective Bargaining, C100 - Equal Remuneration, C102 - Social Security (Minimum Standards), C103/183 - Maternity Protection, C105 - Abolition of Forced Labour, C111 - Discrimination (Employment and Occupation), C115 - Radiation Protection, C118 - Equality of Treatment (Social Security), C120 - Hygiene (Commerce and Offices), C122 - Employment Policy, C130 - Medical Care and Sickness Benefits, C131 - Minimum Wage Fixing, C132 - Holidays with Pay, C135 - Workers' Representatives, C138 - Minimum Age, C142 - Human Resources Development, C148 - Working Environment (Air Pollution, Noise and Vibration), C154 - Collective Bargaining, C155 - Occupational Safety and Health, C158 - Termination of Employment, C159 - Vocational Rehabilitation and Employment (Disabled Persons), C162 - Asbestos, C170 - Chemicals, C171 - Night Work, C174 - Prevention of Major Industrial Accidents, C175 - Part-Time Work, C182 - Worst Forms of Child Labour, C187 - Promotional Framework for Occupational Safety and Health, C190 - Violence and Harassment. With reference also, to the extent applicable, to the United Nations Declaration on the Rights of Indigenous Peoples.

healthy development, must be involved and grow in step with the entire organisation. The shared decisions lead to a sense of belonging and, at the same time, place the employee centre stage. The Protocol sets out the methods for approaching industrial relations based on three pillars: bargaining, participation and rules [» SEE PAGE 324](#).

Right to adequate working conditions

The Group undertakes to require work in compliance with the provisions of the law and collective bargaining in force in terms of working hours and days worked, and to guarantee adequate rest and fair remuneration to all employees. For all employees, the Group adopts national collective labour agreements that guarantee the application of the contractual wages for all. The remuneration policy, within the context of defined budget guidelines, is always based on performance and skills evaluation, taking into account, however, the remuneration package of the people holding the evaluated positions [» SEE PAGE 304](#). In any case, any form of discrimination is avoided by the continuous implementation of retraining initiatives in the event that personnel are unfit for previous responsibilities. The Group's management policy also promotes and supports a proper work-life balance [» SEE PAGE 307](#).

Respect for diversity, non-discrimination and equal opportunities

Valuing diversity and inclusion are a priority commitment for the Group in order to build a working environment in which all people can feel comfortable and contribute to the achievement of the company's objectives, with their own personal characteristics. To this end, the Group has also defined its own Diversity and Inclusion Policy, aimed on the one hand at formalising the principles on which it is based and the ways in which each company initiative on diversity and inclusion is articulated, and on the other at raising awareness on the subject among all personnel, in order to identify lines of action to promote inclusion. Said Policy also confirms the Group's commitment, already defined in the Sustainability Policy and in the Code of Ethics, to upholding respect for the dignity of people and avoiding any discrimination, direct or indirect, based on any kind of diversity, acknowledging the absolute value of the fundamental principles of the Constitution of the Italian Republic. Within the framework of diversity and inclusion policies and initiatives, the Group's commitment to promoting an organisational culture attentive to the valorisation of its resources is also confirmed by its adherence to various initiatives illustrated in this document [» SEE PAGE 312](#).

Combating harassment and working conditions that may cause discomfort and stress

The Group does not tolerate any form of violence, harassment and bullying and is committed to taking all appropriate measures to prevent and counter them. In this regard, the Group has formalised the Policy on Dealing with Violence, Harassment and Bullying in the Workplace. The Policy – inspired by the Universal Declaration of Human Rights, the Convention of the International Labour Organisation (ILO) no. 190 on the elimination of violence and harassment in the workplace, the Sustainability Policy and the Code of Ethics - outlines the Group's commitment to supporting a safe, respectful and participatory work environment, inspired by principles of correctness, freedom and dignity in professional relationships, free of any form of harassment, sexually inappropriate behaviour and bullying. The purpose of the Policy is to prevent, identify, constantly monitor and avert said phenomena, as well as to provide support to people who report them, protecting them from any retaliatory act.

Right to privacy of personal and sensitive data

Iren Group respects the right to confidentiality and privacy of its employees and collaborators, and is committed, in line with the provisions of the Sustainability Policy and the Code of Ethics, to the correct use of personal data and information provided to it. In particular, it undertakes to process personal data and information in respect of fundamental liberties and rights, and the dignity of data subjects, with specific reference to the confidentiality, personal identity, and protection of personal data. To this end, the Group has adopted a personal data organisation and management model aimed at protecting the data subject and ensuring the correct application of data protection legislation [» SEE PAGE 89](#).

All the above principles are the subject of the training activity addressed to employees on the Code of Ethics, which involved 370 people in 2023.

SUPPLY CHAIN

Respect for human rights has always been, for Iren Group, an indispensable prerequisite for correct business activity, which also translates into the supplier management system, with the commitment not to collaborate with partners who violate the fundamental principles underlying respect for human dignity.

In particular, the Group, in accordance with the provisions of the Procurement Code on the exploitation of labour (Legislative Decree 20/2014 art. 80 paragraph 1), applies the regulations both in public tenders and in those outside the Code and requires suppliers to expressly accept the Code of Ethics as a condition for admission to tenders and as a condition for the effectiveness of contracts.

In addition, the Group has defined specific contractual clauses concerning compliance with social standards on human rights and working conditions along the supply chain defined by:

- the eight fundamental Conventions of the International Labour Organisation (ILO): 29 on forced and compulsory labour, 87 on trade union freedom and the protection of the right to union, 98 on the right to organise and collective bargaining, 100 on equal pay, 105 on the abolition of forced labour, 111 on discrimination in employment and occupations, 138 on minimum age and 182 on the prohibition of the worst forms of child labour;
- ILO Convention 155 on health and safety at work;
- ILO Convention 131 on the definition of minimum wages;
- ILO Convention 1 on working time (industry);
- ILO Convention 102 on social security (minimum standard);
- the Universal Declaration of Human Rights;
- article 32 of the UN Convention on the Rights of the Child;
- national legislation, in force in the countries where the supply chain stages take place, concerning health and safety in the workplace, as well as labour legislation, including legislation on wages, working hours and social security (social security and assistance).

When the above-mentioned national laws and social standards refer to the same subject matter, the supplier must guarantee compliance with the higher standard.

In order to enable the Group to monitor compliance with these standards, the supplier is required to:

- inform suppliers and sub-suppliers involved in the contract supply chain that the Group has required compliance with the above-mentioned standards in the contract performance conditions;
- provide, at the Group's request and within the time limit set out in the request, information and documentation concerning compliance with standards and references of suppliers and sub-suppliers involved in the supply chain;
- accept and have their suppliers and sub-suppliers accept any audits relating to compliance with the standards, conducted by the Group or by parties indicated and specifically appointed for the purpose by the Group;
- undertake, or have suppliers and sub-suppliers involved in the supply chain undertake, any appropriate corrective actions, including contractual renegotiations, within the deadlines set by the Group, in the event that a contractual breach arises concerning non-compliance with minimum social standards along the supply chain;
- demonstrate, through appropriate documentation provided to the Group, that the clauses are complied with, and document the outcome of any corrective action taken.

Violation of these clauses may lead to the application of the contractually agreed penalty, without prejudice to the Group's right to terminate the contract.

Also in 2023, the annual analysis was carried out on suppliers through a questionnaire to ascertain the human rights policies adopted by companies that hold active contracts with the Group [» SEE PAGE 337](#).

Of the 1,101 supplier companies that responded (31% of the total), 35% have human rights policies in place that fall, in order of priority, into the following areas:

- equal opportunities and equal treatment irrespective of race, colour, gender, language, religion, nationality, political opinion, sexual orientation, social status, disability, age or other condition of the individual that is not connected to the requirements for carrying out their job;
- formal reporting systems that allow workers to report human rights breaches, ensuring the protection of the reporting party's identity;
- training to raise awareness and prevent discrimination;
- checking of the age of employees during the hiring process, including by recruitment companies;
- formalised control systems to ensure that the company does not ask its employees to deposit money/credit cards and does not collect and keep identity documents during the hiring phase;
- mapping of human rights risks.

Furthermore, 20% of suppliers who responded to the questionnaire stated that there is an employee within their organisation who is officially responsible for human rights issues. Finally, 99.8% of the responding suppliers have not been the subject of human rights complaints or legal action for discriminatory practices.

This survey is repeated annually to maintain constant monitoring of the supply chain.

CUSTOMERS AND COMMUNITIES

The Group's Code of Ethics states that anyone, in any capacity, working for Iren must respect people's dignity, treat them fairly and avoid any discrimination, and that all Group employees and collaborators are required to treat customers with respect and courtesy.

For this reason, respect for human rights is central to the Sustainability Policy and is part of constant dialogue with stakeholders (through the Local Committees) and the Group's commitments are also recalled in the Service Charters adopted, which - in addition to providing for continuity, efficiency, effectiveness of service and respect for the environment and the protection of citizens' health and safety - are based on the principles of:

- respect for equal rights of citizens/customers and non-discrimination in service delivery;
- equal treatment in the performance of the service between different categories or groups of customers/citizens, within the limits made possible by the technical and functional characteristics of the managed infrastructure system;
- particular attention in service provision is paid to people with disabilities, the elderly and members of weaker social groups;
- universal access to water, as a guarantee to all users of the quantity of water necessary to satisfy their basic needs » SEE PAGE 275;
- collaboration with local and regional governments to ensure access to energy for vulnerable customers;
- obligation to inspire its conduct towards citizens/customers with criteria of objectivity, justice and impartiality;
- respect and courtesy, through behaviour, manners and language appropriate to the purpose;
- facilitating the citizen/customer in exercising their rights and fulfilling their obligations;
- citizen/customer participation in the provision of the service, both to safeguard the right to proper provision and to foster cooperation, including by periodically acquiring the users' assessment of the quality of the service provided and making available to them appropriate channels for communicating suggestions and complaints;
- clarity and comprehensibility of messages with the utmost care in the use of simple, immediately comprehensible language;
- accessibility of information by foreign citizens/customers, as much as possible;
- processing of personal data in compliance with the relevant provisions in force.

To help translate these principles into practice, Iren Group's counters/stores have queue-elimination systems dedicated to the elderly, pregnant women and the disabled, stations dedicated to welcoming people with disabilities and multilingual operators to facilitate communication with foreign citizens and customers.

Also in 2023, initiatives were implemented to promote the accessibility and use of services, with particular regard to people with disabilities, the weakest categories and foreign-speaking citizens. The Iren Ambiente app was developed to allow citizens to access the environmental services offered, also in English. To support the economically weaker sections of the population also for the 2023/2024 thermal season, the Group has confirmed the district heating bonus, using its own economic resources to recognise a discount on the invoice for families who meet the requirements » SEE PAGE 280.

STRATEGIC OPERATIONS

Also in 2023, in the extraordinary transactions aimed at acquiring companies/shareholdings, the Group carried out, with the support of specifically appointed advisors, the appropriate due diligence activities aimed, among other things, at verifying the application of labour and workplace safety regulations provided for by Italian legislation, and the existence of any disputes on the subject, the adoption of a Model 231 and a Code of Ethics, and the identification of any risks linked to the

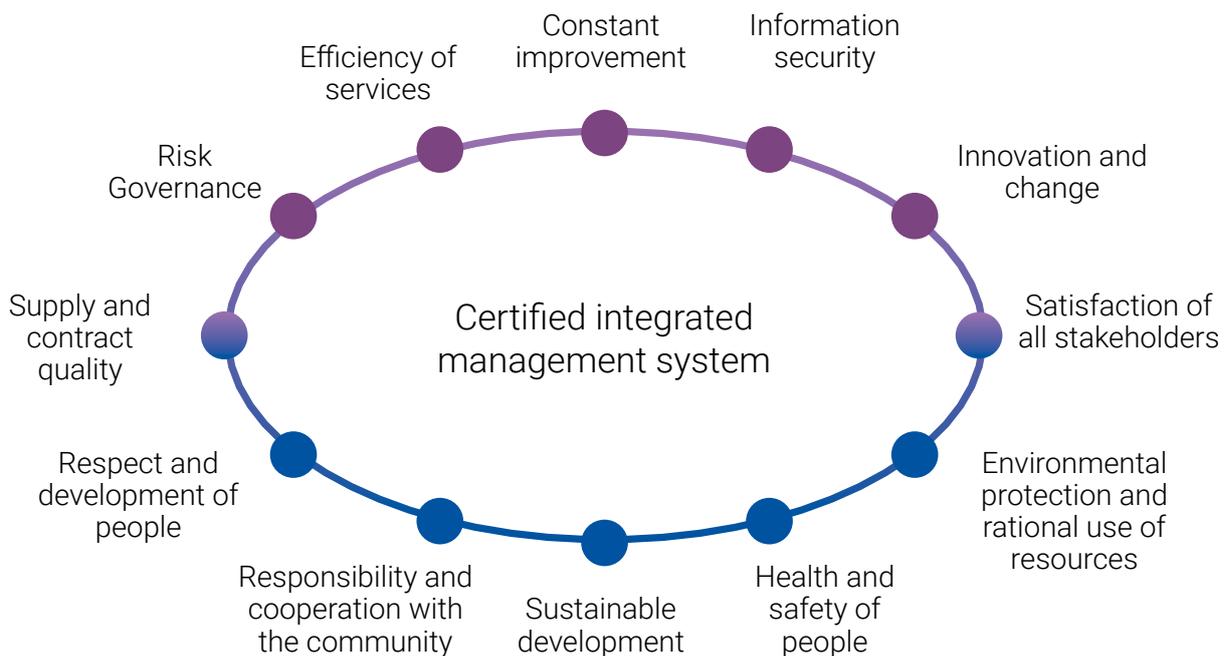
non-application of these regulations and management models with the adoption of the appropriate actions, such as, for example, the inclusion of conditions precedent and penalties in transactions deemed at risk. The Control, Risk and Sustainability Committee reviews the analysis carried out with regard to merger and acquisition transactions. In particular, in 2023, the Committee carried out the risk analysis on 4 transactions, prior to the decisions falling within the competence of the Board of Directors.

Certified integrated management system

Iren Group strives to offer its customers and residents service efficiency, effectiveness, economic convenience and high quality, operating with expertise and professionalism in full respect of the environment and safety, contributing to the well-being of its personnel and the community.

This is why the Group has developed a Certified Integrated Management System (quality, environment, safety and energy efficiency), which is structured in such a way so as to adequately monitor all operating processes that influence the service quality with attention increasingly focused on the customer and on the basis of risk identification and governance as part of the ongoing analysis of the organisational context and the needs and expectations of the parties involved. The Certified System is actually a streamlined and flexible organisational model that adapts quickly to changes in customer expectations and needs and organisational changes within the Group, thereby ensuring continuous monitoring of the effectiveness and efficiency of the processes at the same time.

The values of Iren Group are applied and expressed in the QASS Policy, which is acknowledged and shared by all personnel, in the following basic principles of the certified system:



MAIN CERTIFICATIONS ⁽¹⁾

Company	ISO 9001 (Quality)	ISO 45001 (Safety)	ISO 14001 (Environment)	ISO 27001 (Information Security)	EMAS	UNI 11352 (ESCo)	ISO 50001 (energy efficiency)	ISO 17025 (Laborat.)
Iren	•	•	•	•				
Iren Ambiente	•	•	•		• (5 sites)			
Acam Ambiente	•	•	•					
Amiat	•	•	•					•
Bonifica Autocisterne	•							
Bonifiche Servizi Ambientali	•	•	•					
CRCM	•	•	•					
Ekovision	•							
Futura	•		•					
I.Blu	•	•	•					
Manduriambiente	•	•	•					
ReCos	•	•	•					
Re Mat	•	•	•					
San Germano	•	•	•					
Sei Toscana	•	•	•					
TB		•	•				•	
Territorio e Risorse	•	•	•					
TRM	•	•	•		• (1 site)			
Uniproject	•		•					
Iren Energia	•	•	•		• (5 sites)	•	•	
Alfa Solutions	•	•	•					•
Iren Smart Solutions	•	•	•			•	•	
Ireti	•	•	•					
Acam Acque	•	•	•					
Amter	•	•	•					
Aquaenna	•	•	•					
ASM Vercelli	•	•	•					
Iren Acqua	•	•	•					
Iren Acqua Tigullio	•	•	•					
Iren Laboratori	•	•	•					•
Ireti Gas	•	•	•					
Iren Mercato	•	•						
Atena Trading	•	•						
Salerno Energia Vendite	•							
% coverage ⁽²⁾	98%	97%	92%	10%	3% ⁽²⁾	10%	10%	18%

⁽¹⁾ Orange dots indicate new certifications acquired during 2023.

⁽²⁾ The % coverage is calculated as the ratio between the sum of the number of employees of the companies subject to certification and the total number of employees of the Group.

⁽³⁾ The % coverage is calculated as the ratio of the number of employees at certified sites to the total number of employees in the Group.

The Group's focus on customers and process quality is also confirmed by the possession of the following additional certifications:

- ISO 18295-1 certification (service requirements for customer contact centres) for Iren Mercato;
- ISO 18295-2 certification (requirements for organisations using external contact centres) for Iren Smart Solutions;
- F-GAS certification (for the management of installations with fluorinated gases) for Iren Smart Solutions;
- Iren Mercato certification in compliance with the Certiquality 66 Technical Document relating to the sale of green energy;
- certification of Iren Mercato in compliance with ST TRAC_EE for the tracking system of the characteristics of energy from renewable sources, which is a tool to provide customers with a guarantee of the origin of the "green" electricity sold;
- SA8000 certification (International Standard for Corporate Social Responsibility certification) for San Germano.

The Quality, Safety and Environment management systems are overseen for each first-level Company by the Personnel and Organisation Department of Iren.

All the audits carried out by the Certification Bodies at the Group companies in 2023 were concluded with a positive outcome and confirmed the maintenance of the Certifications held.

During the year, the actions planned to achieve the defined objectives were also implemented:

- maintenance of all EMAS Certifications and Registrations of the various Group companies;
- maintenance of the Multi-site Accreditation for Iren Laboratori;
- extension of the scope of certifications for Iren and the Waste Management, Networks and Market BUs.

The achievement and maintenance of voluntary certificates evidence Iren Group's commitment to sustainability, particularly through the protection of the environment, the rational use of natural resources and energy, full compliance with legislation, raising awareness amongst its customers and suppliers and service levels.

In order to ensure sustainable company growth based on the principle of continuous improvement, resources were employed for:

- development of energy production from renewable sources (hydroelectric and photovoltaic) or with high efficiency (cogeneration) and the promotion of district heating, as well as the adoption of the best system technologies available on the market, to guarantee a lower environmental impact;
- improvement of the use of water resources, both in terms of withdrawal and use, and release and discharge;
- renovation of the urban wastewater treatment plants and search for the best technologies available in order to improve the quality of effluents and minimising odorous emissions;
- correct management of obligations concerning special waste, for the phases related to production, storage, transport and final disposal/recovery;
- dissemination of information regarding the impacts of company activities on the external environment, through specific publications such as the Sustainability Report and the Environmental Statements.

From a management point of view, to reduce the environmental impact of the Group's activities, particular importance was given to:

- review and update of the Environmental Analysis of Sites, Plants and Processes at all Group companies with ISO 14001 certification;
- mapping of environmental obligations for all Group companies;
- monitoring environmental performance through the use of appropriate indicators for significant environmental aspects;
- analytically testing the impact on the environment, with particular reference to atmospheric emissions, air quality, water discharges, special waste, acoustic emissions and electromagnetic fields;
- specific internal audits aimed at verifying the correct management of the environmental problems connected with company plants.

Privacy management model

[GRI 2-25, 418-1]

With the entry into force of the EU Regulation 2016/679 (GDPR) on the protection of personal data, Iren Group has developed a management system that ensures the adoption of the principles applicable to the processing of personal data: principles of lawfulness, fairness, transparency, purpose limitation, data minimisation, accuracy, storage limitation, integrity, data confidentiality and accountability of the data controller.

The document "Group Privacy Management Model", approved by the Board of Directors on 24 January 2023, not only formalises the approach adopted, but also ensures that corporate management of privacy issues complies with regulatory principles and spreads the culture of personal data protection within the Group. The Model defines the roles, tasks and responsibilities of the persons involved in the management of privacy compliance and the main processes prepared and adopted, including keeping the processing register, risk assessment, management of the exercise of data subjects' rights, management of data breaches, management of third parties and dissemination of privacy culture.

The procedure for the management of data subjects' rights, in particular, defines the set of rules of conduct for the collection and timely processing of requests from data subjects concerning the exercise of their

rights under the GDPR, as well as requests for the revocation of consent given under the European Data Protection Regulation. For this purpose, special e-mails have been set up for the Group companies institutionally entitled to receive requests from interested parties. These channels are carefully monitored and, at least once a year, specific analyses are carried out in order to verify the most significant aspects such as, for example, the number of requests, the type of rights most exercised, and the timeliness of processing. These analyses are shared within the Privacy Committee, in which the Data Controllers of the companies and the Directors of the functions of Iren most involved in relation to privacy issues participate.

The monitoring of the Model is one of the tasks of the Data Protection Officer (DPO) who, also with the support of the competent corporate structures, carries out the necessary controls aimed at verifying the Group's compliance with the defined Model and reports the results of the monitoring activities to the Data Controllers and any proposals for action to the Privacy Committee, which has the task of defining the strategic direction of the policies on the protection of personal data, assessing their implementation and evaluating potential criticalities and areas of risk that have emerged, and directing their mitigation.

The Board of Directors is informed, at least once every six months, directly or via the Control, Risk and Sustainability Committee - which in turn is informed at least once every six months by the Data Protection Officer - about the data protection management system.

Pursuant to the GDPR Regulation, the term complaint means requests forwarded, by natural persons affected by the processing of personal data, to the Data Protection Authority, in the face of a possible violation of the law by the data controller. In 2023, 23 complaints were registered concerning possible breaches of data

protection law addressed to the data controller and the Data Protection Authority. In addition, a request for information was made directly by the Data Protection Authority, following a complaint lodged by a natural person concerned. On the other hand, there were no reports of loss or theft of customer information.

Legal compliance

[GRI 3-3]

The objective to develop the business in close contact with the local communities and areas is placed at the heart of Iren Group's commitment to constantly combine development with respect for rules and regulations, protecting the environment and promoting the protection of natural resources based on principles of sustainable development.

With the aim of identifying and implementing the most appropriate action plan, indicatively every month and however, at least every quarter, a regulatory framework is drawn up by the Regulatory Affairs Department in which the impact of regulatory variables on the Group's results is analysed.

The Italian and international regulatory framework is constantly supervised and monitored through the following activities:

- analysis and reporting, also at a preliminary stage, of the international, national and local regulatory framework, in support of the Business Units and identification of evolutionary or implementation measures of interest;
- coordination and direction of the corporate functions involved in the implementation of the provisions of laws, of the Regulatory Authorities and of the reference Bodies, also for the purpose of fulfilling the reporting obligations towards the sector Authorities;
- coordination and/or support, jointly with the Legal Affairs Department, in the management of "antitrust risk" and "regulatory risk".

The Group concentrates its activities on the active and proactive monitoring of regulatory developments relevant to all the business sectors in which it operates, participating in consultations, hearings before Chambers (both directly and through the Trade Associations it subscribes to) and promoting direct meetings with the Authorities involved.

In particular, the topics observed in the various sectors are summarised below:

- **Energy Business Unit** – market reform/updating (capacity market, MSD revision and expansion, adjustments on imbalances), regulation of district heating, reform of the Guarantees of origin mechanism, hydroelectric concessions for large-scale diversions, incentives for energy efficiency programmes, regulation of energy communities;
- **Market Business Unit** – overcoming price protections, reform of general system charges, transposition of Directive 944/2019, implementation of the provisions on the sellers' list, reform of balancing, transport and gas settlement, regasification (integrated capacity and storage auctions, tariff issues for effective recognition of costs incurred and revenue coverage factor);
- **Waste Management Business Unit** – implementation of tariff regulation (collection and treatment) and transparency and quality (contractual and technical) of the urban waste service, support for incentives for renewable sources and biomethane, monitoring of the regulatory framework at national level (PNRR, Decrees transposing EU directives on the circular economy - with particular attention to waste assimilation criteria,

shared responsibility of the producer, reform of the consortium system, reorganisation of responsibilities and the National Waste Management Programme - and on the promotion of the use of energy from renewable sources) and at regional level (governance and planning of waste management), support for tenders for the award of the service;

- **Networks Business Unit** (water, gas and electricity distribution) - tariff regulation for operational and capital cost coverage and national equalisation, safety obligations and contingency plans, energy price, technical and commercial/contractual quality regulation, smart meter installation and their technological evolutions, arrears, tenders for service assignment, climate change and resilience. Specifically for electricity and gas distribution: smart meter, smart grids, energy communities, updating of network codes, new green inputs, pilot projects for innovative network use, active network management, with the ongoing evolution of local ancillary services, development plans, output-based regulation, bonuses for development interventions, renewable gas connections.

The following topics are monitored across all Business Units: unbundling and compliance, Remit implementation (regulation on the integrity and transparency of wholesale energy markets), the implementation of the Directive and regulation governing market abuse, the investigations and the procedures of the Antitrust Authority (AGCM).

In addition, the Legal Affairs Department monitors the legislation and, upon request, provides support in its interpretation, provides legal assistance and advice to all the structures of the Parent Company and to the Business Units and participates in working groups on issues involving the Parent Company or the Business Units.

ANTITRUST COMPLIANCE PROGRAMME

The evolution of the competitive context in the markets in which the Group operates requires increasing attention to the principles of the free market and competition, as fundamental values recognised by the Articles of Association and the Code of Ethics of Iren.

Iren Group's commitment to compliance with these principles has led to the adoption of an **Antitrust Compliance** programme, approved by the Board of Directors, aimed at strengthening internal controls, which must ensure its implementation based on the activities and markets in which they operate, as well as promoting the development of corporate culture on the subject and, at the same time, encouraging the emergence of any violations of the relevant legislation. The adoption of the Antitrust Compliance programme was preceded by a phase of mapping out the sensitive business areas and processes, and of assessing the risk of the commission of offences in this area, which allowed the preparation of an organisational model designed on the basis of the specific characteristics of the Group.

Following the analysis of national and international best practices in antitrust matters and the Antitrust Compliance Guidelines of the Italian Antitrust Authority of 25 October 2018, in implementation of the management and coordination activities exercised by the Parent Company Iren over all the Group's consolidated companies and with the support of an appointed external consultant, the following were prepared:

- antitrust risk report identifying the most exposed areas of the Group's businesses;
- Group Antitrust Code of Conduct, which sets out the guiding canons of conduct to prevent and appropriately manage potentially critical situations, with particular reference to participation in tenders, trade associations or procedures for the management of inspections by Public Administration bodies and the Antitrust Authority;

- the Group Antitrust Guidelines which define the rules of conduct that all people (top management, executives, employees, external collaborators) of the Group must follow, in order to increase the capacity for prevention, timely identification and correct reaction in situations potentially critical;
- the Procedure for the management of inspections, aimed at ensuring the orderly and limited conduct of inspections by the Italian Antitrust Authority and the European Commission.

In order to disseminate and make accessible the contents of the Antitrust Compliance Programme to Group employees, documents and an introductory presentation on competition law are published in a dedicated section of the company intranet.

The Board of Directors also appointed the Director of Legal Affairs and the Director of Regulatory Affairs as Members of the Group's Antitrust Compliance Team and, as such, responsible for the implementation of the Antitrust Compliance Programme for all consolidated Group companies.

Codes of conduct

Iren adheres to the recommendations of the **Code of Corporate Governance** (January 2020 edition), drawn up by the Italian Committee for Corporate Governance and has approved a document that highlights the governance solutions adopted with reference to the provisions of the Code.

The Company discloses to the market its adherence to the Code in the Report on Corporate Governance and Ownership Structure.

Iren Group operates in full compliance with the **Code of Business Conduct for the sale of electricity and natural gas** and, in general, with the standards of ARERA (the Italian Regulatory Authority for Energy, Networks and Environment). Furthermore, the **Service Charters** regulate the activities to achieve high quality and efficiency standards in terms of continuity and customer relations.

Iren group service charters

Waste management

Integrated water service

District heating

Thermal and communal electricity plants

Traffic lights

Public street lighting





Sustainability Strategy

Economic, environmental and social dimensions integrated into the Group's development strategy in the medium-long term, consistent with the sustainable development goals of the UN 2030 Agenda.



IN THIS CHAPTER WE TALK ABOUT

strategy



materiality
analysis



goals



results

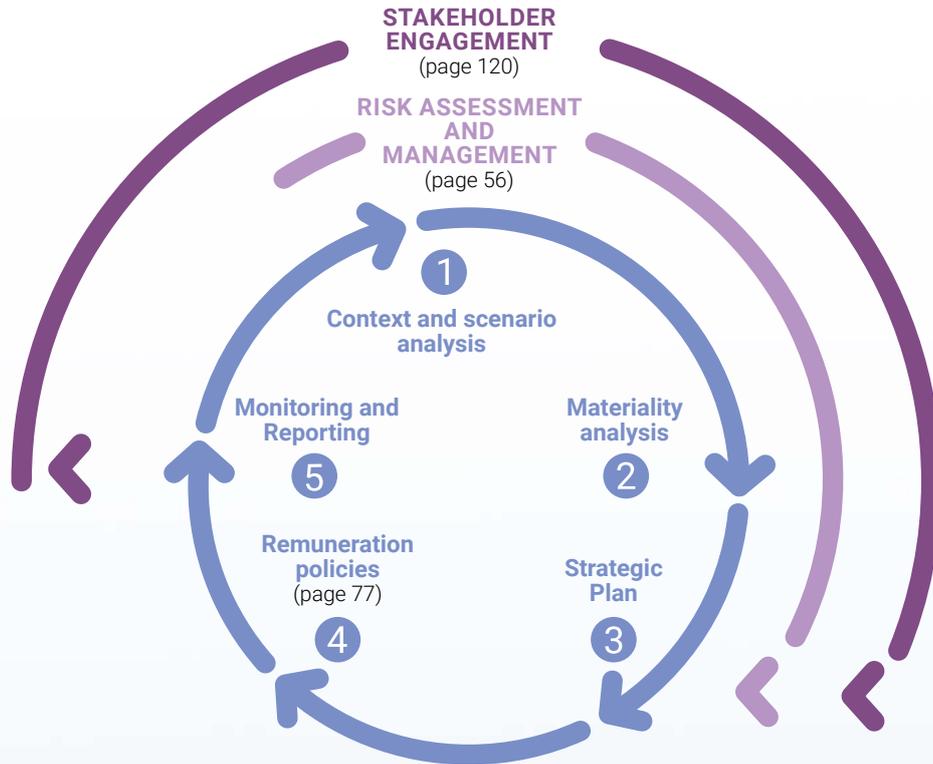




Strategy for sustainable development

[GRI 2-22]

Environmental, social and governance factors are integrated into Iren Group's strategy and operations through a structured process that involves: analysing the sustainability context and scenarios, identifying priority issues at a strategic and stakeholder level, defining development objectives, planning actions, investments and remuneration policies to achieve the planned objectives, assessing and managing risks/opportunities, monitoring and reporting, through the involvement of relevant stakeholders.



Context and scenario analysis

Iren Group analyses, in strategic planning and in the risk assessment process, the macroeconomic, financial, energy and climate context and scenarios in the short-, medium- and long-term to identify the factors that may be important for its business from a competitive, sustainable, regulatory and normative point of view and that may affect the pursuit of its development targets.

Detailed information about the energy, regulatory and financial scenarios is provided in the Group's Consolidated Financial Statements.

The **2023 sustainability scenario** is still marked by the impact of four main factors: the ongoing conflicts in Ukraine and Palestine, rising inflation, climate change implications and the lingering socio-economic consequences of the Covid-19 pandemic. These are enduring factors that amplify and prolong a global crisis affecting billions of people.

In the United Nations 2023 Report ("The Sustainable Development Goals Report 2023"), Secretary-General António Guterres draws attention to the state of progress on the Sustainable Development Goals (SDGs): about halfway to the 2030 Agenda deadline, progress on more than 50% of the SDGs is weak and insufficient, leaving more than half of the world behind.

Although the most critical phase of the pandemic now seems to be over, the world continues to feel its impacts. Recovery manifests itself as a slow, uneven and incomplete process. Childhood vaccinations have suffered the sharpest decline in thirty years, and deaths from tuberculosis and malaria have increased compared to pre-pandemic levels. In addition, the pandemic has negatively affected education, causing significant learning losses. The economic consequences are equally severe, interrupting three decades of steady progress in poverty reduction. The number of people living in extreme poverty has increased for the first time in a generation, causing the largest increase in inequality between countries in 30 years.

In 2023, the terrible consequences of wars, conflicts and human rights violations led to the displacement of more than 110 million people, including 35 million refugees, reaching unprecedented numbers. Moreover, during migrations around the world, the number of

deaths has sadly returned to pre-pandemic levels or even beyond.

At the same time, the climate crisis is intensifying due to increasing greenhouse gas emissions. The 6th Report (AR6 Synthesis Report: Climate Change 2023) of the Intergovernmental Panel on Climate Change (IPCC), finalised in March 2023, shows a global temperature increase of 1.1 °C above pre-industrial levels, predicting that by 2035, it could reach or exceed the critical point of 1.5 °C. Extreme events such as heat waves, droughts, floods and fires have become increasingly frequent and devastating, while rising sea levels threaten millions of people in coastal communities. Moreover, the increasing pollution generated by plastics continues to undermine the health of rivers, lakes, seas and oceans.

Developing countries face an unprecedented increase in external debt as a result of the pandemic, a situation aggravated by inflation, rising interest rates, trade tensions and limited fiscal capacity.

UN Under-Secretary-General for Economic and Social Affairs Li Junhua, calls on Member States to galvanise efforts and renew their commitment to the SDGs, highlighting the criticality of the moment, with only seven years to achieve change, and at the same time the opportunity to sustain the urgency, ambition and action to realise the Goals.

The **High-level Political Forum on Sustainable Development**, held in July, also drew attention to the multiple, interconnected crises that have amplified the most pressing challenges - including those related to poverty, food insecurity, inflation, debt and energy - and produced a delay in progress towards achieving the Sustainable Development Goals. Despite setbacks, the SDGs remain essential and scientific analysis shows that they are still achievable if countries work together efficiently.

In May 2023, the **G7**, hosted by Japan in the city of Hiroshima, confirmed its firm stance in its commitment to stay below the 1.5 °C global temperature increase threshold, to halt and reverse biodiversity loss by 2030, and to ensure energy security. The G7 leaders also emphasised the importance of mobilising financial resources for the further implementation and development of clean technologies and activities, as well as maintaining an open dialogue with emerging and developing countries to accelerate emission reductions and support their environmental and social transitions.

The **COP28** (Conference of the Parties) held in Dubai in December ended with an agreement that put important commitments on paper: transitioning away from fossil fuels to reach net zero emissions by 2050; tripling renewable energy capacity by 2030 and doubling energy efficiency; 30 billion Dollars for global climate solutions with the goal of attracting 250 billion Dollars in investment by 2030; and a pledge of 700 million Dollars to assist low-income countries with climate change-related loss and damage; signing of a declaration by more than 130 countries to incorporate agricultural emissions into their national climate plans and the establishment of a coalition to promote regenerative agriculture on 160 million hectares; 3.5 billion Dollars for “Green Climate Fund” and an increase of 9 billion Dollars, announced by the World Bank, to finance climate-related projects for 2024 and 2025. COP28 also drew up the first global stocktaking under the Paris Agreement, assessing the progress made towards achieving the climate goals set out in the agreement. It highlighted the need to peak global greenhouse gas emissions by 2025, followed by their reduction by 43% by 2030 and 60% by 2035 compared to 2019 levels, in order to limit global warming to 1.5°C. Parties agreed to submit by COP30 their updated climate plans for 2035, which should be aligned to the 1.5°C limit.

In 2022, **Europe** was faced with the outbreak of war on its own continent. Nonetheless, the Union was able to overcome the adversity that arose from the conflict also thanks to REPowerEU, the plan to achieve independence from Russian fossil fuels and to boost renewable energy sources, and for the first time in its history in May 2023, it was able to produce more electricity from wind and solar energy than from fossil fuels. In her end-of-year speech on the state of the European Union, President Ursula Von Der Leyen focused on key topics for sustainable development such as climate change, modernisation combined with decarbonization, energy and critical raw materials independence, gender equality violence against women, job creation, decent work and youth employment, reconciliation of work and family, biodiversity and nature conservation, economic support and business facilitation, digitalisation and artificial intelligence, fair and equitable transition, migration and human trafficking. Finally, the President confirmed her commitment to the protection of the Ukrainian people, recalling respect for fundamental rights as a pillar of the EU.

On the subject of sustainability, the European Commission adopted at the end of July the European Sustainability Reporting Standards (**ESRS**) to be used by all companies subject to the **Corporate Sustainability Reporting Directive (CSRD)**, marking

another step forward in the transition to a sustainable EU economy. The standards - which cover the full range of environmental, social and governance issues, including climate change, biodiversity and human rights - are intended to help stakeholders understand the sustainability impact of companies. ESRS are structured to ensure a high degree of interoperability between EU and global standards.

During the course of the year, the European Commission published the draft of the **Environment Delegated Act to the Taxonomy Regulation (Taxo4)**, and submitted amendments to the Climate Delegated Act, proposing additional economic activities that contribute substantially to climate change mitigation. Taxo4 defines criteria for economic activities that contribute substantially to one or more of the following environmental objectives:

- sustainable use and protection of water and marine resources;
- transition to a circular economy;
- pollution prevention and control;
- protection and restoration of biodiversity and ecosystems.

During the year, institutional discussions continued on the Corporate Sustainability Due Diligence Directive (**CSDDD**), which aims to improve the protection of the environment and human rights in the EU and worldwide. It addresses negative impacts on the environment and human rights so that companies adopt business models and strategies that are compatible with the Paris Agreement on climate change.

The European Parliament approved the Regulation for the use of the **European Green Bond** label by companies issuing green bonds, with the aim of helping investors to choose sustainable companies and avoid greenwashing. Companies that want to label their bonds as green will have to disclose information on how the proceeds of the bond will be used, allocating at least 85% of the funds raised to assets in line with the EU Taxonomy. Furthermore, companies will have to show how these investments will contribute to their transition plans to a net-zero economy.

The Presidency of the Council and representatives of the European Parliament also reached provisional political agreement on a regulation to promote the **restoration of nature**. The proposal aims to implement measures to restore at least 20% of EU land and marine areas by 2030 and all ecosystems in need of restoration by 2050. The new rules will also help achieve the EU overall climate mitigation and adaptation goals and improve food security.

Finally, the European Commission published a legislative proposal on critical raw materials to ensure a secure and sustainable supply of **critical raw materials** for European industry and to significantly reduce the EU dependence on imports from individual supplier countries. The proposed legislation sets four main objectives: diversifying EU imports of raw materials, strengthening EU capacities along the different stages of the value chain, enhancing monitoring and risk mitigation capabilities, and ensuring a well-functioning single market while improving the sustainability and circularity of critical raw materials.

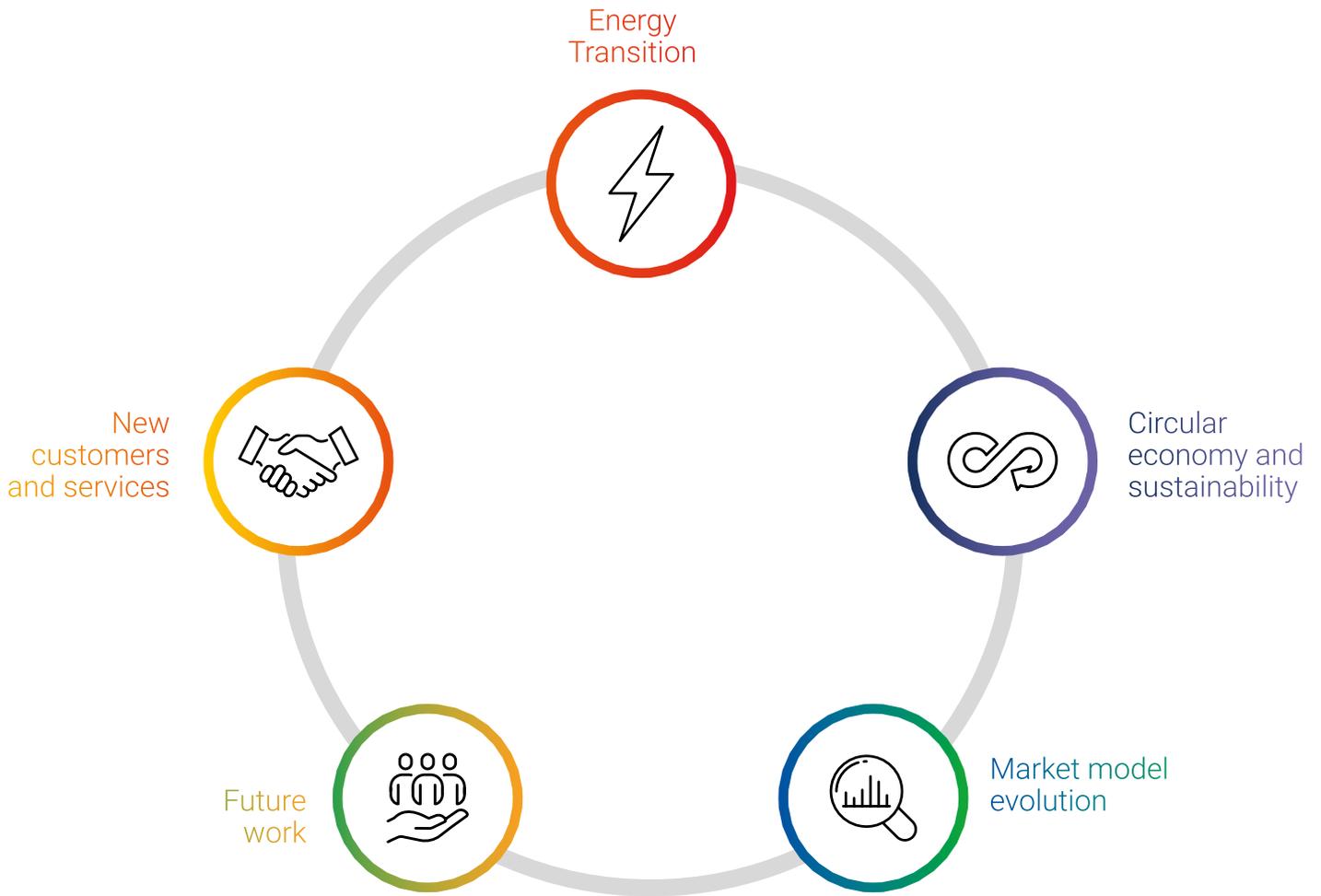
The EU orientation to strengthen the commitment to the decarbonization of energy and economic systems also finds concrete support in Italy with the update of the **Integrated National Energy and Climate Plan** (PNIEC), presented in summer 2023. Specifically, the document revises upwards most of the targets of the NECP 2020, to embrace the ambition of European climate and energy policies, setting national targets to 2030 on energy efficiency, renewables and CO₂ emissions reduction, energy security, interconnections, the single energy market and competitiveness, development and sustainable mobility. The NECP also opens the door to some new topics, such as CO₂ capture, transport and storage/utilisation (CCUS) and nuclear power, albeit only in the research area.

In September, the Interministerial Committee for Green Transition (CITE) approved the new **National Strategy for Sustainable Development** (SNSvS), which declines the goals of the UN 2030 Agenda and adapts them to the Italian context. The SNSvS is based on the five fundamental pillars, known as the "5P" of the 2030 Agenda: People, Planet, Prosperity, Peace and Partnership. These pillars are articulated through fifteen strategic decisions covering different areas, from the responsible management of natural resources to the fight against social inequalities. A central aspect of the renewed SNSvS is the introduction of target values, subject to annual monitoring by means of 55 key indicators, which provide a fundamental reference point for all administrations involved.

As part of the Italian **National Recovery and Resilience Plan** (PNRR), the implementation of investments to help the country become more sustainable and resilient continued. In particular, during the summer, the revision process of the Italian PNRR was approved by the European Parliament and the European Commission. The Plan was enriched with a new aspect with the introduction of the REPowerEU chapter, bringing the total number of Missions from 6 to 7. A change that represents a significant step towards modernising and adapting the country to the new European energy and environmental standards. In addition to the existing ones, the revised PNRR foresees seven new reforms, five of them within the REPowerEU chapter, concerning:

- the reduction of connection costs to gas networks for biomethane production;
- Power Purchasing Agreements (PPA), innovative contracts to ensure stable remuneration for those investing in renewables;
- training for workers in the private sector and public administration to strengthen green skills;
- the revision of environmentally harmful subsidies (SAD) from 2026;
- a single text for renewable energy procedures;
- the reorganisation and rationalisation of business incentives;
- the reform of cohesion policy.

In this context, Iren analysed and evaluated the **prominent trends** that, in the long-term, will be decisive in terms of risks and opportunities for the sustainable development of the Group.



An important role is attributed to **scenarios related to climate change** and its effects on the Group’s activities, deriving from the physical environment – critical phenomena (heat waves, floods, etc.) and chronic phenomena (structural changes in the climate) – and the transition situation towards a low-carbon economy.

Underlying the Group’s medium-term (2026) and long-term (2030) strategy are various scenario analyses related to the climate change impact:

- **Intergovernmental Panel on Climate Change (IPCC) RCP 2.6** which predicts a temperature increase at the end of the century compared to pre-industrial levels in a likely range between 0.3°C and 1.7°C considering ‘aggressive’ mitigation strategies whereby greenhouse gas emissions peak around 2050 and then decline in the second half of the century;
- **IPCC RCP 4.5** which predicts a temperature increase at the end of the century compared to pre-industrial levels in a likely range between 1.1°C and 2.6°C. It is a stabilisation scenario that assumes that by 2070, CO2 emissions will fall below current levels and atmospheric concentration will stabilise by the end of the century at about twice pre-industrial levels. RCP 4.5 is considered by Iren to be the most representative of the current global climate and policy context and consistent with the temperature increase estimates considering the 2030 targets (Nationally Determined Contributions);

- **IPCC RCP 8.5** (business-as-usual), compatible with a scenario where no particular measures are implemented to combat climate change, which predicts a rise in temperatures at the end of the century in a likely range between 2.6°C and 4.8°C above pre-industrial levels. By 2100, atmospheric CO₂ concentrations will have tripled or quadrupled compared to pre-industrial levels;
- **IEA Net Zero Emissions by 2050 Scenario (NZE)** shows a pathway for the global energy sector to achieve zero net CO₂ emissions by 2050, with advanced economies ahead of the rest. This scenario also meets the main UN Sustainable Development Goals (SDGs) related to energy. It is consistent with limiting the global temperature increase to 1.5°C with no or limited temperature exceedance (with a 50% probability). The NZE Scenario is based on the following principles: adoption of all available technologies and emission reduction options is dictated by cost, technology maturity, policy preferences and market and country conditions; all countries work together to achieve net zero emissions worldwide, recognising the importance of ensuring a just transition; orderly transition throughout the energy sector with security of fuel and electricity supply at all times, minimisation of non-recoverable assets and aiming to avoid volatility in energy markets;
- **IEA Stated Policies Scenario (STEPS)** which provides a more cautious benchmark for the future, because it does not assume that governments will achieve all the announced targets. It considers, with a sector-by-sector approach, what has actually been put in place to achieve energy-related targets, taking into account not only existing policies and measures, but also those that are being developed. STEPS explores where the energy system could go without significant additional guidance from policy-makers and takes into account the policies and implementation measures affecting energy markets adopted by the end of September 2022, together with related policy proposals, although the specific measures needed to implement them have yet to be fully developed. As with all policies considered, the ambitions stated by governments are not automatically incorporated into the scenario: their full implementation cannot be taken for granted and the prospects and timing for their realisation are based on IEA's assessment of the regulatory, market, infrastructure and financial conditions relevant to the countries;
- **REF-E Italian Electricity Market Scenario 2023**, and in particular, the Reference scenario that predicts that the realignment of the gas market should lead to lower electricity prices in the short term, while potential market tensions are mitigated by lower demand and the recovery of hydroelectric production. In the medium to long-term, the diversification of fuel supply sources (e.g. LNG) and the continuous integration of renewable energy sources brings the energy market back to a normalisation path and a resumption of the energy transition. The efficiency trend in electricity consumption is also confirmed to be growing in the long-term. The market-driven development of renewable energies makes it possible to partially achieve the currently set 2030 targets (PNIEC);
- **The Italian Electricity and Renewables Market Report 2023 di AFRY**, and in particular the Central scenario, which confirms, after the peaks of 2022-23, the trend of energy prices towards a stabilisation and gradual reduction starting from 2024 linked to the progressive consolidation at pre-crisis levels of the price of gas (which nevertheless remains the main driver of electricity prices until 2040); in the medium to long-term, the electricity price continues to fall as a result of increasing RES penetration; the European net zero decarbonization target is reached by 2050.

In planning, the impacts of changing the variables underlying the different scenarios are considered. For example, for the physical risks, the rising temperature trend is considered. The impact that it will have on the lower heat production for district heating and the growth of electricity generation to meet the growing demand for summer air conditioning is analysed in marginality. Other analyses concern the production of electricity from hydroelectric plants in relation to reduced rainfall and the availability of water resources in view of drought phenomena. With regard to transition risks, for example, the reduction in margins associated with the sale of natural gas is considered.

The analysis of the effects of the scenarios described in the business processes, consistent with the guidelines of the TCFD (Task Force on Climate-related Financial Disclosures), is implemented thanks to the application of a management model enabling the assessment of risks and opportunities related to climate change that support strategic choices » [SEE PAGE 62](#).

Materiality analysis

[GRI 2-24, 3-1, 3-2, 3-3]

Materiality (or relevance) analysis is the principle for identifying aspects, relevant to the company and its stakeholders, that significantly affect the ability to create value over time, i.e. **material topics** that “represent the organisation’s most significant impacts on the economy, environment and people, including impacts on their human rights”.

Iren – following the GRI 2021 and taking into consideration the ESRS 1 “General Requirements” standard prepared by EFRAG (European Financial Reporting Advisory Group), as well as the draft “Implementation guidance – Materiality Assessment” put out for consultation by EFRAG that pay great attention to material aspects as an element to strengthen the corporate sustainability strategy - has adopted a materiality analysis process that is developed dynamically, involving its stakeholders - based on the AA1000 AccountAbility Principles of inclusiveness, materiality, responsiveness and impact - to share and assess material topics for strategic development and for reporting its performance through the Sustainability Report.

Within this framework, the 2023 materiality analysis is developed on two levels:

- **assessment of the priority topics** for the Group’s strategies and for its main stakeholders (priority matrix) relevant for guiding the definition of the sustainability objectives of Iren’s Integrated Strategic Plan;
- **«double materiality¹»**, i.e. the union of:
 - **«impact materiality²»** i.e. the generated, negative and positive, actual and potential impacts on people and/or the environment caused by the Group’s operations and investments, its products and/or services or its value chain in the short-, medium- or long-term. Material topics are those for which the Group generates significant impacts;
 - **«financial materiality»** i.e. the negative and positive, actual and potential impacts suffered by the Group. Material topics generate risks or opportunities that can positively or negatively influence the Group’s economic and financial performance in the short-, medium- or long-term and, therefore, create or destroy corporate value.

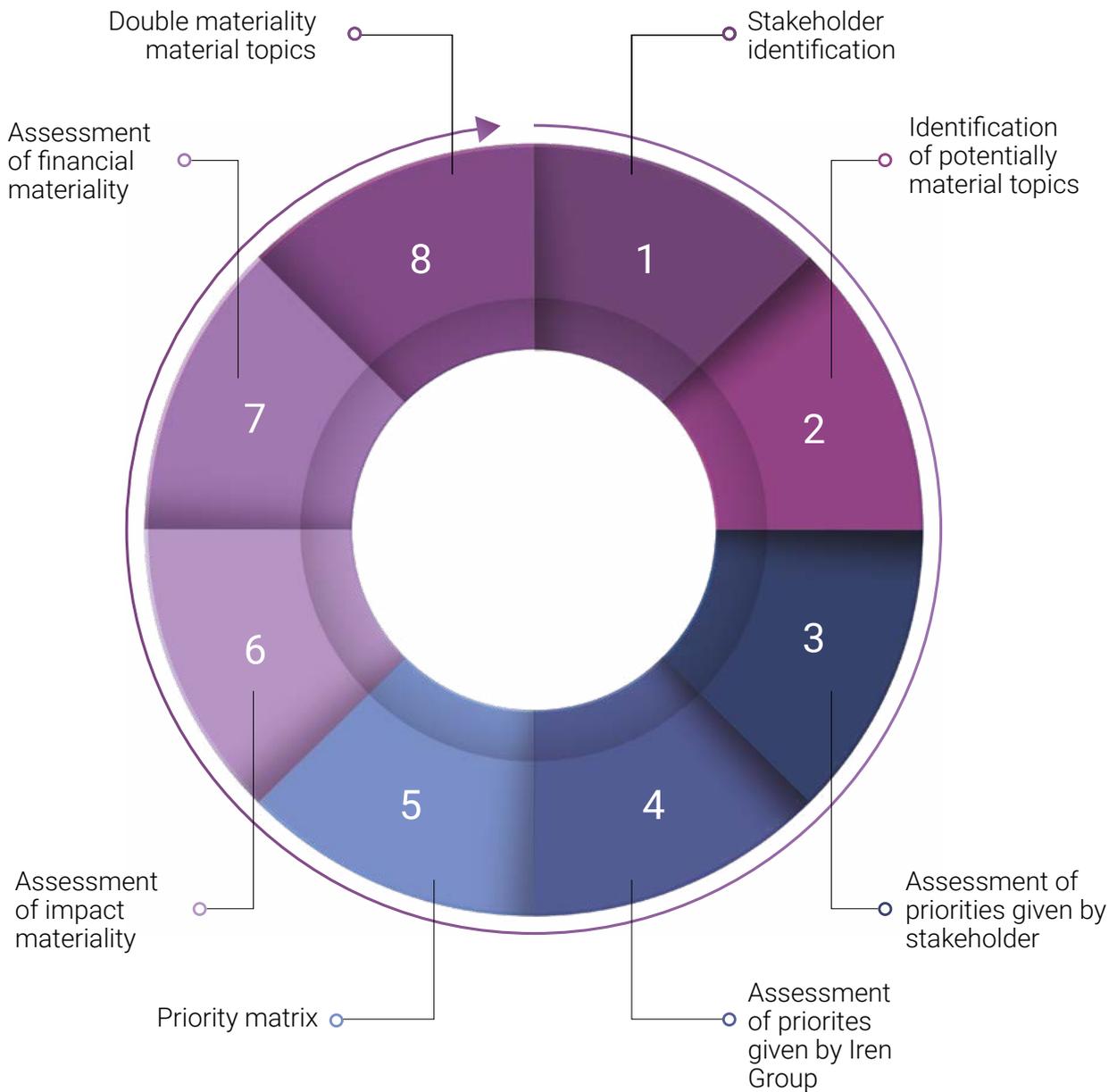
¹ The Corporate Sustainability Reporting Directive (CSRD) introduced the criterion of double materiality.
² The determination of impact materiality was carried out in accordance with GRI.

Despite the fact that the double materiality is a mandated approach for the company as of 2025 (on 2024 reporting), Iren has proactively carried out the identification of topics according to double materiality, with a commitment to refine the analysis in the coming years, also following the publication of the methodological guidelines relative to the double materiality process.

Iren Group's Corporate Social Responsibility and Local Committees Department is responsible for the materiality analysis, defines the guidelines and methodology and involves stakeholders and key figures at company level.

The materiality analysis is specifically reviewed by the Control, Risk and Sustainability Committee and approved by the Board of Directors.

The steps in the materiality analysis process are described below.



1. IDENTIFYING THE STAKEHOLDERS

The relevant stakeholders involved in the process are grouped into eight categories: Environment, Shareholders/ Institutions, Customers/Consumers, Community, Suppliers, Future generations, Workers, Investors/Lenders. The first 7 categories are represented in Iren’s Local Committees, while the Investors/Lenders category is involved in a structured way with the support of the Investor Relations and Sustainable Finance Functions. At the Group level, the company’s top management (Departments and BUs) were involved.

2. IDENTIFICATION OF POTENTIALLY MATERIAL TOPICS

The topics were identified by mapping existing and emerging sustainable development issues in Iren Group and took into account the Group’s mission, values, policies and Strategic Plan, sustainability scenarios, the 2030 Agenda and European Union goals for sustainable development, Global Compact principles, GRI standards, Legislative Decree 254/2016, the Group’s financial and non-financial reporting, customer satisfaction surveys conducted for the managed businesses, the Group’s risk map and risk register, regulatory developments in the field of sustainability, material topics of peers and competitors, issues of greatest interest to ESG rating agencies, input from internal experts, external expert assessments contained in reports and analyses (e.g., among others, *The Global Risk Report 2023* by the World Economic Forum, *The Sustainable Development Goals Report 2023* of the United Nations, *The Sustainable Development Report 2023* of the UN Sustainable Development Solutions Network - SDSN, *Global Outlook on financing for sustainable development 2023* of the OECD, *Political declaration* adopted by the UN High-Level Political Forum on Sustainable Development 2023, *Sixth Assessment Report - AR6* by IPCC, *Times of crisis, times of change: Science for accelerating transformations to sustainable development* - The four-year report prepared by an independent group of scientists appointed by the UN Secretary General, *Asvis Report 2023*, *National Strategy for Sustainable Development* approved by the Interministerial Committee for Green Transition, Update 2023 of the *Italian National Recovery and Resilience Plan*).

The identification of topics led to a minor revision of the themes identified in 2022 to take into account the context. In particular, the following changes were made:

Topics 2022	Topics 2023	Reason for revision
Circular waste management	Circular economy and waste management	Highlighting the circularity approach not only in waste management, but also in the more general use of resources
Employment, development of human resources and welfare Industrial relations	Employment, development of human resources, welfare and industrial relations	Giving greater prominence to the integrated approach adopted in the management and enhancement of human resources
Energy production and saving to reduce environmental and economic impacts	Energy efficiency and renewable production to reduce environmental and economic impacts	Creating greater alignment with Group strategy
Protection of biodiversity	Biodiversity	Highlighting the broader approach to biodiversity development
Innovation and smart cities	Innovation, digital transformation and smart cities	Creating greater alignment with Group strategy

3. ASSESSMENT OF PRIORITIES GIVEN BY STAKEHOLDERS

In order to identify the issues to be considered in the priorities and to gather stakeholders’ assessment, 5 workshops were conducted with members of Iren’s Local Committees representing the Group’s main stakeholder categories (consumers, customers, workers, suppliers, institutions, shareholders, environment,

local communities, NGOs, research, schools/universities), followed by the distribution of a structured online questionnaire also addressed to representatives of investors/lenders.

Through the questionnaire, which for each topic proposed the underlying topics, the related positive and negative impacts and the link to the SDGs (see table "Priority Topics and Related Topics" » ON PAGE 365 for details), stakeholders were asked to give each topic a priority, using a scale from 1 (lowest priority) to 5 (highest priority).

4. ASSESSMENT OF PRIORITIES GIVEN BY IREN GROUP

At the Group level, an assessment of priority issues in relation to the Group's development strategies and operations was conducted. The activity involved the first line of management representing all Group Departments and Business Units. The process saw the realisation of dedicated meetings with the most senior manager of each Department and Business Unit, with the administration of a questionnaire through which managers were asked to assign a priority to each topic, using a scale from 1 (lowest priority) to 5 (highest priority).

5. PRIORITY MATRIX

The matrix » SEE PAGE 106 represents the priority issues for stakeholders and in the Group's strategies, orients the definition of the objectives to be included in Iren's Integrated Strategic Plan and comprehensive sustainability reporting.

The matrix resulting from the analysis conducted in 2023 shows a substantial alignment between the priorities of stakeholders and those of Iren Group. The analysis process and the priority matrix were reviewed by the Control, Risk and Sustainability Committee and the Board of Directors, which approved the results at its meeting on 30 January 2024.

6. ASSESSMENT OF IMPACT MATERIALITY

Starting from the topics represented in the priority map, Iren Group proceeded - in line with GRI standards and taking into account the new EFRAG standards - with the analysis to identify the impacts generated on the economy, environment and people. The identification of the impacts was carried out by the CSR Department, which, starting from the assessments contained in the Group's risk register, selected the positive and negative impacts produced, also taking into account the contribution to the SDGs resulting from the sustainability objectives defined by the Group.

Following this activity, each identified impact was assessed for its significance (scale 1=low, 2=medium, 3=high) and likelihood (scale 1=low, 2=medium, 3=high), through interviews with the most senior managers of all Group Departments and Business Units and by means of a special assessment tool.

7. ASSESSMENT OF FINANCIAL MATERIALITY

In order to map the impacts from a financial perspective, an assessment was carried out, based on the analyses contained in the Group risk register produced by Risk Management, by the Corporate Social Responsibility and Local Committees, Administration Finance and Control and Strategic Planning functions in which the economic-financial impact of the occurrence of external risks and sustainability opportunities was assessed.

The assessment was made on the basis of a 5-level magnitude scale in relation to the impact on Net Financial Position (NFP) (1 = ≤ 1% NFP; 2 = between 1% and 5% NFP; 3 = between 5% and 10% NFP; 4 = between 10% and 15% NFP; 5 = ≥ 15% NFP). Compared to 2022, the focus was on NFP, which better reflects the impacts, as outlined in ESRS 1, in terms of impact on the financial position, financial result, cash flows, access to financing or cost of capital in the short, medium or long term.

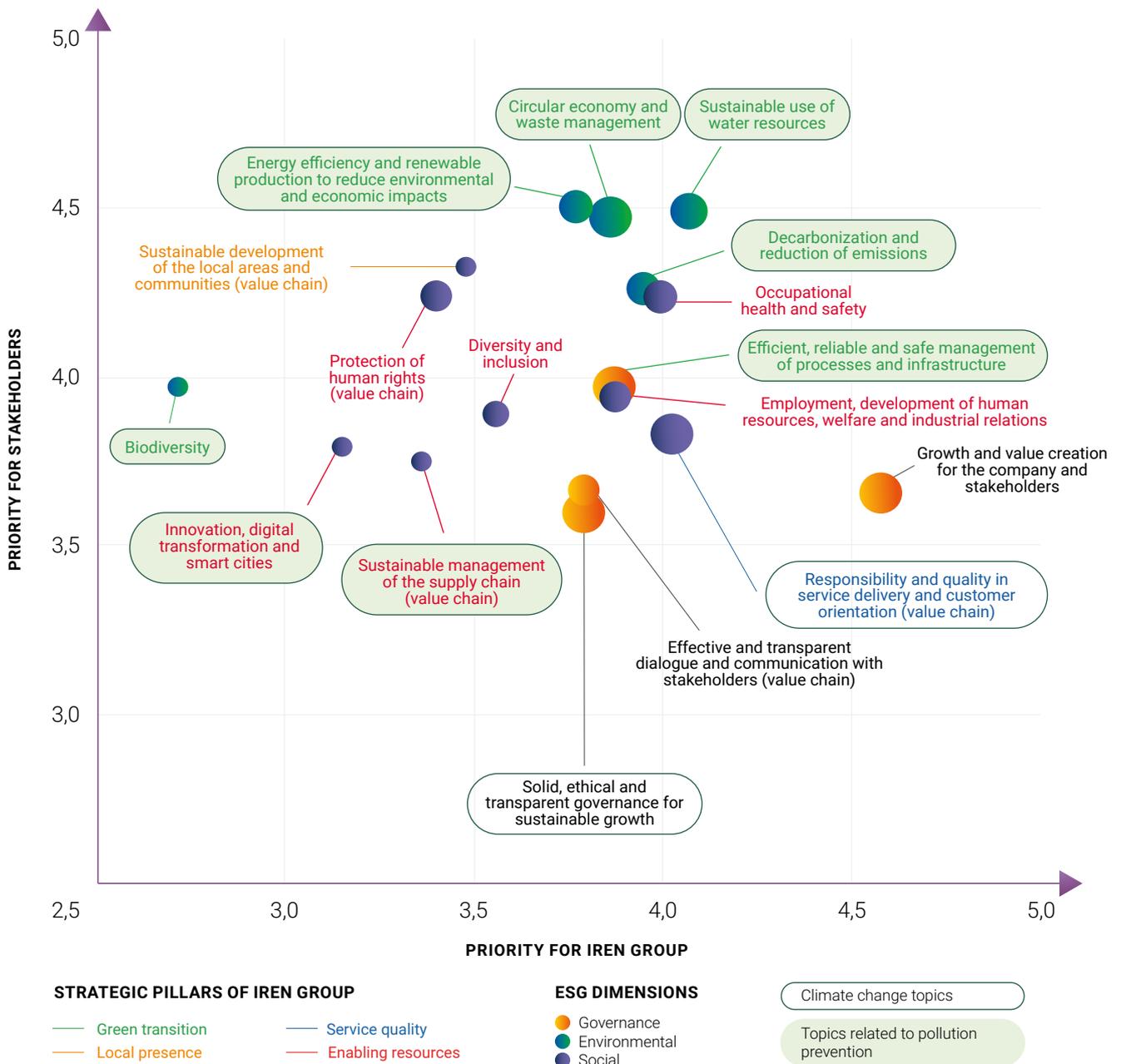
8. DOUBLE MATERIALITY: MATERIAL TOPICS

Once the impacts had been identified according to the criteria of impact materiality and financial materiality, the relative level of double materiality, understood as the union of the two perspectives of equal importance, was attributed to each topic.

The double materiality assessment and identification of material topics was reviewed by the Control, Risk and Sustainability Committee and the Board of Directors, which approved the results at its meeting on 30 January 2024.

PRIORITY MATRIX

The matrix shows the connection between priority themes, the Group’s strategic pillars and the environment/ climate change, social and governance aspects. Furthermore, through the representation of pointers of different aspects, it is possible to appreciate the level of double materiality attributed to each topic, as detailed in the “Material Topics” table.



MATERIAL TOPICS

The material topics are prioritised according to the value attributed in terms of double materiality in the table below, which represents for each topic: the main negative and positive impacts generated vis-à-vis the external context, the relative materiality of the impact, the relative level of financial materiality and the resulting level of double materiality.

Material topics	SDGs		Most significant impacts	Materiality of impacts	Type of impact *	Financial materiality	Double materiality	Management of material topics
 Growth and value creation for the company and stakeholders	 2  8	✓	Implementation of investments that improve the quality of territorial infrastructures, promote green transition and contribute to the social and economic development of the territories in which the company operates		D A			Please refer to the dedicated chapter (see page 138)
			Increased value distributed to stakeholders and direct and indirect economic impacts		D A			
		✗	Reduction of the investments required to maintain the efficiency of existing infrastructure with consequent effects on the social and economic development of the territory		D P			
			Reduction in the value distributed to stakeholders and positive economic impacts on local areas		D P			
 Responsibility and quality in service delivery and customer orientation (value chain)	 1  6  7  11	✓	Affordability and service quality measures		D A			Please refer to the dedicated chapter (see page 250)
			Development of new products/services that improve the quality of life and sustainable use of resources		D A			
			Improved responsiveness to customer/citizen needs by virtue of the dialogue/listening capacity and accessibility of communication/relationship channels		D A			
			Inefficiency and inadequate quality of services		D P			
		✗	Physical and economic inaccessibility of services with repercussions for customers/citizens, especially vulnerable ones		D P			
	Lack of transparency and listening in business practices		D P					

Material topics	SDGs		Most significant impacts	Materiality of impacts	Type of impact *	Financial materiality	Double materiality	Management of material topics
 Efficient, reliable and safe management of processes and infrastructure	 9	✓	Ensuring constant and continuous access to managed services for citizens/customers		D A			Please refer to the dedicated chapter (see page 260)
			Safety of services managed		D A			
			Improving the environmental impact of services		D A			
	 11		Economic-social impacts for communities resulting from the absence of essential services		D P			
	 12	✗	Damage to people/things resulting from a decrease in the reliability of infrastructure		D P			
			Uncontrolled circulation of confidential information concerning citizens/clients		D P			
 Circular economy and waste management	 12	✓	Reduction of waste production and consequent improvement of environmental quality		D/I A			Please refer to the dedicated chapter (see page 193)
			Reducing the use of raw materials by extracting new resources from waste		D/I A			
	 13		Increased waste production and non-recovery resulting in a deterioration of environmental quality		D/I P			
	 12	✗	Reduced availability of raw materials and increased use of fossil fuels		D/I P			
 Solid, ethical and transparent governance for sustainable growth	 16	✓	Value creation fostered by ethical management, adherence to standards and principles of conduct and stable corporate governance		D A			Please refer to the dedicated chapter (see page 40)
			Mitigation of risks with potential external economic, environmental and social impacts		D A			
		Contribution to the dissemination to stakeholders of the principles of integrity and ethics in business activities		D/I A				
	 17	✗	Loss of value resulting from unethical and non-standard conduct or governance instability		D P			
			Negative external impacts produced by regulatory and/or Code of Ethics violations and failure to manage risks		D P			

Material topics	SDGs	Most significant impacts	Materiality of impacts	Type of impact *	Financial materiality	Double materiality	Management of material topics	
 <p>Sustainable use of water resources</p> 	<div style="background-color: #0072bc; color: white; padding: 2px; text-align: center; width: 20px; margin-bottom: 5px;">6</div> <div style="background-color: #0072bc; color: white; padding: 2px; text-align: center; width: 20px;">14</div>	<p>Reduction of water withdrawals from the environment for drinking purposes also by reducing consumption and network leaks</p>		D/I A			Please refer to the dedicated chapter (see page 183)	
		<p>Safety and quality of water resources for drinking water use</p>		D A				
		<p>Improving the quality of the water resource returned to the environment</p>		D A				
		<p>Contribution to the reduction of water stress, through the reuse of water resources</p>		D/I A				
		<p>Increased water withdrawals from the environment for drinking purposes</p>			D/I P			
		<p>Deterioration in the quality of distributed water</p>			D P			
		<p>Environmental damage due to inadequate management of water returned to the environment</p>			D P			
		<p>Stress of water resources</p>		D/I P				
 <p>Employment, development of human resources, welfare and industrial relations</p>	<div style="background-color: #c00000; color: white; padding: 2px; text-align: center; width: 20px; margin-bottom: 5px;">4</div> <div style="background-color: #c00000; color: white; padding: 2px; text-align: center; width: 20px; margin-bottom: 5px;">8</div> <div style="background-color: #c00000; color: white; padding: 2px; text-align: center; width: 20px;">10</div>	<p>Employment and professional growth as an opportunity for social development</p>		D A			Please refer to the dedicated chapter (see page 288)	
		<p>Stability, quality and work-life balance (for example through work flexibility mechanisms) for employees with positive impacts on local communities</p>		D A				
		<p>Dissemination of skills and knowledge in the local area and communities</p>		DA				
		<p>Ensuring decent work for Iren people with positive impacts on local communities</p>		D/I A				
		<p>Reduced employment opportunities</p>			D/I P			
		<p>Reduction of current employment levels</p>			D/I P			
		<p>Depletion of skills in the local area and in communities</p>			D/I P			
		<p>Slowdown/disruption of operations, and consequently of the continuity/quality of services, due to causes attributable to workers' strikes</p>		D P				

Material topics	SDGs		Most significant impacts	Materiality of impacts	Type of impact *	Financial materiality	Double materiality	Management of material topics
 Energy efficiency and renewable production to reduce environmental and economic impacts	 7	✓	Contribution to green transition by reducing consumption of non-renewable natural and energy resources in production processes		D/I A			Please refer to the dedicated chapter (see page 176)
			 12	Dedicated energy efficiency and self-production services for communities and customers		D A		
	 13	✗	Stress on non-renewable natural resources		D/I P			
			 13	Negative environmental impacts of non-renewable energy production (emissions)		D P		
 Decarbonization and reduction of emissions	 13	✓	Reducing environmental impacts leading to climate change		D/I A			Please refer to the dedicated chapter (see page 165)
			Contribution to the achievement of national and international environmental/climate targets		D/I A			
	 13	✗	Environmental impacts contributing to climate change		D P			
			Failure to contribute to national and international environmental/climate targets		D/I P			
 Occupational health and safety	 3	✓	Reduction of injuries/occupational diseases and consequent reduction of pressure on health services, thanks to continuous improvement of safety culture		D A			Please refer to the dedicated chapter (see page 317)
			 8	Health prevention for Iren people with positive social and economic impacts for the community		D A		
	 8	✗	Increase in work-related injuries and occupational diseases resulting in increased pressure, including economic pressure, on health services		D P			
 16			Ensuring clear and transparent information on strategies and activities managed		D A			
 Effective and transparent dialogue and communication with stakeholders (value chain)	 16	✓	Cultural dissemination and community project development		D A			Please refer to the dedicated chapter (see page 120)
			 17	Lack of clear, transparent and accessible information to citizens/customers, on services, and to shareholders and investors		D P		
	 17	✗	Inadequacy of services to stakeholders' needs		D P			
 8			Contribution to socio-economic growth that promotes the inalienability of people's rights throughout the value chain		D/I A			
 Protection of human rights (value chain)	 10	✗	Failure to respect fundamental rights in the value chain		D/I P			Please refer to the dedicated chapter (see page 80)

Material topics	SDGs	Most significant impacts	Materiality of impacts	Type of impact *	Financial materiality	Double materiality	Management of material topics
 Diversity and inclusion	<div style="background-color: #e91e63; color: white; padding: 2px; text-align: center; width: 20px; margin: 2px;">5</div> <div style="background-color: #e91e63; color: white; padding: 2px; text-align: center; width: 20px; margin: 2px;">10</div>	Ensuring equal professional and salary opportunities for less represented categories		D A			Please refer to the dedicated chapter (see page 312)
		✓ Contribution to reducing youth unemployment		D/I A			
		Combating all forms of discrimination		D/I A			
		Non-inclusive environment affecting, also culturally, the entire value chain		DP			
		✗ Lack of youth employment opportunities		D/I P			
✗ Lack of contribution to the reduction of socio-economic gaps for less represented groups		D/I P					
 Sustainable management of the supply chain (value chain)	<div style="background-color: #e91e63; color: white; padding: 2px; text-align: center; width: 20px; margin: 2px;">8</div> <div style="background-color: #e91e63; color: white; padding: 2px; text-align: center; width: 20px; margin: 2px;">10</div>	Reduction of environmental and social impacts generated by the supply chain		I A			Please refer to the dedicated chapter (see page 333)
		✓ Promoting a culture of sustainable growth in supply chain enterprises		D/I A			
		✗ Increased environmental, economic and social impacts related to the supply chain's failure to adopt sustainability principles and policies		D/I P			
 Sustainable development of the local areas and communities (value chain)	<div style="background-color: #e91e63; color: white; padding: 2px; text-align: center; width: 20px; margin: 2px;">4</div> <div style="background-color: #e91e63; color: white; padding: 2px; text-align: center; width: 20px; margin: 2px;">11</div> <div style="background-color: #e91e63; color: white; padding: 2px; text-align: center; width: 20px; margin: 2px;">17</div>	Socio-economic development of communities through dialogue, active listening and collaboration with stakeholders		D/I A			Please refer to the dedicated chapter (see page 222)
		✓ Contribution to territorial resilience to exogenous economic, social and environmental phenomena		D/I A			
		Creating and disseminating a culture of sustainability to raise awareness of the value of resources		D/I A			
		✗ Lack of attention to stakeholder demands that may develop socio-economic tensions in communities		D P			
		✗ Weakening of territorial resilience to exogenous economic, social and environmental phenomena		I P			
✗ Unsustainable use of resources due to lack of culture and knowledge		D/I P					

Material topics	SDGs		Most significant impacts	Materiality of impacts	Type of impact *	Financial materiality	Double materiality	Management of material topics
 Biodiversity	14	✓	Reducing pollution in air, water and soil to counter biodiversity loss		D A			Please refer to the dedicated chapter (see page 213)
	15	✗	Failure to contribute to the conservation of natural habitats and ecosystems		D P			
 Innovation, digital transformation and smart cities			Socio-economic development of communities enabled by digitalisation, technological innovation of services and investment to support innovative local cleantech start-ups		D/I A			Please refer to the dedicated chapter (see page 345)
	9	✓	Reducing environmental impacts on the territory through technological and process innovations and digitalisation		D/I A			
	11		Contribution to the territorial innovation and digitalisation system towards a new model of sustainable development resulting from structured collaboration with universities, research centres and other partners in the area		D A			
	13		Promoting electric mobility in cities		D A			
			Missed opportunities for socio-economic progress for the local area and communities		D/I P			
		✗	Unsustainable use of natural resources and environmental heritage due to technological lag for green transition		D/I P			
			Impoverishment of the territorial innovation and digitalisation system		I P			

Topics related to the strategic pillars of Iren Group: **Green transition** **Local presence** **Service quality** **Enabling resources**

 Governance topics  Environmental/climate change topics  Social topics

 Climate change topics  Topics related to pollution prevention

* D=impact generated directly; I=impact generated indirectly through business relations; A=current impact; P=potential impact

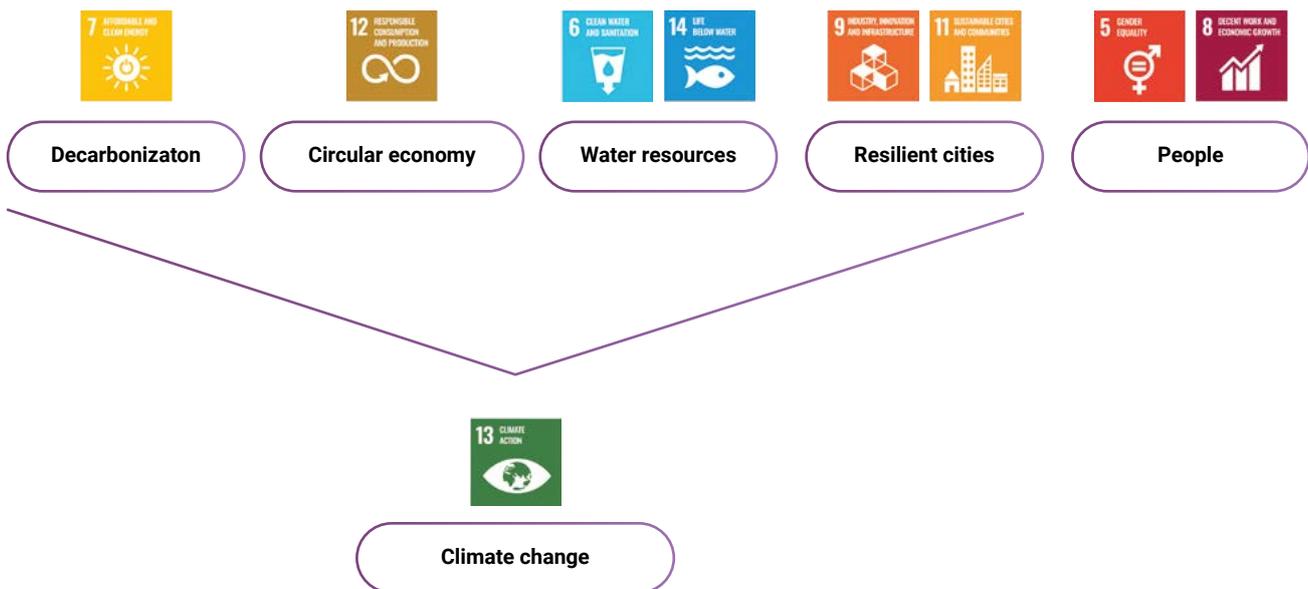
Strategic plan

[GRI 2-22, 3-3]

The growth strategy, approved by the Board of Directors, is consistent with the Group’s mission and vision and the **main macro-trends** of the sector described above.

The Strategic Plan to 2030, is based on **three pillars**: the **green transition** with a progressive decarbonization of all activities and the strengthening of leadership both in the circular economy and in the sustainable use of resources; **local presence** with an extension of the perimeter in the historical territories and the evolution as a reference partner for the communities by expanding the portfolio of services offered; **quality** through the improvement of performance and the maximisation of customer/citizen satisfaction levels.

The **industrial strategy integrates the sustainability strategy** that defines precise medium- and long-term targets and is divided into the following **5 focus areas**



The year 2023 confirmed the **resilience of the business model** of Iren Group, even in the context of high uncertainty that characterised the year, which will be further strengthened by the investments planned to support the various businesses and, in particular, by the significant share of investments allocated to the achievement of sustainability objectives.

The integration of sustainability in the Strategic Plan and in the drivers of capital allocation, with a **time horizon up to 2030**, helps define the role that Iren Group intends to play for a development consistent with European policies and the challenges emerging from the context.

The objectives and targets of Iren Group's medium- and long-term Business Plan are summarised below.

Areas of development	Target		SDGs
	2026	2030	
VALUE			
Cumulative Investments from 2023	4.9 billion Euro	10.5 billion Euro	
Portion of sustainable investments		80%	
EBITDA	1,450 million Euro	1,870 million Euro	
NFP/Ebitda ratio	3.2x	2.7x	
Net profit	330 million Euro	460 million Euro	
GREEN TRANSITION			
Decarbonization			
Installed power from renewable sources	1.3 GW	3.4 GW	
Power generation carbon intensity (scope 1)	298 gCO ₂ /kWh	176 gCO ₂ /kWh	
Renewable electricity purchased (scope 2)	95%	100%	 
Reduction of scope 3 emissions (compared to 2020) deriving from:			
• use of products sold (gas)		-25%	
• fuel and energy related activities		-13%	
Energy saving in production processes	1,100 TOE/000	1,740 TOE/000	
Emissions avoided from waste recovery	1,740 tCO _{2eq} /000	2,290 tCO _{2eq} /000	
Circular economy			
Sorted waste collection in legacy regions	74.6%	76.2%	
Waste recovered in Group plants	1,670 t/000	2,310 t/000	 
Biomethane from biodegradable waste	34 million m ³	44 million m ³	
Reuse of wastewater	10 million m ³	20 million m ³	
Water resources			
Wastewater treatment capacity	3,850 A.E./000	3,970 A.E./000	 
Water withdrawals from the environment	265 l/inhabitant/day	261 l/inhabitant/day	
Water network leaks	26.5%	20.0%	
District subdivision of water distribution networks	77%	90%	
Resilient cities			
Volumes served by urban district heating	105 million m ³	116 million m ³	 
Eco-vehicles out of total	32%	67%	
Green electricity sold to retail customers	2,500 GWh	3,500 GWh	
Energy saving from Group products/services	500 TOE/000	700 TOE/000	

Areas of development	Target		SDGs
	2026	2030	
LOCAL PRESENCE			
Portion of investments in the territory out of total		95%	
Expansion of local presence			
Inhabitants served district heating	0.65 million	0.7 million	
Inhabitants served waste collection	5.0 million	5.5 million	
Inhabitants served integrated water service	4.3 million	4.8 million	
E-mobility			
Public/semipublic electric charging columns		4,000	
Electric charging wallboxes installed for private individuals	14,000	60,000	
Energy efficiency and urban requalification			
Energy communities - installed power	150 MW	400 MW	
SERVICE QUALITY			
2G electric smart meters installed		100%	
Gas smart meters installed		100%	
Insourcing of customer operations key activities		75%	
Network of counters/shops (compared to 2020)		+80%	
Penetration on sale of Iren Plus service platform		39%	
PEOPLE			
Employment, development and skills enhancement			
New hires (cumulative from 2020)	+2,900	+4,000	
Training hours per capita	27	30	
Employees evaluated on performance ⁽¹⁾	100%	100%	
Diversity & Inclusion			
Women in managerial roles	26.5%	30.0%	
Hires under 30 out of total hires ⁽²⁾	70%	75%	
Welfare and personal care			
Injury incidence rate	43	42	
Employees with supplementary health care	93%	95%	



⁽¹⁾ Out of eligible population: Managers, Junior Managers and white-collar employees in service for more than 6 months in the year.

⁽²⁾ Progressive percentage on cumulative recruitment from 2020 onwards on a permanent basis and independent of contract takeovers and internalisations

Monitoring and reporting

Iren undertakes to manage and measure its performance, considering economic, environmental, and social aspects in defining strategic objectives and reporting of its activities. An approach aimed at the complete integration of sustainability in the strategic business choices.

To this end, the Group has structured an internal system for quarterly monitoring of sustainability performance, which enables it to make the analyses and management decisions necessary to ensure that the objectives of the Strategic Plan are achieved, and has integrated sustainability objectives into the Group's remuneration system » SEE PAGE 77.

The Sustainability Report is also a tool for communicating and monitoring the adherence of operations to the strategy and, precisely with this objective, it reports the progress made towards achieving the targets set by the Group Business Plan.



Progress toward goals

[GRI 2-22, 3-3]

The following are the results achieved in 2023 towards the achievement of the objectives set out in Iren Group's Business Plan.

Areas of development	2023 Results	2030 Objectives
VALUE		
	1.3 billion Euro of gross investments ⁽¹⁾	10.5 billion Euro of cumulative gross investments from 2023 ⁽¹⁾
	79% sustainable investments in the year	80% sustainable investments over the plan
	Ebitda at 1,197 million Euro	Ebitda at 1,870 million Euro
	NFP/Ebitda ratio 3.3x	NFP/Ebitda ratio 2.7x
	255 million Euro net profit	460 million Euro net profit
GREEN TRANSITION		
	0.8 GW of installed power from renewable sources	3.4 GW of installed power from renewable sources
	337 gCO ₂ /kWh carbon intensity of energy production (scope 1)	176 gCO ₂ /kWh carbon intensity of energy production (scope 1)
	0.6% renewable electricity purchased (scope 2 emissions)	100% renewable electricity purchased (scope 2 emissions)
Decarbonization	-16% scope 3 emissions from use of products sold (gas distributed)	-25% scope 3 emissions from use of products sold (gas distributed)
	-11% scope 3 emissions from fuel and energy related activities	-13% scope 3 emissions from fuel and energy related activities
	770,000 TOE saved from production processes	1,740,000 TOE saved from production processes
	1,420,000 tCO _{2eq} avoided through waste recovery	2,290,000 tCO _{2eq} avoided through waste recovery
	71% sorted waste collection in legacy regions	76.2% sorted waste collection in legacy regions
Circular economy	937,000 t waste sent for material recovery in Group facilities	2,310,000 t waste sent for material recovery in Group facilities
	9 million m ³ of biomethane produced from biodegradable waste	44 million m ³ of biomethane produced from biodegradable waste
	6 million m ³ of purified wastewater reused	20 million m ³ of purified wastewater reused
	260 litres/inhabitant/day of water withdrawal from the environment	261 litres/inhabitant/day of water withdrawal from the environment
Water resources	30.4% water distribution network leaks (historical territories)	20% water distribution network leaks (historical territories)
	66.8% of water networks divided into districts	90% of water networks divided into districts
	3,675,000 inhabitants equivalent of wastewater treatment capacity	3,970,000 inhabitants equivalent of wastewater treatment capacity

⁽¹⁾ Including work for customers carried out by Iren Smart Solutions

Areas of development	2023 Results	2030 Objectives
GREEN TRANSITION		
Resilient cities	101 million m ³ of district heating volumes	116 million m ³ of district heating volumes
	20% eco-vehicles on total fleet	67% eco-vehicles on total fleet
	1,755 GWh of green electricity sold to retail customers	3,500 GWh of green electricity sold to retail customers
	367,000 TOE saved by Group products/services to customers	700,000 TOE saved by Group products/services to customers
LOCAL PRESENCE		
	96% investments in the legacy regions	95% investments in the legacy regions
	0.6 million inhabitants served by district heating	0.7 million inhabitants served by district heating
	3.8 million inhabitants served by waste collection	5.5 million inhabitants served by waste collection
	3.1 million inhabitants served in the integrated water service	4.8 million inhabitants served in the integrated water service
	85 public/semipublic electric charging columns	4,000 public/semipublic electric charging columns
	239 electric charging wallboxes installed for private individuals	60,000 electric charging wallboxes installed for private individuals
	1.3 MW of installed power in energy communities	400 MW of installed power in energy communities
SERVICE QUALITY		
	41% 2G electric smart meters installed	100% 2G electric smart meters installed
	90% gas smart meters installed	100% gas smart meters installed
	57.4% insourcing of customer operations key activities	75% insourcing of customer operations key activities
	+28% network of counters/shops compared to 2020	+80% network of counters/shops compared to 2020
	33% penetration on sale of Iren Plus service platform	39% penetration on sale of Iren Plus service platform
PEOPLE		
Employment, development and skills enhancement	+3,322 hires compared to 2020	+4,000 hires compared to 2020
	23 training hours per capita	30 training hours per capita
	86% of people evaluated on performance	100% of people evaluated on performance
Diversity & Inclusion	25.1% women in managerial roles	30% women in managerial roles
	57% hired under 30 ⁽¹⁾	75% hired under 30 ⁽¹⁾
Welfare and personal care	45 value of the injury incidence rate	42 value of the injury incidence rate
	72% employees with supplementary health care	95% employees with supplementary health care

⁽¹⁾ Progressive percentage on cumulative recruitment from 2020 onwards on a permanent basis and independent of contract takeovers and internalisations

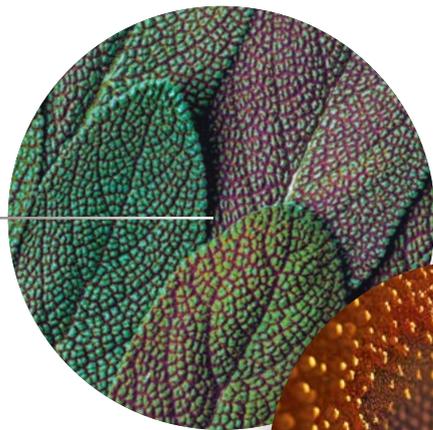


Stakeholders
and value
creation

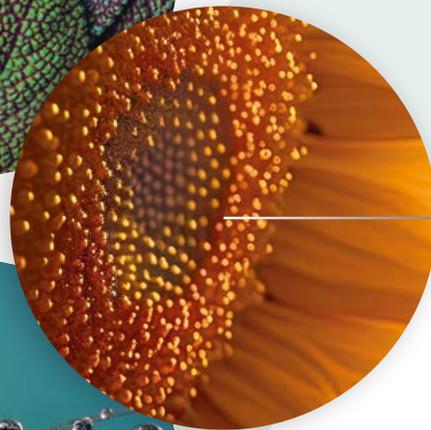
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IN THIS CHAPTER WE TALK ABOUT

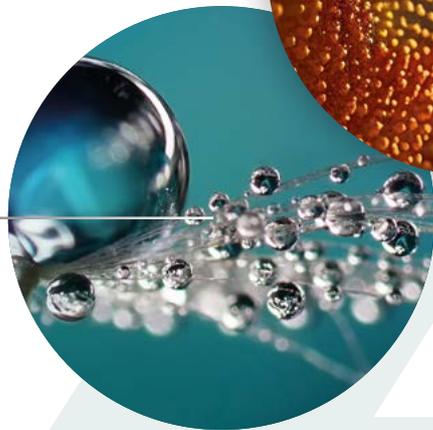
stakeholder

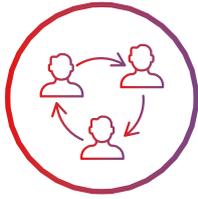


distributed
value



sustainable
finance





Stakeholder engagement

[GRI 2-12, 2-16, 2-23, 2-25, 2-27, 2-28, 2-29, 3-3, 415-1]

Stakeholder engagement plays a crucial role in managing activities and defining the Group’s sustainable development strategies. Communication, together with the ability to listen and participation are the fundamental tools of the relationship between the Group and its stakeholders. Iren Group’s Sustainability Policy places dialogue and collaboration with stakeholders, together with the assessment of impacts, among the fundamental prerequisites for creating shared value and sustainable development.

Effective and transparent dialogue and communication with stakeholders



Risks

- Ineffective communication of strategies, policies and performance to stakeholders
- Insufficient/ineffective communication to citizens/customers on provided services
- Disruption of relations/disputes with Public Authorities with subsequent negative reputational impact
- Compromising relations with Shareholders and Investors
- Ineffective communication towards employees
- Errors/omissions in the contents of product/service communication campaigns
- Violation of the Code of Ethics conduct criteria



Opportunities

- Brand promotion
- Community project development
- Changing consumption behaviour of customers and communities
- Improving the internal climate



Management methods

- Structured communication plans on strategies, objectives, plants and services
- Code of Ethics
- Sustainability Policy
- Organisational Model 231 and information flows to the Supervisory Bodies
- Policy for Managing Dialogue with Shareholders and Investors
- Local Committees
- Organisational and managerial oversight
- Procedures: Management of Media Relations; Whistleblowing; Internal management and external communication of relevant information and/or privileged information; Internal communication; Management of information relating to transparency obligations

Iren Group considers sustainability as a fundamental lever for the creation of value over time and is constantly committed to conducting its activities considering the interests of its stakeholders, in the awareness that dialogue and the sharing of objectives are tools through which to create mutual value.

The Group is thus oriented to creating, strengthening and expanding its relations with stakeholders to guarantee them the widest possible scope for discussion and dialogue: engagement is based on the criteria of inclusion, transparency, fairness, and attention to ethical, environmental and social aspects.

Dialogue is based on the principles of inclusiveness, materiality and compliance laid down in the AccountAbility1000 Stakeholder engagement standard in order to address and responsibly respond to issues and impacts.

The long-term objective of sustainable success, referred to in the Corporate Governance Code of listed companies, to which Iren has adhered, is based on the relationship that the company establishes with its stakeholders. With this in mind, Iren Group ensures the widest and most timely circulation of significant information to its shareholders, institutional investors, intermediaries operating on the financial market and all stakeholders, in order to guarantee broad knowledge and transparency.

For the purposes of transparency of information, every year the Sustainability Report is presented to stakeholders and published on the Group's website. Moreover, Iren manages internal and external communication activities to explore the commitment put in place and to ensure environmental, social and economic sustainability in planning and management.

Considering the impact of the Group's activities on the quality of life of residents and the local region, the main stakeholder categories are represented by the Iren Local Committees, created as a tool designed to promote dialogue, debate and participatory planning between the Group and its stakeholders.



 <h3>Customers</h3> <p>are bearers of needs to be answered effectively and reliably with affordable innovative, customised and vulnerable-oriented sustainable solution and services</p> <p>See chapter "Service quality"</p>	 <h3>Suppliers</h3> <p>are partners with whom to collaborate in the growth strategy for ecological transition, local presence and service quality, and with whom to share ideas and innovations for continuous improvement</p> <p>See chapter "Our Suppliers"</p>	 <h3>Shareholders and Financial Backers</h3> <p>support the Group's growth prospects through a constant and open relationship, based on principles of fairness and transparency, which stimulates the definition of increasingly challenging strategies to create long-term value</p> <p>See chapters "Relations with shareholders and investors" and "Relations with financial backers"</p>	 <h3>People</h3> <p>are the Group's main resource, an asset to be cultivated through the enhancement and continuous development of skills, attention to welfare activities and promoting a culture of diversity, inclusion and innovation to meet future challenges</p> <p>See chapter "Our People"</p>
 <h3>Community and territories</h3> <p>are the focus for growth and value creation with which we design initiatives to promote social and environmental sustainability as well as local infrastructural and socio-economic development</p> <p>See chapter "Local presence"</p>	 <h3>Future generations</h3> <p>will be affected positively or negatively by present actions, the responsibility towards them is to build a balanced development that integrates ecological dimensions, social solidarity and economic capacity, leaving in the hands of future decision-makers and citizens the conditions to continue to ensure the sustainability of the planet</p> <p>See chapter "Sustainability education"</p>	 <h3>Institutions</h3> <p>build the system of opportunities, rules and collaboration through which citizens, businesses, the financial world, education, research and innovation can contribute responsibly to sustainable development</p> <p>See chapter "Relations with Institutions"</p>	 <h3>Environment</h3> <p>offers the resources to sustain the needs of humanity and requires the assumption of responsibility in order to reverse the trend of a growing and unsustainable debt towards it</p> <p>See chapter "Green Transition"</p>

The process of selecting the stakeholders represented in the Iren Local Committees, as provided for in the Regulation approved by the Board of Directors, is structured through a bottom-up mechanism that stimulates the expression of interest by local stakeholders, excluding the Group's self-referentiality in the choice of relevant interests.

According to this mechanism, the task delegated to the Directors of the Group consists mainly in a supervisory role over the smooth running of the proceedings, while it is up to the candidates to manifest their capacity as depositary of a relevant interest, demonstrating, according to pre-defined rules, their representative capacity in this regard.

Iren local committees

The involvement of stakeholders in the activities and in the definition of the Group's sustainable development strategy also takes the form of the Local Committees, bodies set up to strengthen relations with communities and local areas, analyse and anticipate their needs, stimulate innovative initiatives in the environmental and social aspects, increase widespread knowledge of the strategies and services offered, guaranteeing a broad representation of stakeholders and directly involving the top management of Iren Group.

Iren Local Committees were set up in 2014, to strengthen and make the dialogue with stakeholders systematic, also thanks to participatory planning actions and moments of consultation on sustainability, innovation and the quality of the services managed by the Group. Through Local Committees, stakeholders can also draw the Group's attention to issues relating to services, as well as to environmental and social sustainability.

Stakeholder engagement activities generate project ideas for the improvement of environmental and social performance and are reported annually in the Sustainability Report. The Committees are also a tool to collect, through the participatory planning platform irencollabora.it, the ideas and proposals of residents to design new sustainable development solutions, enhancing the experience, knowledge and skills of local communities to create shared value and generate growth for the Group and for the areas in which it operates, with the aim of implementing concrete and tangible projects » [SEE PAGE 225](#). The information flow produced by the platform is also a source that inspires Iren to adopt innovative service strategies and anticipate the needs of the local areas.

The Committees are made up of 15-18 members, the representatives of categories of stakeholders, who offer voluntary and free participation. In addition to these, there are five members by right: a representative of the municipal capital, a representative of the provincial municipalities, a representative of the Local University, the Iren Deputy Chairperson and the Chairperson, as a permanent guest.

Through specific internal working groups, each Committee oversees the activities for the best implementation of the projects, proposed by the Committees themselves or by citizens via irencollabora.it. In 2023, 66 meetings of Committees and working groups were held, and in December 2023, the platform irencollabora.it counted 2,310 registered profiles and 158 proposed projects.

Stakeholder engagement activities through the Local Committees are delegated to the Deputy Chairperson who, for their management, makes use of the Corporate Social Responsibility and Local Committees Department, reporting directly to the Deputy Chairperson, and which periodically reports to the Control, Risks and Sustainability Committee and to the Board of Directors on the progress of activities and on the comparison and planning actions carried out within the Committees themselves.

Material topics: stakeholder engagement

Iren has consolidated a process involving stakeholders present in the Local Committees in the materiality analysis **» SEE PAGE 102** to share and assess the priority topics for the Group’s strategic development and report its performance.



Stakeholders are part of the materiality analysis process for strategic and reporting purposes

The process compares the Group’s vision with that of the various categories of stakeholders to take on board their contribution in defining the strategy and developing reporting that is increasingly relevant and focused on their real interests, providing a clear framework of policies, actions and results achieved.

The materiality analysis, conducted annually, makes it possible to detect the expectations of stakeholders and to understand the evolution of material issues over time. In 2023, the priorities assigned to the issues by stakeholders were identified thanks to 5 face-to-face meetings and an online questionnaire administered to all 95 members of Iren’s Local Committees, as well as to 9 investors and financial backers.

The main high-priority topics highlighted by the different stakeholder categories are listed below, together with the engagement initiatives on these topics managed in 2023.

Stakeholders	Priority topics	Engagement initiatives
Shareholders and Institutions	<ul style="list-style-type: none"> • Solid, ethical and transparent governance for sustainable growth • Energy efficiency and renewable production to reduce environmental and economic impacts • Decarbonization and reduction of emissions • Circular economy and waste management • Protection of human rights • Biodiversity • Innovation, digital transformation and smart cities • Employment, development of human resources, welfare and industrial relations • Diversity and inclusion • Sustainable development of the local areas and communities 	<ul style="list-style-type: none"> • Presentation of the Business Plan to 2030 • Communication of results and possible future risks • Shareholders’ Meeting • Roadshows and webcasting • Sustainable Finance Framework • ESG Rating • Development of renewable sources • Projects/services for energy saving, energy efficiency and sustainable mobility (IrenGo, Iren Plus, Iren Smart Solutions, Energy Communities) • Obtaining energy from waste • Human rights policies also towards the supply chain • Biodiversity projects also in collaboration with local realities and organisations • Collaboration in institutional environmental and social projects • Participation in European and national research projects • Initiatives to spread the culture of diversity inclusion • Materiality analysis • Local Committees • Conferences, seminars and workshops • Participation in institutional discussions (consultations, working groups), also through the sending of opinions and documents

Stakeholders

Priority topics

Engagement initiatives

Personnel

(employees, collaborators and Trade Unions)

- Occupational health and safety
- Diversity and inclusion
- Protection of human rights
- Energy efficiency and renewable production to reduce environmental and economic impacts
- Decarbonization and reduction of emissions
- Sustainable use of water resources
- Circular economy and waste management
- Employment, development of human resources, welfare and industrial relations

- Behaviour Based Safety (BBS) Project: analysis of behaviour and use of individual positive reinforcement
- Awareness-raising on the reporting of 'near misses' also along the supply chain
- Employee health and wellness initiatives ("Al cuore della salute", "Fitprime", "Telemedicina", "Percorso formativo Health Friendly Company")
- Iren Call4Ideas project: using exoskeletons to facilitate waste collection activities
- Corporate Welfare programme
- Initiatives to spread the culture of diversity inclusion
- Protocol on labour relations
- Development of renewable sources
- Strengthening innovative and energy efficiency services
- Reduction of water network leaks
- Systems to increase sorted waste collection
- Obtaining energy from waste
- New intranet to improve internal communication and access to services and constant information
- Skills assessment, training and development initiatives
- Performance Management
- Enhancement of internal professionalism through storytelling
- Work Life Balance
- On-boarding programme for new hires
- Incentivised termination of employment
- Listening activities through surveys
- Materiality analysis
- Local Committees

Customers

(retail and business customers, public administrations and consumer associations, energy communities)

- Sustainable use of water resources
- Circular economy and waste management
- Energy efficiency and renewable production to reduce environmental and economic impacts
- Occupational health and safety
- Effective and transparent dialogue and communication with stakeholders
- Sustainable development of the local areas and communities
- Efficient, reliable and secure management of processes and infrastructure
- Responsibility and quality in service delivery and customer orientation

- Reduction of water and gas network leaks
- Systems to increase sorted waste collection
- Obtaining energy from waste
- Strengthening innovative and energy efficiency services
- Initiatives to support customers in the face of rising energy prices (agreements with consumer associations, instalment plans, agreement with SACE for SMEs, district heating bonus, communication campaigns to contain consumption)
- Initiatives for the dissemination of Energy Communities
- Replacement of electricity meters with 2G smart meters
- Employee health and wellness initiatives ("Al cuore della salute", "Fitprime", "Telemedicina", "Percorso formativo Health Friendly Company")
- New physical (counters) and digital (virtual assistant, apps) contact channels
- Clear and increasingly transparent bills with digital tools to make them easier to read
- Customer satisfaction surveys
- Meetings and framework agreements with Associations
- Credit management protocols
- Joint conciliation protocols
- Social tariffs
- Materiality analysis
- Local Committees

Stakeholders

Priority topics

Engagement initiatives

Environment

- Sustainable use of water resources
- Circular economy and waste management
- Biodiversity
- Sustainable development of the local areas and communities
- Energy efficiency and renewable production to reduce environmental and economic impacts
- Decarbonization and reduction of emissions

- Reduction of water and gas network leaks
- Systems to increase sorted waste collection
- Obtaining energy from waste
- Development of renewable sources
- Projects/services for energy saving, energy efficiency and sustainable mobility (IrenGo, Iren Plus, Iren Smart Solutions, Energy Communities)
- Participation in environmental clean-up initiatives and hazardous waste collection activities in collaboration with local entities and organisations
- Sustainability education projects
- Biodiversity awareness initiatives
- Internal research activities and participation in European and national research projects
- Materiality analysis
- Local Committees

Suppliers

(individuals, supplier categories and trade associations)

- Growth and value creation for the company and stakeholders
- Energy efficiency and renewable production to reduce environmental and economic impacts
- Sustainable use of water resources
- Sustainable development of the local areas and communities
- Sustainable supply chain management
- Circular economy and waste management

- Presentation of the Business Plan to 2030
- Strengthening innovative and energy efficiency services
- Division of the water network into districts
- Training/information for third-party companies
- Procurement portal and Supplier Register
- Corporate social responsibility survey for suppliers with insights into environmental, social and ethical aspects management
- Code of Ethics
- Development projects for waste material recovery plants
- Materiality analysis
- Local Committees

Communities

- Energy efficiency and renewable production to reduce environmental and economic impacts
- Sustainable use of water resources
- Occupational health and safety
- Protection of human rights
- Decarbonization and reduction of emissions
- Sustainable development of the local areas and communities
- Circular economy and waste management

- Services for savings, energy efficiency and sustainability
- Initiatives for the development of renewable energy sources
- Reduction of water network leaks
- Awareness-raising on the reporting of 'near misses' also along the supply chain
- Human rights policies also towards the supply chain
- 368 community projects
- Sustainability education projects
- Development projects for waste material recovery plants
- Plant visits (virtual tours)
- Conferences, seminars and workshops
- Subsidy plans for communities affected by emergencies
- Local Committees and "irencollabora.it" platform
- Materiality analysis

Stakeholders

Priority topics

Engagement initiatives

Investors and financial backers

- Growth and value creation for the company and stakeholders
- Occupational health and safety
- Solid, ethical and transparent governance for sustainable growth
- Circular economy and waste management
- Energy efficiency and renewable production to reduce environmental and economic impacts
- Sustainable use of water resources
- Effective and transparent dialogue and communication with stakeholders

- Presentation of the Business Plan to 2030
- Communication of results and possible future risks
- Sustainable Finance Framework
- ESG Rating
- Employee health and wellness initiatives (“Al cuore della salute”, “Fitprime”, “Telemedicina”, “Percorso formativo Health Friendly Company”)
- Obtaining energy from waste
- Development of renewable sources
- Projects/services for energy saving, energy efficiency and sustainable mobility (IrenGo, Iren Plus, Iren Smart Solutions, Energy Communities)
- Reduction of water network leaks
- Roadshows and webcasting
- Materiality analysis

Future Generations

(school/university, research centres, incubators)

- Circular economy and waste management
- Energy efficiency and renewable production to reduce environmental and economic impacts
- Decarbonization and reduction of emissions
- Sustainable use of water resources
- Sustainable development of the local areas and communities
- Efficient, reliable and safe management of processes and infrastructure
- Innovation, digital transformation and smart cities
- Biodiversity

- Sustainability education programmes in schools and universities
- Framework agreements with Universities and research centres
- Partnerships, projects and investments in research and innovation
- Iren Up
- “Energia per i Giovani” (Energy for Youth) Project
- Training and recruitment agreements with Universities and Business Schools
- Apprenticeship and recruitment paths with Technical Institutes
- Participation in cultural and scientific events
- Guided tours
- Materiality analysis
- Local Committees



Iren ESG Challenge is the international event, now in its second edition in 2023, to engage the Group's stakeholders together with top management and experts from the worlds of business, finance and university and scientific research on the central challenges to support sustainable development in the immediate future. Topics, in line with the 2030 Agenda, from which to identify the most urgent and strategic ones for companies, institutions and the world of research.

The twelve challenges, identified by Iren with the support of EticaNews, are a manifesto that reiterates how **fundamental it is to act together and concretely on the environment and climate, on communities, on the territory and stakeholders, creating a new shared culture, based on innovation.** These are the twelve challenges proposed by Iren:

COMPANY POLICY designing or re-designing the relationship with the community, amplifying the company's active role on ESG factors. Sharing objectives and results with the community, which is no longer "opposed" to the company, but is part of it;

CLIMATE, A PRIORITY SCALE effectively tackling the grounding of global commitments on emissions reduction by identifying priorities and levers to engage private players in the economic and financial system;

CIRCULAR RESOURCES accelerating the development of industrial symbiosis and a culture of product responsibility in the circular economy;

JUST TRANSITION cancelling the fear of backtracking and acting in the expectation of an accelerated transition;

MANAGING IMPACT building (or re-building) an impact monitoring and intervention system, a system that requires continuous listening to key stakeholders, so as to create a link between specific stakeholder and specific impact;

PEOPLE&RESPECT consider people - employees, customers and citizens - at the centre of the company;

ESG IN THE SUPPLY CHAIN create a supply chain ESG culture also through training, reward models or support systems (commercial or financial), lifting the veil on hidden issues in the supply chain;

STAKEHOLDER ENGAGEMENT define models and processes for stakeholder relations and engagement to build a strategic sustainability path;

INCLUSION AND TALENTS define a model that recognises and promotes new professional skills by valuing young people and talents in their diversity;

MEASURING become aware of the importance of disaggregated ESG information, i.e. within the ESG rating, in order to measure it correctly, efficiently and effectively. Hence, adopt KPI and scoring models that support their materiality;

SUSTAINABLE FINANCE fostering a new relationship between financial institutes and companies, to make them allies in the ESG upgrade, starting with relations with their supply chain;

FOCUS ON AI promote the internal and external adoption of Responsible Artificial Intelligence, i.e. an approach aimed at aligning the use of Artificial Intelligence systems with the company's purpose and values or system values, so as to reduce risks while exploiting their potential, ensuring innovative business impact.

The meeting to discuss the challenges is also the final stage of the Iren ESG Challenge Award, which selects the 10 best theses on the topic of sustainability and ESG principles, created by undergraduates, graduates, graduating PhD students or PhD students. In the second edition of the Award, over 120 theses were nominated and examined, demonstrating the relevance of the initiative to encourage collaboration between the world of training and research and economic-financial operators.

Relations with shareholders and investors

The objective of sustainable success, provided by the Code of Corporate Governance for listed companies to which Iren adheres, is also based on a solid and transparent relationship with shareholders and investors.

For this reason, Iren Group is constantly committed to creating, strengthening and expanding adequate spaces for listening and dialogue with shareholders and investors, oriented towards transparency, fairness, ethical, environmental and social issues, and consistency with its core business.

The **Policy for Managing Dialogue with Shareholders and Investors** (published on the Group's website), approved by the Board of Directors, which regulates the extra-assembly dialogue between the Board of Directors and the representatives of shareholders and investors on issues within the Board's competence and defines the principles, rules and methods for conducting this dialogue, identifying the recipients, the interlocutors, the topics of discussion, the timing and channels of interaction. The Policy is based on the principles of transparency, correctness, punctuality and timeliness of information, equal treatment of shareholders, effectiveness, compliance with regulations - including those on market abuse -, internal governance rules and procedures, always ensuring cooperation and transparency to supervisory authorities, regulators and competent administrations.

The Investor Relations function is responsible for managing relations with shareholders and the financial market, and among other things discloses important information related to the Group. The Director of Administration, Finance and Control (CFO), who is in charge, among other things, of the Investor Relations function, was identified as the point of contact for the purposes of the Policy for Managing Dialogue with Shareholders and Investors. Moreover, pursuant to the Consolidated Law on Finance, shareholders can ask questions on the items on the agenda of the Shareholders' Meeting, even before the meeting itself.

In 2023, a so-called two-way engagement meeting was held between the Iren BoD and institutional investors. There were no instances of fines or penalties for failure to comply with the regulations and laws for shareholders. Iren Group carries out an intense activity aimed at

reinforcing the relationship of trust with its shareholders and at increasing the attention and knowledge of Italian and foreign analysts and investors.

The market's interest in the Group is confirmed by the intensification of relations and opportunities for contact with analysts, also following the performances (industrial, economic/financial and relating to sustainability issues) recorded and supported by the Business Plan to 2030.

In 2023, seven brokers covering the bond were confirmed with periodic reports: Banca Akros, Equita, Exane (sponsored research, until 31 July 2023), Intermonte, Intesa Sanpaolo, KeplerCheuvreux and Mediobanca. The increasing interest shown by investors has required greater communication. As for previous years, the roadshow and conferences, organised from time to time by a different broker, were the main tools for making Iren known to Italian and foreign institutional investors.

In 2023, 12 roadshow and conference events (virtual or in-person) were held in the world's major financial centres, and around 100 investment funds met with a total of 130 fund managers or analysts. The direct day-to-day contact with the managers of institutional funds and financial analysts that oversee the bond is of particular significance.

In addition to the roadshows, the Group has maintained a constantly communication with the market using different channels, including quarterly conference calls for the presentation of the results for the period.

Institutional investors are paying increasing attention to ESG (environmental, social and governance) issues and strategies and to increasingly ambitious emission reduction targets, both through direct contact with the Group and through ratings issued by specialised rating agencies. In relation to contacts with investors interested in ESG issues, and in line with the commitments undertaken in the Sustainable Financing Framework, Iren resumed contacts with American investors through a roadshow in the main overseas financial centres, and in the autumn, it intensified contacts with bond investors, a type of investor very attentive to the ESG aspects of companies, meeting more than 40 of them in order to involve them in the future bond issue in January 2024.

Iren has established a transparent and timely dialogue with investors, participating in roadshows and conferences on these issues, actively contributing to the compilation of questionnaires and surveys to support rating company analyses, and periodically reviewing the investor section of the website in order to make ESG information more accessible to investors. It also carries out specific analyses annually to identify possible areas for improvement. The main topics discussed with investors concerned the new governance, the decarbonization process with the development of renewable capacity and the reduction of emissions into the atmosphere, the development of material recovery plants, investments in the integrated water cycle aimed at greater service efficiency and the reduction of water leaks, as well as finance instruments, particularly those in the Green Use of Proceeds format, the proceeds of which directly finance projects with sustainable characteristics and which, increasingly, meet the alignment criteria set out by the European Taxonomy.

In 2023, a specific presentation for fixed income investors was also made available on the Group's website.

IREN SHARE PERFORMANCE

In 2023, the world's major stock market indices reported a positive trend, boosted by the easing of recession forecasts and lower energy supply risks, despite the geopolitical tensions that increased during the year. The growth of the financial markets occurred in a period of restrictive monetary policies. Until October, the world's major central banks raised interest rates to try to combat inflation, and only in the latter part of the year did expectations of a future reduction in interest rates to encourage investment grow.

In this context, the FTSE Italia All-Share ((the main index of the Italian Stock Exchange) reported an increase of 26%, while the Italian multi-utilities recorded differentiated performances linked to the different corporate business model. Iren Group reported a positive share price trend, among the best in the sector, supported by the update of the strategic plan to 2030, presented in March 2023, and by the increase in results expected for the year 2023.

On 31 December 2023, the last trading day in the period, the price of IREN share stood at 1.973 Euro/share, up by 34.4% compared to the price at the beginning of the year, with average trading volumes during the period amounting to 1.7 million units. The average price for the period was 1.812 Euro per share. The high for the period was recorded on 14 December, at 2.114 Euro per share; the low for the period, at 1.507 Euro per share, was instead recorded on 2 January.

The Iren share is listed on Borsa Italiana (the Italian Stock Exchange) and is included in the following financial indexes:

- FTSE Italia All Share, the index that includes all the shares listed on the electronic market of the Italian Stock Exchange, with the exception of micro-capitalised companies;
- FTSE Italia Mid Cap, part of the FTSE All Share that includes the shares of medium-capitalised companies;
- FTSE Italia All Share capped.

The Group is also present on various stock indices defined as "sustainable" >> [SEE PAGE 158](#).

Relations with financial backers

The Group has relations with leading Italian and international Credit institutions and is active on the capital market in order to research the most suitable forms of financing for its needs and the best market conditions, adopting a centralised management model of financial resources and financial risk management with a view to financial optimisation for all Group companies.

In 2023, Iren not only maintained its “Investment Grade” rating but also improved the credit rating given by the rating agencies on the basis of the annual reviews conducted, thus confirming the Group’s solid position in Italy. On 27 April 2023, Standard & Poor’s Global Ratings upgraded the Group’s rating to “BBB” from “BBB-” for both long-term creditworthiness and senior unsecured debt and gave the Group a “Stable” outlook, a result, confirmed on 7 December 2023, achieved after only two years since the first assignment. The improvement in the rating by Standard & Poor’s Global Ratings reflects the resilience of the Group’s business model in a context of uncertainty in the geopolitical scenario and the update of the strategic plan to 2030, which envisages a significant positioning in regulated businesses to support stability of future cash flows. The stable outlook also reflects expectations regarding the Iren commitment to maintaining the current rating level and its balanced financial policy. Among other positive elements, the rating also assesses the Group’s good liquidity status, with strong credibility in the capital market.

On 11 May 2023, Fitch Ratings raised the outlook from “Stable” to “Positive”, confirming the “BBB” rating for Iren Group, and the same rating was also given to the senior unsecured debt. The revision of the outlook is justified by the improvement in financial metrics; furthermore, the rating reflects the Group’s well-integrated and diversified business mix, with a prevalence of regulated and quasi-regulated activities, which has allowed it to achieve solid performances in a context of volatility in the energy market. This was accompanied by a positive assessment of the Group’s liquidity profile.

For both rating agencies, sustainability issues have a neutral or insignificant impact from a credit point of view, both due to the nature of the business and the way sustainability is handled in the Group’s strategies. For 2024, the Group’s objective is to continue optimising the debt portfolio, including with liability management activities aimed at achieving targets in terms of cost and average life of debt and early maturity management, as well as maintaining the Investment

Grade rating for both rating agencies.

The Group’s EMTN (Euro Medium Term Notes) programme allows it to raise medium-term savings through the issuance of notes, or securities, placed with institutional investors. The adoption of the programme, since 2015, is part of the financial strategy aimed at ensuring flexibility and optimisation of the debt structure, as well as enabling the timely exploitation of favourable windows in the bond market. The one-year programme currently has a ceiling of 4 billion Euro and was renewed in May 2023. This is complemented by the Sustainable Financing Framework, which defines the guidelines adopted by the Group for any issues and/or subscriptions of financial instruments with sustainability features. At the end of 2023, Iren has outstanding bonds for a total amount of 3.05 billion Euro, of which Green Use of Proceeds for over 2 billion Euro, all issued under the EMTN programme and with ratings matching the medium- and long-term rating assigned by the rating agencies Fitch Ratings and Standard & Poor’s Global Ratings.

There were no instances of fines or penalties for failure to comply with the regulations and laws for financial backers.



The main rating agencies confirmed their positive opinion on the Group

Relations with institutions

As indicated in its Code of Ethics, the Group actively and fully cooperates with the Public Authorities, pursuing the objectives indicated by the relevant Public Institutions and effectively cooperates with the authorities/institutions responsible for regulating and supervising local public services. These are actions that the Group pursues, combining them with its mission and with the need for managerial and organisational autonomy shared by all economic operators. The control of relations with institutional subjects is defined by an organisational model that assigns competences and responsibilities to the reference company structures. The Public Affairs and Internationalisation Departments oversee top-level relations at an institutional level, especially with

international, national and local entities, in order to represent the Group's needs and proposals, in agreement with the relevant Departments and Business Units.

The Regulatory Affairs Department manages relations with the Regulatory Authorities and the Associations to which the Group belongs, in close coordination with the Business Units. The Corporate Affairs Department handles communications with the market supervisory authorities (Stock Exchange and CONSOB). The Business Units supervise, with the support of the Parent Company, the technical and specialised aspects of the services, also interacting with administrative, regulatory and control bodies.

RELATIONS WITH LOCAL SECTOR AUTHORITIES

Relations with ARERA (Regulatory Authority for Energy, Networks and Environment) in 2023 mainly concerned participation, on an individual and/or associative basis, in consultation processes and compliance with communication, information and reporting obligations.

The topics discussed with the Regulatory Authorities and Area Authorities (ATERSIR - Territorial Agency of Emilia-Romagna for Water and Waste Services, EGA - Entity of Government of Area and ETC - Entity Territorially Competent) in 2023, mainly concerned:

- the continuation of the massive phase of replacing electricity meters in the municipalities of Parma and Turin and the start of this activity in November in the municipality of Vercelli as well;
- the publication of the Distribution Network Development Plan, which describes - together with the evolutionary scenarios of the electricity system - the main plant development needs, the main interventions on the network and the projects supporting the infrastructure;
- the fulfillments foreseen by the regulations in force for the integrated water service and the waste service, in particular the sending and sharing of data on the qualitative-quantitative levels of the service provided and the investments made, as well as the definition of suitable acts and procedures for compliance with the obligations in force;
- the performance of preparatory activities for the start-up of new assignments related to the integrated water service in the Reggio Emilia area - for which Ireti was awarded the restricted two-object tender procedure for the choice of the private partner of the joint company Arca - and the waste collection service in the Parma and Piacenza areas, awarded to Iren Ambiente.

CONTRIBUTIONS TO POLITICAL INSTITUTIONS AND PARTIES

The Group Code of Ethics expressly establishes in paragraph 7.5, that *"Iren does not make contributions, either directly or indirectly and in any form, to parties, movements, committees and political and trade union organisations, or to their representatives and candidates, except for those due under specific regulations"*.

Consistent with this principle, in 2023, the Group made no contributions or expenditures to political campaigns or lobbying organisations whose role is to influence political campaigns, policies and public laws. Therefore, the total

amount paid to individual candidates, political organisations or ballot initiatives requiring lobbying efforts is zero. The Group collaborates with Institutions, also financially, for specific projects that are attributable to its mission and, in particular, for projects that contribute to the economic, social and environmental sustainability of the local areas. These collaborations, moreover, are always implemented on the basis of clear documentation for the use of resources.

Associations and networks of which the Group is a member

Iren Group has chosen the path of associative participation, which aims to put experience and knowledge at the service of companies and organisations that share a common path of sustainability and responsibility.

Participation in networks and associations is focused on continuous updating, on the dissemination of publications, studies and research, on information and comparison meetings, on the involvement of institutions and social forces to promote strategic issues, stimulating targeted and incisive intervention proposals and policies. The monitoring, analysis and comparison of emerging trends and regulatory issues are of great importance for the most correct and up-to-date understanding of the reference framework in which the Group operates.

In particular, membership of associations and networks at national level, in line with objective 17 of the United Nations Agenda 2030 “to promote partnerships for sustainable development”, is of great importance to the Group, both in terms of attention to sustainability policies and in terms of regulatory and technological updates.



Association/Network	Description
UN - Global Compact	United Nations Global Compact, born from the desire to promote a sustainable global economy: respectful of human and labour rights, environmental protection and the fight against corruption. It is a voluntary initiative of adherence to a set of principles that promote the values of sustainability in the long-term and a commitment, signed with the United Nations by the top managers of the participating companies, to contribute to a new phase of globalisation characterised by sustainability, international cooperation and partnership in a multi-stakeholder perspective.
Global Compact Network Italia Foundation	It was created with the primary purpose of contributing to the development of the United Nations Global Compact in Italy. Global Compact Network Italia works to promote the ten principles of the Global Compact and the United Nations Sustainable Development Goals (SDGs), deepen the themes of sustainability and related fields within the general framework proposed by the Global Compact, assist and support companies and organisations in implementing the ten principles of the Global Compact and the SDGs in their core business and in reporting on sustainability.
Utilitalia	Federation that brings together public service companies that operate in the water, environment, electricity and gas sectors, acting as their representative at European and national Institutions. It was created from the merger between Federutility (water and energy services) and Federambiente (environmental services). It offers support and refresher and training courses, as well as consultancy on contractual, legislative, operational, tax and legal aspects.
Confservizi (at a national and regional level)	Trade union that represents, promotes and protects companies and bodies that manage public utility services such as water, gas, electricity, environmental health and local transport.
Confindustria (GE, PR, PC, RE SP, TO and VC Valsesia)	Leading organisation representing manufacturing and service companies within Italy that is tasked with contributing to the economic growth and social advancement of the country, alongside political institutions and economic, social and cultural organisations.
Assoambiente	Association representing at national and EU level mainly private companies managing environmental services and circular economy companies.
Assonime	Association of Italian Joint-Stock companies. It works to improve industrial, commercial, administrative and tax legislation in Italy and represents the views of the companies within Italian, European and international institutions.
Anfida	National association of private water works companies that belong to Confindustria, which promotes solidarity and collaboration between its member companies, organises studies on topics of interest and acts as their representative with private and public authorities, organisations and administrations.
AIRU (Associazione Italiana Riscaldamento Urbano)	The Italian Urban Heating Association, which represents sector operators with the aim of promoting and disseminating plant engineering innovation and its application.
EHP EuroHeat and Power	International association that represents the district heating and cooling sector and co-generation sector in Europe.

Association/Network

Description

Elettricità Futura

Main Italian electrical association, created from the merger between AssoRinnovabili and Assoelettrica. It represents and protects both big and small companies that operate within the electricity sector in Italy and counts over 700 operators with plants all over Italy.

Federazione Italiana per l'uso Razionale dell'Energia (FIRE)

Non-profit association active in the energy and environmental sector, in particular for: promoting good practices for energy efficiency, the use of renewable sources and sustainability; the analysis of topics linked to energy consumption and generation; participation in international projects aimed at the efficient use of energy and environmental resources; the certification of energy managers and ESCOs; training, information and study activities, and the development of new energy management tools.

Comitato Italiano Gas (CIG)

Non-profit organisation for the study of scientific and technical problems and the publication of technical regulatory documents for the combustible gas sector. The CIG draws up draft standards, specifications and technical reports, proposing them to the UNI for publication; is appointed by the UNI to participate in works by Regulatory Authorities (CEN and ISO); collaborates with the Government, Bodies and National, European and International Associations; carries out training and information activities.

Sustainable Development Foundation

Reference point for the main sectors and protagonists of the green economy: the economy of sustainable development. It puts experience and knowledge at the service of companies and organisations that share a common path of sustainability and responsibility. It is focused on continuous updating, the dissemination of publications, studies and research, information and discussion meetings, the involvement of institutions and social forces, networks to promote the strategic topics of the green economy.

Fondazione Symbola

It promotes and aggregates Italian Qualities, through research and projects that enhance initiatives capable of improving the country, focusing on innovation and development, beauty and creativity, human capital and territory. Green economy, culture and social cohesion are the Foundation's three fundamental indicators to implement a model of 'quality economy' linked to the territory and identity but with a strong vocation for creativity and innovation: the soft economy.

Sustainability Makers

Brings together the professionals who are dedicated to the definition and implementation of strategies and sustainability projects in business and other organisations: it works to qualify and promote these professionals with the aim of increasing their competence and authority, through training and networking, studies and research, conferences, workshops and webinars. Founded in 2006 as the CSR Manager Network, it changed its name to Sustainability Makers in 2021.

Kyoto Club

Non-profit organisation made up of companies, bodies, associations, and public administrations committed to achieving the targets for reducing greenhouse gas emissions set out in the Kyoto Protocol, the decisions taken at the EU level, and the 2015 Paris Agreement. As an interlocutor of public, national and European decision-makers and the UN Framework Agreement on Climate Change, Kyoto Club is committed to stimulating targeted and incisive proposals and policies in the energy-environmental sector.

Corporate Forum for Sustainable Finance

An international network of companies committed to supporting and developing sustainable finance as a tool to combat climate change and promote a more sustainable and responsible society.

Association/Network	Description
Valore D	The first association of companies in Italy – over 350 to date, for more than two million employees and an aggregate turnover of over 500 billion Euro – that has been committed to gender balance and inclusive culture in organisations and our country for ten years.
Italian Association of Energy Wholesalers and Traders (AIGET)	Non-profit association that aims to promote initiatives in the economic, financial, technical and scientific fields that benefit the energy sector. AIGET aims to encourage competition and transparency in energy markets, to foster the development of energy trade, especially in electricity, natural gas and related services.
OIDU - Italian Business and Human Rights Observatory	Permanent Observatory, promoted by Avanzi, to raise the level of knowledge and awareness on the issue of Companies and Human Rights in Italy, encouraging the dissemination of good practices, and facilitating the creation of networks. The Observatory conducts annual research that monitors the national situation, providing a public information hub on approaches, critical issues, good practices and case studies, generating opportunities for exchange and mutual learning for the business system.
ESG governance LAB	Platform, promoted by ET.Group, highly specialised on ESG that brings together national and multinational companies committed to sustainable transition together with specialised advisors and other relevant stakeholders.

MAISPEMBA: INTEGRATED URBAN DEVELOPMENT IN MOZAMBIQUE

In the area of partnerships for sustainable development, in 2023, Iren continued its commitment in the **Maispemba** project to promote the **integrated urban development of the city of Pemba** in Mozambique, through collaboration and exchange of best practices. A project financed by the European Union, led by the municipality of Reggio Emilia and coordinated by Fondazione E35, with Iren as partner.

The path traced by the project intervenes in different areas and themes: from environmental education to urban waste management, to combating climate change and creating new jobs in the environmental protection sector. During the year, the initiative continued with regular meetings to support the development of Mozambican projects, with a particular focus on composting.

In May 2023, a mission to Italy by Carlos Viriato, marine biologist and environmental educator from MAISPEMBA took place. He visited, among others, the Iren PAI (Parma) and OFMSW (Reggio Emilia) plants, and took part in a meeting and exchange path on spaces, topics and methods of learning in environmental and civic education courses related to composting, organised by CEAS Terre Reggiane-Tresinaro Secchia in collaboration with Eduiren.

Media relations

In 2023, Iren Media Relations further strengthened the presence of the Group and the company's top management in the media, both traditional and innovative, supporting through a proactive company-press relations model the company's strategies and the objectives of the Business Plan.

Media relations activities were developed in a coordinated manner with all business units in order to enhance and better explain to the public and stakeholders the various actions undertaken by the Group in the difficult energy context that characterised the two-year period 2022/23 and the growth strategies launched during the year.

In 2023, Iren Group obtained for the third consecutive year the certification BIC - Best in Media Communication, created by Fortune Italia and Eikon Strategic Consulting with the aim of scientifically measuring the impact of the company's communication through its positioning in the media and the quality of its relations with the different editorial offices. The Best

in Media Communication certification confirmed "a very positive reputational positioning, a positive judgement from journalists (especially in relation to innovation and clarity of information) and the ability to very effectively communicate the image of a company that is close to its customers and the territory, innovative and strongly oriented towards sustainable development and energy transition. From the study carried out on the media relations actions started by Iren and preparatory to the certification, it emerges that the company has been attentive to its customers and close to the territory, capable of initiating actions in support of businesses and families, such as the launch of the plan of dialogue with local committees, the expansion of the number of beneficiaries of the heating bonus and the initiatives against the increase in electricity and gas costs." During the year, the daily measurement of media activity was further enhanced through new just-in-time monitoring channels and the Group's media positioning was strengthened through the involvement of top management in new national and international media relations actions.





Create value

[GRI 2-6, 2-23, 3-3, 201-1, 201-2, 201-4, 202-2, 203-2, 207-1, 207-2, 207-3, 207-4, G4-EU10]

The Group's objective is to grow sustainably to ensure resilience and competitiveness and to continue to generate value for stakeholders. The Board of Directors is responsible for sustainable development through the definition of strategies, objectives, action plans and the allocation of investments. The Group's Business Units and Departments are responsible for achieving the objectives of the Business Plan by deploying the human and economic resources provided for in the plan.

Growth and value creation for the company and stakeholders



Risks

- Failure to achieve the objectives and targets (economic-financial and ESG) set out in the Business Plan and consequent negative impacts (operating, economic, financial and reputational)
- Reduction in value distributed to stakeholders and direct and indirect economic impacts
- Negative ratings or downgrading in ratings
- Loss of business opportunities related to sustainable development in business sectors
- Ineffective performance communication



Opportunities

- Business opportunities related to green transition, circular economy, local area and technological and digital evolution
- Access to sustainable finance instruments
- Increased value distributed to stakeholders and direct and indirect economic impacts



Management methods

- Planning and monitoring of objectives and targets (economic/financial and ESG) of the Business Plan and Sustainable Financing Framework
- Code of Ethics
- ERM system integrated with ESG topics
- Planning and structured financial management for return on investment
- Adoption of sustainable finance tools to support the development strategy
- Sustainable Finance Committee
- Structured traditional investor relationship system and ESG
- Policy for Managing Dialogue with Shareholders and Investors
- Local Committees
- Transparent performance communications

Compared to 2022, Iren Group's economic results show a decrease in revenues (-17.5%), mainly due to the drop in energy commodity prices and the related quantities sold, also in relation to a mild thermal season and lower consumption for industrial use. The drop in turnover was partly offset by the development of energy efficiency and building requalification activities, favoured by tax breaks, and perimeter changes (Sei Toscana and Acquaenna).

The gross operating margin (EBITDA) increased by 13.5%, mainly due to the particularly positive results achieved by the Market Business Unit, while Group profit increased by 12.8%.

Economic indicators	u.m.	2023	2022
Revenue	€/mln	6,490	7,863
Gross Operating Margin	€/mln	1,197	1,055
Operating profit (EBIT)	€/mln	465	464
Profit attributable to the Group	€/mln	255	226
Total capitalisation	€/mln	2,532	1,898
Dividend per share	€	0.1188 ⁽¹⁾	0.110

⁽¹⁾ Dividend proposed by the Board of Directors

Net financial debt as of 31 December 2023 amounted to 3,932 million Euro, compared to 3,347 million Euro as of 31 December 2022, after technical investments of 867 million Euro, slightly down from 898 million Euro in the financial year 2022, characterised by environmental sustainability and focus on territories (electricity grids, gas and water cycle).

Investments

Technical investments (millions of Euro)	2023	2022
Generation and district heating	129.8	224.6
Networks (electricity, gas, water cycle)	356.4	327.7
Market	86.3	79.4
Environmental services	201.8	192.6
Others	92.3	73.9
TOTAL	866.6	898.2

The economic-financial performance of the year confirms – thanks to a business portfolio with a prevalence of regulated activities and the composition of investments – a strong focus on developing infrastructures serving the growth of the economic systems of the areas served.

The multi-utility and predominantly regulated business profile ensured the Group's high resilience to the volatile energy and geopolitical scenario. Furthermore, as defined in the Business Plan to 2030, particular attention is confirmed to environmental sustainability, to the improvement of the quality of the service, digital transformation, and innovation in synergy with the companies and institutions of the local areas.

By hiring 1,145 new employees, in 2023, the Group continued a generational turnover and development process, focused on acquiring the skills needed for digital transformation and growth also in new business lines.

The strategic guidelines, focused on sustainability profiles, guide the planning of the multi-year investments.

These same profiles are part of the principles of the Code of Ethics that Group companies are required to comply with when making investments: creating value and increasing the Group's assets, management and technological values, the return for Shareholders, and the economic and social well-being for employees and the community. In the planning processes, the Group pays particular attention to the variables, emerging from economic and industrial scenarios of the sector, able to guarantee the medium and long-term availability of energy. Scenarios are analysed by **continuously monitoring industrial, economic, financial and sustainable development dynamics**.

In order to plan the development of **energy production capacity**, the Group considers the medium-term scenarios referred to the electricity and gas markets, the evolution of the capacity market, the price of CO₂ and Energy Efficiency Certificates. Development investments in district heating networks and regulatory scenarios favouring renewable energies' growth are also taken into account. Maintenance programmes aim to maintain efficiency and prevent breakdowns and are planned to minimise the impact of unavailability on the Group's results.

The energy production facilities of Iren Group are efficient and appropriate in terms of size, thanks to the significant investments in new production capacity

and in increasing the efficiency of the existent one. The production capacity planned for 2030, thanks to the investments envisaged in the Business Plan, will also be guaranteed by 2.6 GW of additional installed power for the production of energy from renewable sources (photovoltaic and wind).

In order to ensure that adequate production and reliability standards are maintained, the Group adopts advanced management and maintenance policies (predictive and preventive). It focuses on innovation, both by increasing the efficiency and flexibility of its plants and by developing projects targeted at the energy efficiency of the system (flexibility of combined-cycle plants, management of waste-to-energy plants to seize opportunities of district heating development, installation of heat storage systems, design of mini hydro plants and realisation of photovoltaic plants). In this context, electrical storage systems were created at the Moncalieri and Turbigio power plants which, together with the one already existing at the Turin North power plant, allow to increase the reserve power and producible energy. As far as renewable energy plants are concerned, two photovoltaic parks, with a total capacity of more than 47 MW, and a wind power plant with a capacity of 6 MW came into operation.

Medium- and long-term gas availability is planned and ensured through the combined management of several sources: availability of foreign transport capacity that can be used per event, annual availability of seasonal modulation capacity, through contracts or access to storage, wholesale supply contracts and HUB purchase contracts. The combined use of these sources allows for natural gas demand to be met even during particularly severe periods.

Planning is fundamental for guaranteeing the continuity, reliability and security of the **integrated water service**. This objective is overseen by the resource need analysis for the various areas, also in relation to their possible evolution and seasonality, and the attainment of diversion concessions that are proportional to the identified needs. This is complemented by the planning and management of ordinary and unscheduled maintenance, the renovation of plants and networks to contain water and sewer network leaks, the adoption of remote control systems and the automation of plants, an emergency service, analytical checks and treatments to guarantee compliance with the qualitative requirements of the water supplied and the waste discharged from treatment plants.

As far as **waste management** is concerned, at plant level, the production capacities of the Group's plants are assessed and planned in relation to the needs and production of each region. Investment planning is aimed at optimising waste management and closing the cycle, aiming at the maximum recovery of waste in terms of material and energy.

The Group has adopted a planning tool (medium voltage distribution network master plan) to guarantee the reliability of its **electricity distribution** network that defines the renovation, upgrading and extension rules and methods, for the main high-to- medium voltage transformer plants and networks. The renovation and updating plan for the main plants, in addition to the gradual substitution of parts of obsolete plants, includes quality and technical improvements to the grid layout and its adaptation to future load increases. The plan is reviewed and updated in the event that new significant supply requests or reliability and stability issues emerge for the medium voltage network or for the main plants. The management methods are assessed on the basis of the time schedules for the design and implementation of works and in correspondence with technical standards put in place for the construction of new main stations, by verifying and reviewing the projects established in the time schedules. The effectiveness and quality of the interventions carried out are assessed in relation to the performance of the service quality indicators established by the Regulatory Authority for Energy, Networks and Environment (ARERA).

In **gas distribution**, the plan aims to contain leaks, which is the main objective for the safety, quality, efficiency and continuity of service and protection of the environment. Regular ordinary and unscheduled maintenance and the renovation of plants and networks, scheduled searching for leaks, the addition of gas odourants upon receipt by the national transport network, the maintenance of efficient and effective cathodic protection systems and the use of distributed monitoring systems thanks to the remote control, as well as constant supervision of plants and networks by highly qualified and constantly updated staff, all contribute to achieving this objective.

During the planning phase, the Group also analyses the impact of **climate change** scenarios: changes in temperature distributions (chronic physical risks) - which impact the dynamics of gas and heat consumption of district heating, water and electricity - and extremes of weather phenomena (acute physical risks) such as droughts, heat waves, water bombs, floods, cyclones, landslides. In particular, the latter have repercussions on the hydrology of hydroelectric

and aqueduct plants, with the related economic implications, and represent aspects of attention due to the consequences that they may have on the Group's assets, on margins, on the availability planning and scheduled maintenance of thermoelectric production plants (for further details on climate risk management, [» SEE PAGE 62](#)).

The financial or strategic impacts are primarily analysed in the Group's risk map, which is periodically updated and identifies and quantifies all significant impacts on the business [» SEE PAGE 59](#).

Added value

Iren Group produces added value with respect to the external resources employed, thanks to the effective use of production factors, and contributes to the growth of the economic, social and environmental context, producing important effects on the areas in which it operates, in particular, in view of the investments made, the employment generated and the induced activities it carries out.

Investments contribute to improving basic infrastructure (electricity, gas, sewerage and water supply networks, wastewater treatment plants) and essential services (waste collection and disposal), generating positive impacts for the local socio-economic and environmental context. Moreover, all of the business areas present significant opportunities for the development of innovative technologies and processes and, consequently, for territorial growth, also in terms of know-how.

The impacts generated by Iren Group on the local areas contribute to the growth of the economic, social and environmental context

The Group also contributes to the employment of the area in which it operates and generates added value through actions aimed at increasing professional skills and at consolidating the improvements reached in the level of education.

The Group has no specific local recruitment policy; nevertheless, given the specificity of the Italian labour market, there is a high coincidence between the provinces of residence of employees and their assigned place of work: 78% of executives reside in the same region as their place of work.

Iren Group generates opportunities for the development of innovative technologies and processes and for the growth of territorial expertise

The indicator that highlights the Group's ability to produce value and satisfy the economic interests of its main stakeholders is Added Value, which measures the economic performance of operations and the ability to create the conditions for distributing wealth to stakeholders.

In 2023, Iren Group generated a total gross Added Value of about 1,780 million Euro, distributed as follows:

39.5%

to the Company (over 703 million Euro) as wealth retained within the Group, including depreciation and amortisation and retained earnings;

34.4%

to Personnel (over 613 million Euro) in terms of wages and salaries, charges and other personnel costs;

7.6%

to the Public Administration (nearly 136 million Euro) in the form of direct and indirect taxes, net of operating subsidies received;

7.7%

to Financial Backers (over 137 million Euro) in terms of financial expenses incurred;

10.1%

to Shareholders (approximately 180 million Euro) as dividend;

0.7%

to the community (over 11 million Euro) in terms of contributions to social, environmental, cultural and sports events.

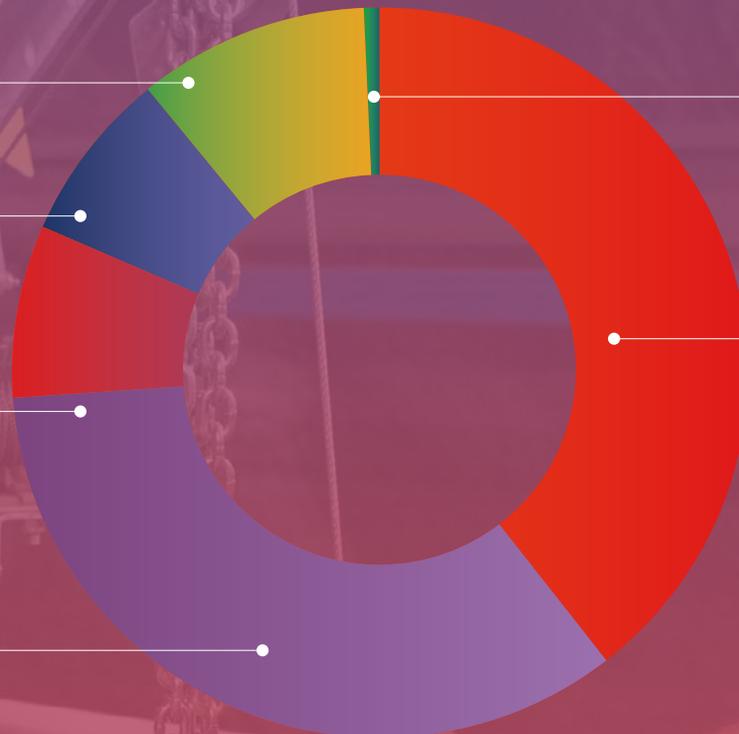
Total gross added value distributed

10.1%

Stakeholders

7.6%Public
administration**7.7%**Financial
Bakers**34.4%**

Personnel

**0.7%**

Community

39.5%

Company

Determination of Added Value (thousands of Euro)	2023	2022
Revenues from sales and services	6,279,015	7,554,589
Change in work in progress, semi-finished products, finished products and goods	-65,512	35,700
Other revenue	113,594	150,244
Production revenue	6,327,097	7,740,533
Raw materials, consumables, supplies and goods	-2,697,328	-4,613,809
Cost for services	-1,826,775	-1,621,250
Other expenses	-37,147	-24,540
Capitalised costs for internal works	58,267	57,223
Provisions for risks	-131,579	-68,344
Intermediate production costs	-4,634,562	-6,270,720
Gross Added Value from core business	1,692,535	1,469,813
Non-core and non-recurring items	87,423	132,705
Net profit from discontinued operations	0	0
Total gross Added Value	1,779,958	1,602,518

Taxes and duties

Iren Group, while respecting and independently making its own management decisions and in line with its sustainability policy, pursues a tax strategy inspired by principles of honesty, correctness and regulatory compliance, characterised by collaborative and transparent behaviour towards the Tax Authorities and third parties, in order to minimise any substantial impact in terms of risk, be it fiscal or reputational.

To this end, the Board of Directors has approved the document **Fiscal Strategy**, also referred to in the Code of Ethics, which defines the objectives and the approach adopted by the Group in managing the tax variable. The document is made available to all stakeholders on the Group's website (governance > internal control risk management compliance > fiscal strategy) and is updated in a timely manner whenever changes occur at a strategic and/or operational level to the essential elements regulated therein. The Fiscal Strategy establishes the principles of conduct in tax matters, to contain the risk of incurring in the violation of tax regulations or the abuse of the principles and purposes of the tax system, and to ensure the correct and timely determination and settlement of taxes over time. Consistently with these principles, Iren refrains from implementing tax practices or strategies aimed at abusively eroding the tax base and commits itself not to undertake operations and behaviours and not to establish commercial relations or implement company structures that are devoid of economic substance and aimed at obtaining undue tax advantages and that are not justified by valid economic reasons, including organisational or managerial reasons, or in any case consistent with social and business ethics objectives. Iren also undertakes to actively pursue prior certainty of its tax positions and to prevent the start of unnecessary tax disputes or disputes that, in any case, based on a prognostic assessment, could have an unfavourable outcome (principle of "more likely than not"). Where the tax obligations or cases are considered, based on an objective assessment by management, to be unclear or subject to interpretation or, in any case, have margins of uncertainty, Iren acts with full transparency towards the Tax Authorities, according to the instruments made available by the legal system, to achieve the application of the correct level of taxation.

Iren's Board of Directors, supported by the Control, Risk and Sustainability Committee, defined the guidelines for the internal control and risk management system, including tax risks, and identified the Chief Executive Officer as the person responsible for directing the fiscal strategy, verifying

the functioning of the **Tax Control Framework**, i.e. the tax risk management and control system that Iren has adopted to ensure the submission of accurate tax declarations, the correct application of all tax regulations and, when deemed appropriate, the involvement of the Tax Authority in the face of transactions likely to generate interpretative uncertainties.

The Board of Directors has also established the **Tax Risk Management Commission**, composed of four permanent members - Director of Risk Management, Tax Risk Manager, CFO and Financial Reporting and Accounting Manager -, which oversees the processes envisaged by the Tax Control Framework with supervisory and control tasks, as well as monitoring activities, supporting with non-binding advisory and proposing functions, the various actors involved, including the CEO and the **Tax Risk Manager**, in the performance of their respective tasks. The Tax Risk Manager is responsible for monitoring, aimed at verifying the effectiveness and efficiency of the controls in place to protect against tax risks and periodically reports to the Tax Committee on the activities carried out, their results, and the adequacy of the Tax Control Framework. By identifying and assessing risks and the preparation, in collaboration with the functions involved, of operating procedures of a fiscal nature, the Tax Risk Manager ensures that each control owner is aware of and implements the control measures and confirms the effective application of the procedures.

Consistent with the broader system of internal control and risk management, the Tax Control Framework requires that tax risk be managed through the assignment of responsibilities and roles according to three levels of control. **First level control** is represented by the individual operating lines which, daily, in carrying out the activities for which they are responsible, implement the so-called line controls, as defined by Company policies and procedures, aimed at ensuring that operating activities are carried out correctly, including those with repercussions on tax compliance. Therefore, the first level of control is carried out by the Company management of the individual operating lines, including the Tax and Compliance Department. **Second level control** is entrusted to the Tax Risk Manager, which differs from the line functions on the basis of compliance with the criterion of separation of duties. The Tax Risk Manager prepares the annual monitoring plan on tax controls and risks and ensures its execution, identifying any

areas for improvement and supporting the control owners in identifying the related corrective actions. Adequate, proportionate and diversified information flows guarantee the circulation of information and ensure that the results deriving from the monitoring activities carried out by the Tax Risk Manager are known at the appropriate Company levels. **Third level control**, entrusted to the Internal Audit Unit, has the objective of verifying the operation and suitability of the internal control and risk management system and identifying anomalous trends and violations of procedures and regulations.

The management of fiscal and tax aspects has been identified as a sensitive activity concerning the tax offences referred to in the Legislative Decree 231/01 that Iren considers potentially applicable in the conduct of business activities. The Procedure for the management of reports to the Supervisory Body, approved by the Board of Directors, regulates the methods of communication and management of reports concerning situations of overt or suspected violations of the law, of the principles of the Organisational Model 231 and of the procedures governing sensitive activities at risk of 231-related crimes, along with instruments for implementing the Model itself (for more details on the Model 231, [» SEE PAGE 73](#)).

In order to improve communication and collaboration with the Tax Authorities, Iren Group decided to adhere to the “Collaborative Compliance Regime” (Italian Legislative Decree 128/2015), which provides a new scheme of relations between the Revenue Agency and taxpayers inspired by the principles of cooperative compliance already adopted by foreign tax administrations. The main benefits of risk management derive from the possibility of joint assessment of any tax risks with the Revenue Agency before the tax return and access to forms of prior appeal with an abbreviated procedure. The

Group companies that meet the requirements of the Revenue Agency and are admitted to the “Collaborative Compliance Regime” are Iren and Iren Energia.

Iren has also consolidated a stakeholder involvement process through the Local Committees, representing the main tool for dialogue and discussion between Iren Group and all stakeholders (consumers/customers, employees, suppliers, institutions, shareholders, the environment and local communities).

Lastly, the tax information in the Consolidated Financial Statements and the Sustainability Report is subject to an assurance process by a third party (Independent Auditors).

The income taxes for financial year 2023 amount to over 97 million Euro (-24.6% compared to 2022). The effective tax rate is 25.61%.

In 2023, the Group received over 79 million Euro in benefits and grants from the Public Administration, of which 14.6 million Euro in capital investments.

Taxes and duties paid (millions of Euro)	2023	2022
Government and Region	97.09	128.85
Total direct taxes and duties	97.09	128.85
ATO concession fees	1.73	1.99
Other concession fees	25.21	23.99
Derivation, taxes and licenses (derivation fees and surtaxes)	45.23	26.46
Taxes and duties	26.38	24.60
TOTAL INDIRECT TAXES AND DUTIES	98.55	77.04
TOTAL	195.64	205.89



Sustainable finance

The financial market has seen strong growth in recent years in sustainable and responsible investments and financing instruments that consider sustainability impacts, including offering more affordable rates based on the achievement of defined and measured goals.

The European Union has given an important impetus in this direction with the adoption, in 2018, of the Action Plan, which outlines strategies and measures for the realisation of a financial system capable of promoting sustainable development, contributing to the implementation of the Paris Agreement on Climate Change and the goals of the United Nations 2030 Agenda. The Plan recommends ten actions to be taken at European level to encourage the channelling of financial investment towards a more sustainable economy, consider sustainability in risk management procedures, and strengthen transparency and long-term investment.

Sustainable finance represents a very significant lever to support the investment plan envisaged in Iren Group's Strategic Plan to achieve the planned sustainability objectives.

European taxonomy

The Green Deal is Europe's strategy to become a carbon-neutral society by 2050, protect the health and well-being of its citizens, and conserve and enhance natural capital and biodiversity.

This challenge requires not only public funds, but also private funds. For this reason, as part of the Action Plan for Sustainable Finance, the European Commission has defined the Taxonomy (EU Regulation 2020/852), a single system of classification of economic activities that defines the criteria for assessing environmental sustainability, encouraging companies to make their models more environmentally sustainable, implementing investments in this direction, and to provide disclosure of information related to the environment and climate.

The Taxonomy identifies **six environmental objectives** to identify sustainable economic activities:

- climate change mitigation,
- climate change adaptation,
- sustainable use and protection of water and marine resources,
- transition to a circular economy,
- pollution prevention and control,
- protection and restoration of biodiversity and ecosystems.

An **economic activity is aligned with the Taxonomy**, and therefore considered sustainable, if it meets three basic principles:

- contribute substantially to at least one of the six environmental objectives by meeting activity-specific technical screening criteria (*substantially contribute*);

- *Do Not Significant Harm (DNSH)* to the remaining environmental objectives;
- comply with the minimum safeguards set out in the OECD Guidelines for Multinational Enterprises⁽¹⁾ and the UN Guiding Principles on Business and Rights⁽²⁾ (*comply with minimum safeguards*).

An **economic activity eligible for the Taxonomy** is an activity included in the Delegated Acts, regardless of whether it meets the technical criteria established for it. Eligible economic activities, therefore, constitute the set of activities that have the potential to align with the technical screening criteria. **Non-eligible economic activities** are activities which are not included in the Climate Delegated Act. An **economic activity aligned with the Taxonomy** is one that meets all the requirements: the technical screening criteria, DNSH and compliance with minimum safeguards.

It is important to note that two different types of non-eligible activities are included:

- **activities not included in the Delegated Acts;**
- **activities excluded** because they are not considered to produce significant impacts on the environmental objectives considered by the Taxonomy. For example, one of these is the sale of electricity to end customers, which, according to Iren Group's evaluations, could contribute significantly to the mitigation of climate change in a logic of progressive electrification of consumption, oriented towards the marketing of electricity produced 100% from renewable sources.

In 2021, the EU Delegated Regulation (2021/2139) – so-called Climate Delegated Act – came into force, which defines the technical criteria for the first two objectives (climate change mitigation and adaptation), integrated on 15 July 2022 by the complementary Delegated Act (EU Delegated Regulation 2022/1214), which includes gas and nuclear energy production in the Taxonomy.

On 27 June 2023, the following were published in the Official Journal:

- Delegated Regulation (EU) 2023/3850 which, by amending the Climate Delegated Act, provides for the expansion of economic activities that contribute to climate change mitigation and adaptation, as well as updates to the technical assessment criteria for existing economic activities;
- Delegated Regulation (EU) 2023/3851 (so-called Environmental Delegated Act), which provides the technical criteria for assessing economic activities that have a significant impact on one or more of the four environmental objectives, in addition to climate change, which include the sustainable use and protection of water and marine resources, the transition to a circular economy, the prevention and control of pollution, and the protection and restoration of biodiversity and ecosystems.

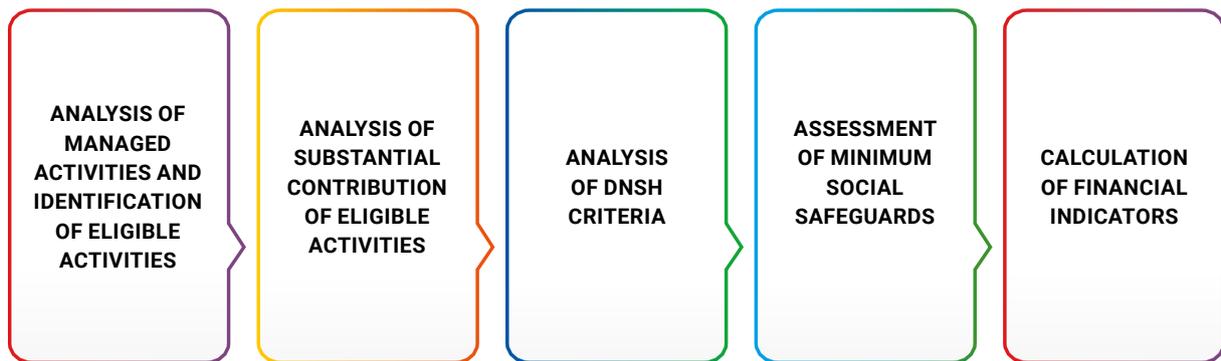
Companies required to publish the Non-Financial Statement (NFS) must report three indicators (KPIs): revenue, operating expenses (OpEx) and capital expenditures (CapEx), related to activities covered by Taxonomy.

As of 1 January 2023, the three KPIs for activities included in the Climate Delegated Act are to be referred to the activities aligned to the Taxonomy. As of 1 January 2024, the three KPIs must also be reported in relation to eligibility for the Taxonomy of Economic Activities covered by the Environmental Delegated Act (Taxo 4).

To implement the European Taxonomy in the monitoring and reporting system, Iren Group has structured a process and an inter-functional working group (Business Unit, Corporate Social Responsibility and Local Committees, Management Control, Regulatory Affairs, Corporate Affairs, Sustainable Finance and Technologies and Information Technologies and Systems) that carried out the analysis of all the activities managed, verifying their consistency with the requirements established by the Regulation, in the extension currently in force. The activity analysis process adopted by Iren is developed as outlined below (➤ [SEE PAGE 378](#) for more details).

⁽¹⁾ OECD Guidelines for Multinational Enterprises - aimed at multinational enterprises operating in Organisation for Economic Co-operation and Development (OECD) member countries - provide non-binding principles and standards for responsible business conduct based on applicable laws and internationally recognised standards.

⁽²⁾ United Nations Guiding Principles on Business and Human Rights (UNGPs) are a tool, consisting of 31 principles, that implement the United Nations' "Protect, Respect and Remedy" framework for human rights in business.



As part of the evaluation process, also in the face of the need to define homogeneous interpretative criteria, the fundamental comparison with the other players in the sector continued, both directly and through associative working groups (e.g. Utilitalia, Assonime).

The analysis carried out on the eligibility and alignment with the taxonomy objectives of Iren Group's economic activities is shown in the table below.



Focus Areas Iren Strategic Plan	Taxonomy Objectives	Eligible activities	
		Aligned	Non-Aligned
Decarbonization	Climate change mitigation	(4.1) Production of electricity using photovoltaic solar technology	
		(4.3) Production of electricity from wind energy	
		(4.5) Production of electricity from hydroelectric energy	
		(4.10) Electricity storage	
		(4.11) Thermal energy storage	
		(4.14) Distribution networks for renewable and low-carbon gases	
		(4.24) Production of heat/cooling from bioenergy	
		(4.29) Production of electricity from gaseous fossil fuels	
		(4.30) High-efficiency cogeneration of heat/cooling and electricity from gaseous fossil fuels	
		(4.31) Production of heat/cooling from gaseous fossil fuels in an efficient district heating and cooling system	
	(7.6) Installation, maintenance and repair of renewable energy technologies		
		(8.1) Data centre	
Water resources	Climate change mitigation	(5.1) Construction, expansion, and operation of water collection, treatment, and supply systems (95%) ⁽¹⁾	(5.1) Construction, expansion, and operation of water collection, treatment, and supply systems (5%) ⁽¹⁾
		(5.3) Construction, expansion, and operation of wastewater collection and treatment systems (67%) ⁽¹⁾	(5.3) Construction, expansion, and operation of wastewater collection and treatment systems (33%) ⁽¹⁾
	Sustainable use and protection of water and marine resources	(1.1) Manufacture and installation (and related services) of leakage control technologies	
		(2.1) Water supply	
		(2.2) Urban wastewater treatment	
	Transition to a circular economy	(2.2) Production of alternative water resources for purposes other than human consumption	

Focus Areas Iren Strategic Plan	Taxonomy Objectives	Eligible activities		
		Aligned	Non-Aligned	
Circular economy	Climate change mitigation	(5.5) Collection and transportation of non-hazardous waste in source-separated fractions		
		(5.7) Anaerobic digestion of bio-waste		
		(5.8) Composting of bio- waste		
		(5.9) Material recovery from non-hazardous waste (71%) ⁽¹⁾	(5.9) Material recovery from non-hazardous waste (29%) ⁽¹⁾	
		(5.10) Closed landfills with biogas production		
	Transition to a circular economy	(2.3) Collection and transport of non-hazardous and hazardous waste		
		(2.5) Recovery of bio-waste through anaerobic digestion or composting		
		(2.6) Decontamination and dismantling of end-of-life products		
		(2.7) Sorting and recovery of materials from non-hazardous waste		
	Pollution prevention and control	(2.1) Collection and transport of hazardous waste		
(2.2) Treatment of hazardous waste				
Resilient cities	Climate change mitigation	(4.9) Electricity distribution		
		(4.15) District heating/cooling distribution		
		(6.3) Urban and suburban transport, road passenger transport		
		(6.4) Management of personal mobility devices, cycle-logistics		
		(6.5) Transportation by motorcycles, passenger cars and light commercial vehicles (26%) ⁽²⁾	(6.5) Transportation by motorcycles, passenger cars and light commercial vehicles (74%) ⁽²⁾	
		(6.15) Infrastructure that enables low-carbon road and public transportation		
		(7.1) Construction of new buildings		
		(7.2) Renovation of existing buildings		
		(7.3) Installation, maintenance and repair of energy efficiency devices		
		(7.4) Installation, maintenance and repair of electric vehicle charging stations in buildings		
		(7.5) Installation, maintenance and repair of instruments and devices for measuring, regulating and controlling the energy performance of buildings		
		(7.6) Installation, maintenance and repair of renewable energy technologies		
		(9.3) Professional services related to the energy performance of buildings		
		Pollution prevention and control	(2.4) Remediation of contaminated sites and areas	

⁽¹⁾ Percentage calculated on revenues

⁽²⁾ Percentage calculated on costs, as this activity does not generate revenues

From the analysis carried out, the following activities managed by Iren Group are ineligible for the Taxonomy: collection of unsorted waste for disposal; energy recovery from non-hazardous waste; waste disposal in landfills without biogas production; sale of "green" electricity and gas; distribution of non-renewable gas; management of information systems.



STATEMENT OF THE ALIGNMENT OF IREN GROUP'S ACTIVITIES

The portions of eligible, aligned and non-eligible activities related to the three KPIs required by the Taxonomy are represented below. It should be noted that with regard to the economic activities covered by the Environmental Delegated Act (Taxo 4), alignment assessments will be carried out starting in the financial year 2024.

More detailed information on eligible, aligned and non-eligible activities, as well as the criteria for calculating the relative share of revenues, operating expenses (OpEx) and capital expenditures (CapEx), are contained in the tables on page 378.

Turnover (revenues)

1,710
million
Euro of
revenues

from activities
aligned to
UE Taxonomy

The total revenues considered to define the indicator (denominator) are those reported in the Consolidated Financial Statements, in compliance with international accounting standards, with the sterilisation of the effects deriving from assets under concession (IFRIC 12). In calculating the indicator, only revenues from external sales were considered in the numerator. By adopting said criteria, in 2023, the share of **revenues from activities eligible**

for the Taxonomy is 60%, of which **27%** (about 1,710 million Euro) **is aligned for the climate change mitigation objective** and mainly concerns hydroelectric generation, sorted waste collection activities, energy efficiency devices, water collection, treatment and supply systems, wastewater collection and treatment systems, and electricity distribution. It should be pointed out that Taxonomy does not consider as eligible activities that are of considerable

800
million
Euro of
OpEx

from activities
aligned to
UE Taxonomy

Operating expenses (OpEx)

The operating expenses considered for the purposes of calculating the indicator do not include the following expenses: overheads, raw materials, personnel for the management of activities, management of research and development projects, electricity, fluids or reagents necessary

for the operation of property, plant and equipment. **58% of the 2023 operational expenditure (OpEx) is related to activities eligible for the Taxonomy**, of which **52%**, or about 800 million Euro, **is aligned for the climate change mitigation objective**. These expenditures are mainly related

525
million
Euro of
CapEx

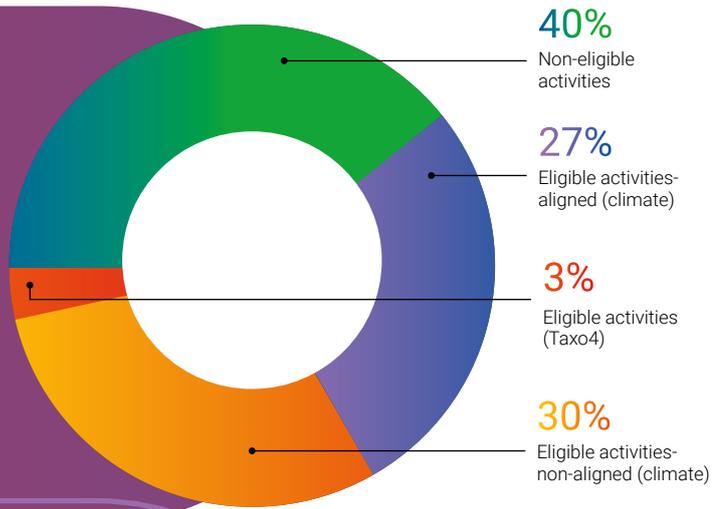
from activities
aligned to
UE Taxonomy

Capital Expenditure (CapEx)

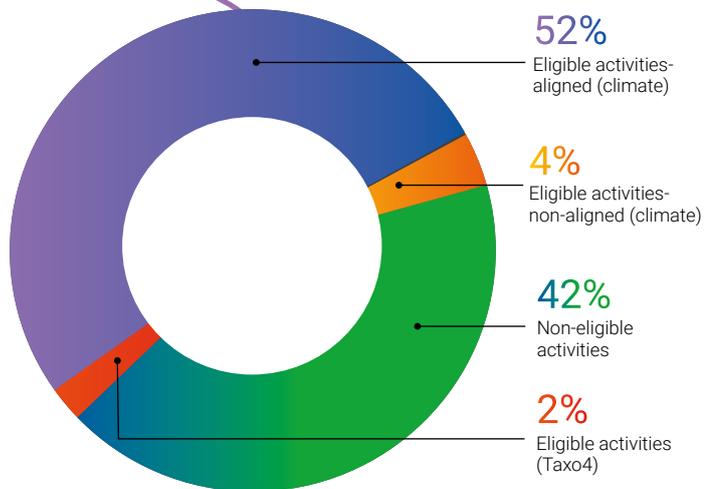
The capital expenditure used to define the indicator includes, at the denominator, increases in tangible and intangible assets before depreciation, amortisation, impairment and any revaluation, including also increases resulting from business combinations and capitalised long-term leases (IFRS 16).

68% of the 2023 capital expenditure (CapEx) is related to activities eligible for Taxonomy, of which **52%**, or over 525 million Euro, **is aligned for the climate change mitigation objective**. The largest share of this concerns investments in water collection, treatment and supply systems, wastewater collection

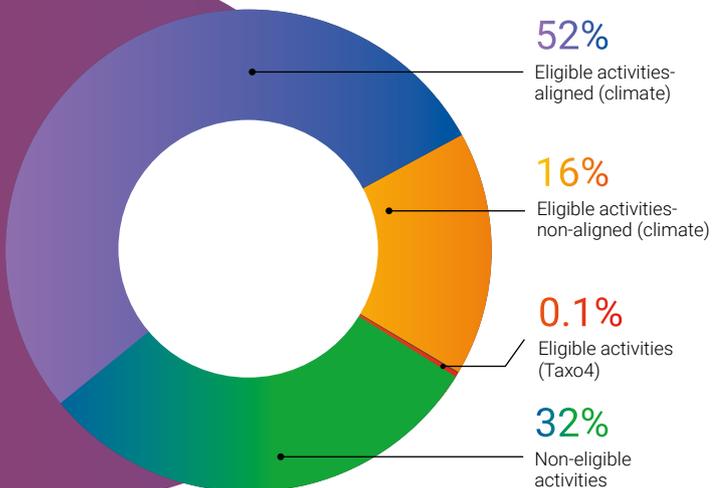
importance for the Group, such as, for example, the sale of electricity and gas (around 31% of total revenues), which could, in fact, have a positive impact on climate change mitigation if geared towards the marketing of electricity from renewable sources or low-carbon gas. By sterilising this effect, the share of revenues related to eligible activities would be about 90%.



to the activities of material recovery from waste, sorted waste collection, installation of energy efficiency devices, water collection, treatment and supply, wastewater collection and treatment, and electricity distribution.



and treatment systems, development of electricity distribution networks, collection and transport of sorted waste, anaerobic digestion of organic waste and photovoltaic production.



Sustainable finance instruments

Sustainable finance is one of the enabling levers of the Business Plan to 2030, thanks to an increasing and diversified use of **sustainable financial instruments, which will represent 77% of financing sources by the end of 2023**. The goal is to source 100% of medium- to long-term resources from sustainable sources by 2030. The financing operations concluded in 2023 - all linked to sustainability indicators and granted to support the Group's investment plans and financial needs - confirm the financial system's trust in the development projects and strategies outlined by the Group, also allowing to maintain an adequate balance between short-term and long-term financial exposure.

In order to achieve the objectives related to sustainable finance, the Group adopted a Sustainable Financing Framework for which a second party opinion was issued by an external body that ensures its compliance with precise environmental criteria and certifies its alignment with the ICMA (International Capital Market Association) Green Bond Principles and Sustainability-linked Bond Principles, and the LMA (Loan Market Association) Green Loan Principles and Sustainability-linked Loan Principles, which represent the most widespread standard among issuers and market operators. The Sustainable Financing Framework complements the Green Use of Proceeds instruments with Sustainability-Linked instruments, thus expanding the portfolio available to the Group and ensuring the necessary support for the realisation of strategies in the short term, through the use of proceeds to finance specific projects, and in the medium to long term, by linking the management of financial resources to sustainability targets (KPIs) integrated in the financial strategy.

The main sustainable finance transactions carried out during 2023 are summarised below:

- subscription in December of two 3-year RCF committed lines for 200 million Euro. Both loans are KPI-linked, i.e. they are linked to the achievement of two sustainability targets (KPIs) identified in the Business Plan and linked to the decarbonization path undertaken by the Group and the rational use of water resources, in line with as also included in the Sustainable Financing Framework. These loans are in addition to the six KPI-Linked Term Loan type contracts, already in place in 2022 for 650 million Euro, which consider the same strategic sustainability targets in the margin

adjustment mechanism. At the end of 2023, the total KPI-Linked loans subscribed by Iren Group amounted to 850 million Euro;

- signing, in October, of a new Green Use of Proceeds loan with Cassa Depositi e Prestiti (CDP) for 100 million Euro with a 12-year maturity to support the EfficienTO project (energy requalification of about 800 public buildings in the City of Turin) and a new loan agreement with EIB (European Investment Bank) signed in March, for 150 million Euro to support the Group's investments in the integrated water service with the aim of upgrading the water distribution network, wastewater collection and treatment plants in the provinces of Genoa and La Spezia. The two lines signed in 2023 are in addition to those already in place with the EIB and CEB (Council of Europe Development Bank), bringing the amount granted to around 1 billion Euro at the end of December 2023;
- issuance of guarantees in a "green" format on an existing line for 70 million Euro to support any underlying transactions with sustainable characteristics, in accordance with the Sustainable Financing Framework, which also includes a pricing benefit. This line is in addition to an existing ceiling with the same characteristics of 10 million Euro.

The transactions described above are in addition to the bonds issued for a total of more than 3 billion Euro, including four Green Bonds and a Green Private Placement in Use of Proceeds format for more than 2 billion Euro, under the existing EMTN Programme (ceiling of 4 billion Euro).

Since 2019, Iren has been an active member of the Corporate Forum on Sustainable Finance, which aims to support and develop sustainable finance as a tool to combat climate change and promote a more sustainable and responsible society. The 25 current members are European and UK companies, issuers of ESG bonds, committed to making a tangible contribution to reducing emissions by actively participating in consultations promoted by the European Union on Taxonomy, regulation, sustainability disclosure and reporting, financial markets, reference standards and ESG ratings.

For 2024, the Group's objective is to continue the activities to cover financial needs to support investments through a balanced relationship between short and medium/long-term funds with attention to the principles of sustainable finance, in addition to full compliance with the commitments undertaken towards Socially Responsible Investors (SRI) and defined in the Sustainable Financing Framework. To this end, in January 2024, Iren issued its fifth Green Bond.

IREN GREEN BONDS IN CIRCULATION AT 31/12/2023

Bond	Iren acronym	ISIN code	Bond amount (€/000)	Annual coupon (%)	Issue duration (years)	Expiry	Price	Rating Fitch/S&P
Green Private Placement 2028	GPP1	XS2512307229	50,000	2.875 %	6	05/08/2028	100.00	BBB
Tap Issue Green Bond 2031	Tap GB4	XS2275029085	200,000	0.250 %	10	17/01/2031	94.954	BBB/BBB
Green Bond 2031	GB4	XS2275029085	300,000	0.250 %	10	17/01/2031	99.030	BBB/BBB
Green Bond 2029	GB3	XS2065601937	500,000	0.875 %	10	14/10/2029	99.345	BBB/BBB
Green Bond 2025	GB2	XS1881533563	500,000	1.950 %	7	19/09/2025	99.129	BBB/BBB
Green Bond 2027	GB1	XS1704789590	500,000	1.500 %	10	24/10/2027	98.356	BBB/BBB
TOTAL			2,050,000					

ALLOCATION OF GREEN BOND FUNDS

In line with the Sustainable Financing Framework, the net proceeds from the Green Bonds issued are used to finance and/or refinance, in whole or in part, a list of sustainable projects and activities based on the criteria set forth in the international ICMA Green Bond Principles guidelines that Iren Group has adopted.

The allocation of net proceeds, for all green instruments, took place in compliance with the timing established by Iren within its Framework, i.e. within the 24-month term which represents, to date, the most common market practice.

All projects to which the proceeds have been allocated are confirmed and present in the Group's assets as at 31 December 2023. The table below shows the allocation status (Use of Proceeds) for each outstanding Green Bond based on the eligible categories identified in the Sustainable Financing Framework in which the different projects and activities financed are grouped.

PROCEEDS FROM GREEN BONDS ALLOCATED AS AT 31/12/2023 ⁽¹⁾

	Green Private Placement 2022		Tap Green Bond 2031 (Tap GB4)		Green Bond 2031 (GB4)		Green Bond 2029 (GB3)		Green Bond 2025 (GB2)		Green Bond 2027 (GB1)	
	Invest.	Prog. (n.)	Invest. (€/000)	Prog. (n.)	Invest. (€/000)	Prog. (n.)	Invest. (€/000)	Prog. (n.)	Invest. (€/000)	Prog. (n.)	Invest. (€/000)	Prog. (n.)
Energy efficiency			96,984	8	197,427	6	387,503	11	247,992	4	232,587	6
Renewable sources	50,000	1	9,076	1	33,361	5	4,263	1	134,658	5	160,950	7
Efficiency in waste management and recycling			43,238	4	57,909	6	35,388	3	7,265	1	42,124	1
Wastewater treatment			38,105	2	8,393	3	61,595	4	100,439	1	56,119	4
Water service efficiency			-	-	-	-	4,678	1	-	-	-	-
E-mobility			2,505	1	-	-	3,298	1	5,291	1	-	-
TOTAL ALLOCATED	50,000	1	189,908	16	297,090	20	496,725	21	495,645	12	491,780	18
Issue discount			10,092		2,910		3,275		4,355		8,220	
TOTAL ISSUE	50,000	1	200,000	16	300,000	20	500,000	21	500,000	12	500,000	18

⁽¹⁾ The 88 projects indicated in the table include projects common to the 6 Green Bond and Green Private Placement issues for different years (47 projects not including common projects).

The positive environmental impacts generated by the projects funded by the Green Bonds are outlined by the main indicators shown in the table below.

More information on Green Bonds and the projects they finance can be found at gruppoiren.it (Investors > Financial Profile > Sustainable Finance).

Project category and main indicators	u.m.	2023	2022	2021	2020	2019	2018	2017
Energy efficiency								
Electricity produced	MWh	3,096,505	3,586,415	3,847,662	3,486,789	3,833,955	3,887,199	3,884,511
Electricity produced from renewables	MWh	2,033	2,002	878	0	657	46	25
Primary energy saved	MWh	1,513,232	1,818,518	1,838,393	1,532,645	1,808,508	2,200,496	2,281,239
CO ₂ emissions avoided by non-fossil sources	t	495,461	518,485	578,080	492,287	616,258	636,478	724,744
Thermal energy produced	MWh	1,583,882	1,772,079	1,996,062	1,660,701	1,592,436	1,684,507	1,770,005
Electricity input to the grid	MWh	3,502,569	3,659,913	3,585,171	3,505,548	3,790,141	3,803,936	4,222,786
Electricity and gas smart meters installed	no.	1,476,508	1,467,723	1,418,954	1,385,339	1,330,716	1,188,480	966,569
Renewable sources								
Primary energy saved	MWh	2,296,726	2,568,895	2,497,041	2,101,596	2,827,848	3,254,066	3,663,699
Electricity produced from renewables	MWh	567,151	469,433	713,362	765,174	777,269	904,438	761,335
Thermal energy distributed	MWh	2,719,962	3,048,357	3,144,036	2,856,932	2,779,773	2,816,307	2,956,143
CO ₂ emissions avoided by non-fossil sources	t	974,090	839,626	1,057,353	1,074,207	1,320,889	1,371,073	1,581,848
Waste management and recycling efficiency								
Sorted waste collected	t	845,378	836,095	856,682	825,674	813,804	788,313	711,910
Unsorted waste treated	t	347,404	353,871	366,570	371,735	415,905	445,411	464,837
Plastic sent for recovery	t	234,597	225,509	221,783	59,635	-	-	-
Blupolymer produced	t	19,181	26,564	19,137	7,054	-	-	-
Bluair produced	t	44,496	32,271	8,538	6,648	-	-	-
Biomethane produced	sm3	5,756,301	5,816,501	1,778,145	-	-	-	-
Emissions of CO ₂ avoided	t	406,442	400,018	367,637	102,162	-	-	-
Wastewater treatment								
Equivalent residents served (potential)	no.	641,033	634,578	628,878	625,806	531,528	515,650	295,650
Volumes of water for reuse/Volumes of treated water	%	34	41	32	31	32	30	30
Wastewater treatment plants	no.	1,322	1,323	1,291	1,310	1,293	1,278	1,122
Sewer networks	km	11,501	10,852	10,842	10,739	10,662	10,606	9,924
Water service efficiency								
Smart meters installed	no.	174,145	156,203	127,046	96,965	51,742	-	-
E-mobility								
CO ₂ emissions avoided by non-fossil sources	t	2,316	1,821	1,420	1,069	789	52	-

ESG indices and ratings

Iren Group's choice to place sustainability at the heart of its development is confirmed in the Business Plan to 2030: circular economy, water resources, resilient cities, decarbonization and people are at the heart of the Group's agenda for coming years.

Of the total organic investments, 80% will be earmarked for sustainable projects to achieve commitments made consistent with the United Nations 2030 targets. This is a tangible commitment that confirms the desire to merge the Group's development with that of the communities, local areas and the environment.

ESG indices include company shares with strong sustainability profiles, with the aim of providing socially responsible investors with a method of evaluation based on the premise that businesses with sustainable approaches to environmental, social and governance issues outperform their competitors in the long term.

Since 2021, Iren's stock has been included in the Euronext MIB ESG Index, the first ESG index designed by Euronext to identify large Italian listed issuers with ESG best practices. Iren is also included in several ESG indices issued by FTSE Russell, Euronext, Bloomberg and STOXX.

ESG ratings are considered a strategic tool to support investors and identify risks and opportunities regarding sustainability within their investment portfolio, contributing to the development of active and passive sustainable investment strategies.



CDP	CDP, an independent non-profit organisation that globally collects, analyses and disseminates data on the environmental performance of companies, cities, states and regions, has confirmed Iren Group's A- rating for climate change-related performance for 2023.
MSCI	The MSCI ESG Rating assesses the exposure to and ability to manage risks and opportunities related to ESG factors, across several topics: CO ₂ emissions, water stress, opportunities in renewables, other pollutant emissions and waste, human capital, corporate governance and corporate conduct. Iren was rated BBB in 2023.
SUSTAINALYTICS	In the Sustainalytics ESG Risk Rating – which analyses the relevance of environmental, social and governance issues and how the company manages the risks arising from these issues – the Group earned 20.1.
ISS ESG	ISS ESG, which assesses ESG performance on the basis of around 100 indicators divided into 6 macro-areas, gives Iren a B rating.
MOODY'S ESG	In the ESG Assessment by Moody's, one of the largest global rating agencies, the Group gets a rating of 63 (advanced) out of 100.
S&P GLOBAL	Iren participates in the Corporate Sustainability Assessment by S&P, one of the leading global rating agencies. The score assigned for 2023 is 63/100 (evaluation on the 88/100 percentile).
BLOOMBERG GENDER PROFILE	For the fourth year, Iren Group has been included in the Bloomberg Gender-Equality Index (GEI), which measures gender equality based on five pillars: female leadership and talent pipeline, equal pay and gender pay equity, inclusive culture, anti-harassment policies and advocacy towards women. In 2023, the index gave Iren a rating of 72.09 out of 100.
OTHER RATINGS	Iren is rated in other ratings such as IGI (72.79/100, eighth position out of 98 participating companies) and Corporate Knights (overall score 58.5%).





Green
transition

15

IN THIS CHAPTER WE TALK ABOUT

emissions
reduction



energy
savings



water
resources



circular
economy



mobility



biodiversity





Policies for the environment

[GRI 3-3, 203-1]

Iren Group operates in sectors that, by their nature, generate direct and indirect impacts on the environment and, in turn, are strongly influenced by the natural resources used in the processes. Consistent with the Sustainability Policy, and aware of the role it plays in the ecosystem in which it operates, the Group places the **protection of the quality of the environment** at the centre of its strategy and action, with the aim of minimising impacts on air, water, soil and the use of natural resources.

RAW MATERIALS USED

Energy resources
(electricity, natural gas, other fuels)
Water resources
Chemicals, lubricants, odorants

MAIN MANAGED PROCESSES

Production of hydroelectric, solar, wind and thermoelectric (heat and energy) power
Waste management: collection, recovery and disposal
Integrated water-cycle management:
collection, distribution and treatment
Management of **distribution networks** and plants of **electricity and methane gas**
Other services (products and services for energy efficiency, electric mobility)

MITIGATION ACTIONS

Control and monitoring of activities
Continuous improvement and **efficiency** of all processes
Decarbonization of all activities
Energy saving through renewable sources use for energy production and consumption, spread of products and services for consumption reduction and self-production of renewable energy
Recovery of materials and energy from collected and treated waste
Purification of wastewater discharged in water bodies
Reduction in water withdrawals due to efficient management of networks and aqueducts
Efficiency and **resilience** of energy networks
Investments in **innovation** and **digitalisation**

ENVIRONMENTAL IMPACTS

Atmospheric emissions
Waste
Discharges into water bodies
Acoustic and odour emissions
Impacts on biodiversity
Electromagnetic fields
Visual impacts
Impacts on soil

Direct and indirect impacts of the environmental behaviour of the value chain (from clients to final customers)

In order to ensure sustainable management and limit the environmental impacts of its processes, Iren Group, as defined in the Sustainability Policy, carries out its activities by applying state-of-the-art techniques, beyond compliance with legal requirements, and by assessing and managing environmental risks. Furthermore, it adopts prevention tools, monitors and measures the impact of its activities in the short, medium and long term, adopts processes and technologies for **sustainable water management** (reduction of withdrawals and discharges, efficient management and reuse of recovered water resources), for the **reduction of emissions** into air, water and soil and for the **sustainable use of resources**, starting from the recovery of waste as a material and the use of renewable resources. For each Business Unit, specific organisational units have been set up dedicated to ensuring compliance with environmental authorisations, sector regulatory obligations, the implementation and coordination of environmental activities (controls and verifications, monitoring of environmental data, etc.). Furthermore, with the guidance, supervision and commitment of management and the involvement of all employees, the Group has developed an environmental management system (part of the integrated certified management system, [» SEE PAGE 86](#)) that guides the operations to guarantee the lowest environmental impact of processes, through management and adequate operational control, and continuous improvement.

Also through the environmental management system, the Group incorporates an assessment of environmental risks and opportunities and related impacts into its strategic and operational decision-making processes in order to ensure a coherent and balanced growth path.

Iren Group has adopted a **development strategy active in the fight against climate change and environmental protection**, which is embodied in the Strategic Plan to 2030 that places **green transition** among its three pillars of growth, to be implemented through:

- progressive **decarbonization of all activities** through the growth of energy production from renewable sources, innovation of technologies and processes in district heating management, preparation of gas distribution networks for hydrogen transport and reduction of the carbon intensity of energy production plants to achieve the targets validated by Science Based Target Initiative (SBTi);
- strengthening of the **leadership in the circular economy** through the continuous increase in sorted waste collection, the transfer of the Group's best practices to newly acquired areas, the development of new plants in the material recovery chain that also allow producing biomethane from the organic fraction of waste, and the investment in automation and digitalisation;
- the **efficiency of the integrated water service**, significantly reducing network losses, with a consequent reduction in water resource withdrawals from the environment and energy consumption, increasing the treatment capacity and reuse of purified water.

In fact, for the purpose of obtaining and maintaining environmental/energy certifications (ISO 14001, ISO 50001, UNI CEI 11352, F-GAS and EMAS registrations), periodic analyses are carried out on all Group plants and assets: for each activity, the direct and indirect impacts relating to the main environmental aspects (consumption, waste, emissions, soil pollution, odours, traffic, electromagnetic fields, noise) are assessed, key performance indicators are monitored and specific improvement objectives are defined.

The **environmental management policy** is reflected - not only in compliance with all environmental regulations and process optimisation - but also in investments in development, research and innovation, and in awareness-raising and creation of awareness of environmental issues among stakeholders. This is the framework for the commitment, set out in the Sustainability Policy, to promoting the conscious and sustainable use of resources (energy, water, waste), both among communities and the younger generations ([» SEE PAGE 242](#)) and with the active involvement of employees, including through training and information, a necessary condition for the implementation of any programme to prevent and strengthen the culture of sustainability.

The path taken in 2023 towards these objectives, detailed in the following paragraphs, was also made possible by investments in the development of all services, plants and the acquisition of new companies in the field of renewable energy production, sorted waste collection and recovery of materials from waste: the expenses and investments made during the year that contribute to environmental protection amount to approximately 848 million Euro, allocated as follows:

- 47%** to the construction of new wastewater treatment plants, the efficiency of the aqueduct networks, the smart metering of water and gas, the upgrading of stations and the construction of new systems for the electricity distribution networks;
- 35%** to the optimisation of sorted waste collection systems to pursue the recovery objectives defined by local area plans and material recovery plants;
- 13%** to the development of energy production from renewable sources, electrical and thermal storage, district heating networks, the efficiency of production plants through flexibility interventions;
- 5%** to implement services and products with positive environmental impacts for customers (IrenPlus and IrenGo) and the development of energy communities.





Decarbonization and reduction of emissions

[GRI 2-23, 3-3, 302-1, 305-1, 305-2, 305-3, 305-4, 305-5, 305-6, 305-7]

Iren Group has made a commitment in its strategic guidelines to the constant containment of emissions into the atmosphere, defining objectives for the reduction of CO₂ emissions and the increase in those avoided thanks mainly to the use of renewable sources, the recovery of waste as matter and to district heating.

Decarbonization and reduction of emissions



Risks

- Failure to meet the targets set out in the Business Plan and consequent negative impacts (operational, economic and reputational) also on accessibility to sustainable finance instruments
- Negative impacts on environment, health and safety with consequent negative reputational and economic impacts
- Unintentional exceeding of emission thresholds provided for by environmental authorisations or regulations
- Chronic or extreme natural phenomena from climate change that may cause impacts on assets/ performance
- Loss of environmental certifications
- Tightening of emission constraints and need for adaptation of processes/plants
- Errors/omissions in the design/permit/implementation activities with subsequent impairment of plant operating continuity



Opportunities

- Growth in renewable production contributing to decarbonization
- Reducing environmental impacts leading to climate change
- Business opportunities related to green transition



Management methods

- Planning and monitoring of business plan objectives and targets (economic/financial and ESG)
- Sustainable Financing Framework
- Code of Ethics
- Sustainability Policy
- Organisational Model 231 and information flows to the Supervisory Bodies
- Sustainable Financing Framework
- MbO and LTI system with ESG objectives
- Improvement plans and related investments
- ERM system (Operational Risk Policy and Climate Change Risk Policy)
- Integrated Certified Management System (risk assessment, containment measures and third-party audits)
- Procedures: Environmental analysis; Management of emissions from waste-to-energy plants, thermoelectric plants and wastewater treatment plants; Management of emergencies aimed at returning within certain times within the established emission thresholds; Car fleet management and maintenance
- Adoption of best available technologies
- Continuous emission monitoring systems and real-time connection with control bodies
- Periodic audits by control bodies
- Environmental authorisations

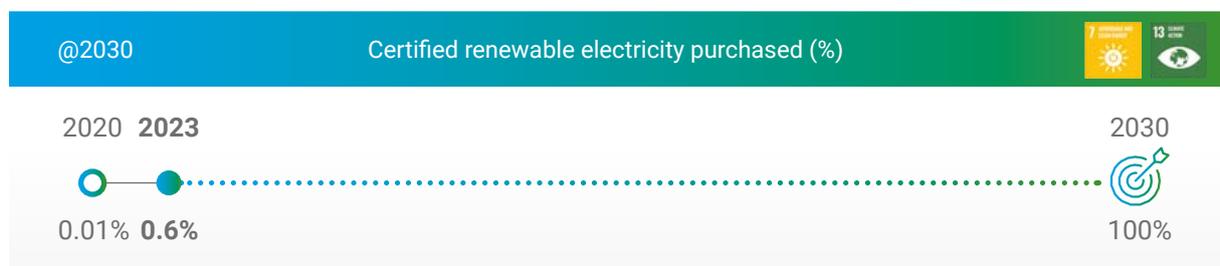
Direct and indirect energy consumption

The **direct energy consumption** of the Group concerns the use of fuels for the production of electricity and heat (co-generation plants, thermal plants, boilers, waste-to-energy plants and landfills), and the non-renewable primary energy flows not directly associated with the production of energy (e.g. site heating, fuel for the company vehicle fleet, etc.), used in carrying out its activities. Energy consumption increased slightly by 6% compared to 2022, mainly related to an increase in energy production from thermoelectric and the expansion of the perimeter.

The strategy of gradually reducing the use of natural gas, and the consequent emission impacts, is integrated in the Group's Business Plan, which envisages the gradual growth of renewable energy sources, also supported by storage systems, to reduce natural gas consumption by one-third in 2030, compared to 2020.

Indirect energy consumption refers to the electricity purchased and consumed by the Group, both for its offices and plants. The electricity used by the energy production plants is self-generated and can be partly purchased from third parties, if the needs exceed self-generation. In 2023, indirect energy consumption amounted to 442 GWh, equivalent to 82,744 TOE (3,463,644 GJ), with a slight increase of 5% compared to 2022, mainly due to the expansion of the scope of the Waste Management BU plants, deriving from the start-up of newly-built material recovery plants, and of the Networks BU, as a result of the company acquisitions that took place during the year, more than offset by the reduction in consumption recorded in the areas of business historically managed.

To mitigate the impact of electricity consumption, the Group has set a goal in its Business Plan to purchase 100% of its certified energy from renewable sources by 2030. In 2023, electricity was purchased from renewable sources, certified through a Guarantee of Origin (GO), covering about 0.6% of the total purchased.



Direct energy consumption by fuel type	u.m.	2023	2022	2021	2020
Natural gas	sm ³ /000	1,470,780	1,395,057	1,689,348	1,723,470
	TOE	1,229,572	1,166,267	1,412,295	1,440,821
Diesel	t	60	46	62	44
	TOE	62	47	63	45
Biogas from landfills, treatment plants and biodigesters ⁽¹⁾	m ³ /000	43,893	39,652	32,152	30,443
	TOE	18,023	16,401	11,984	11,497
Fuel for motor vehicles	t	18,477	15,617	11,849	10,643
	TOE	19,053	16,023	12,137	10,900
	TOE	1,266,710	1,198,738	1,436,479	1,463,262
TOTAL ⁽²⁾	GJ	53,034,621	50,188,763	60,142,518	61,252,146
	MWh	14,743,617	13,952,482	16,719,616	17,031,363

⁽¹⁾ Energy consumption from renewable sources.

⁽²⁾ The conversion to GJ is done using the conversion factor 1 TOE = 41.868 GJ; the conversion to MWh is done using the conversion factor 1 GJ = 0.278 MWh.

Direct energy consumption by energy source	u.m.	2023	2022	2021	2020
Non-renewable source	MWh	14,533,846	13,761,585	16,580,130	16,897,546
Renewable source	MWh	209,771	190,896	139,485	133,817
TOTAL	MWh ⁽¹⁾	14,743,617	13,952,482	16,719,616	17,031,363

⁽¹⁾ Conversion to MWh is done using the conversion factor 1 GJ = 0.278 MWh.

Atmospheric emissions

The emissions of greenhouse gases (GHG) are produced by Iren Group directly in the operational processes (scope 1) and indirectly both through the possible supply of electricity from third parties (scope 2) and along the value chain (scope 3).

Here they are considered and reported as GHG emissions (in terms of CO₂ equivalent):



all direct emissions produced by sources owned by the Group, i.e. emissions generated by the combustion of fuels and waste for the production of electricity and heat, those originating from the company vehicle fleet, fugitive emissions related to the dispersion of methane gas into the atmosphere in the gas distribution service, emissions related to methane dispersion produced by the decomposition processes of organic waste in landfills, those related to fluorinated gases (including the insulating SF₆ used in electricity distribution infrastructures), refrigerant gases normally contained in air conditioning/refrigeration systems, and finally, those deriving from the consumption of fuels for heating the buildings of the offices and for other activities supporting production;

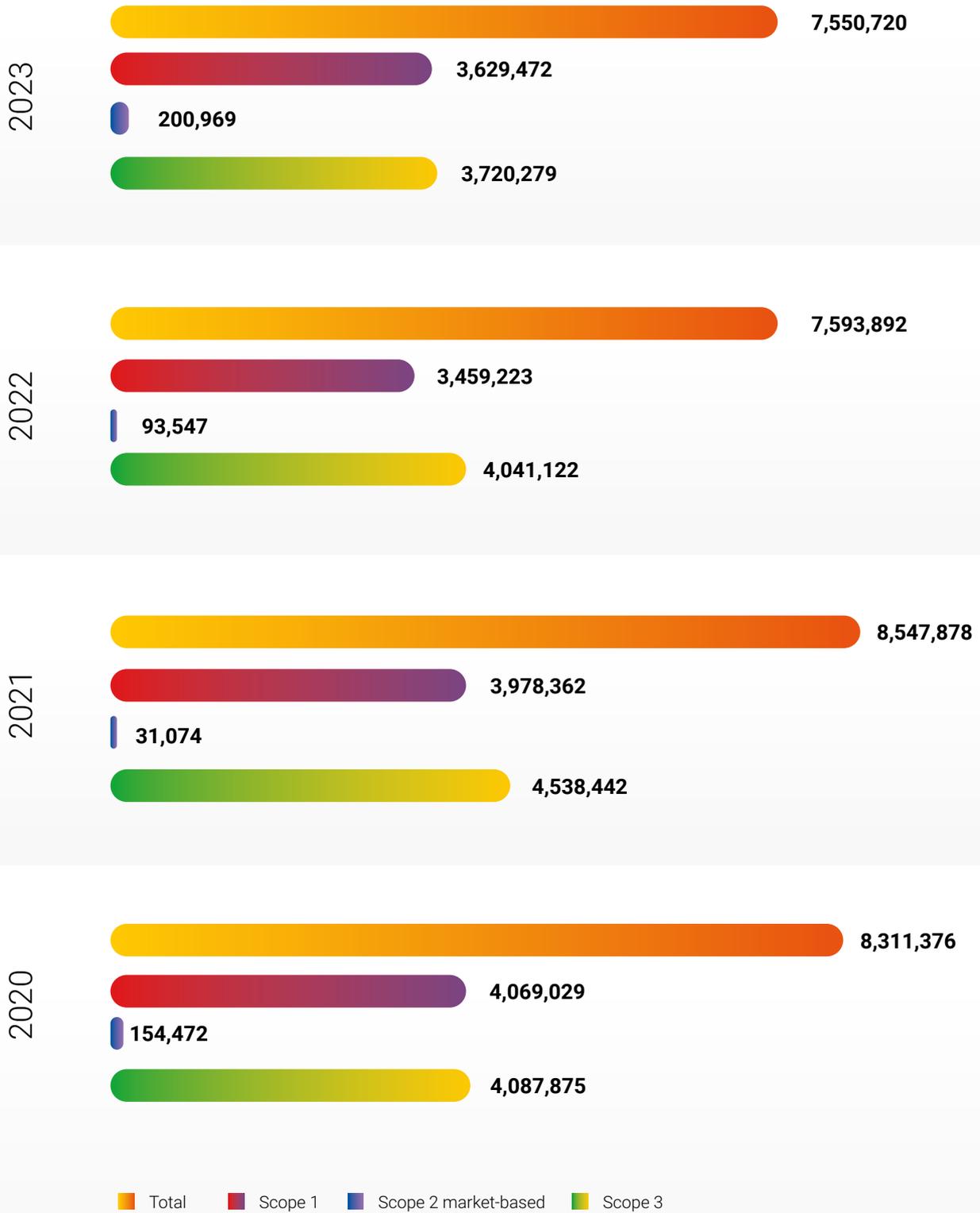


emissions deriving from the Group's indirect consumption, i.e. the emissions generated by electricity purchased from third-party suppliers and consumed both in the Group's plants and offices;



all emissions which, although connected to core and business activities, are not directly controlled by the Group but are produced in Iren's value chain, both upstream and downstream.

Total GHG emissions (tCO_{2eq})



Total GHG emissions are down compared to 2022, although impacted by the expansion of the Group's scope of operations and managed activities, which are reflected in the trend of scope 1 and scope 2 emissions. The decarbonization strategy adopted by the Group has led to the definition, in the Strategic Plan to 2030, of significant targets for the reduction of GHG emissions that affect production processes, procurement and commercial policies: These emission reduction targets were validated by the Science Based Target Initiative (SBTi):

- 47% reduction in the carbon intensity of energy production (scope 1) by 2030 compared to 2020;
- zeroing of scope 2 emissions, calculated according to the GHG Protocol market-based methodology, by supplying 100% renewable electricity by 2030;
- reduction of 25% of scope 3 emissions related to the use of products sold (category 11 of the GHG Protocol) and 13% of scope 3 emissions related to the purchase of energy (category 3 of the GHG Protocol), by 2030 compared to 2020.

SCOPE 1 EMISSIONS

Direct GHG emissions - Scope 1 (tCO _{2eq})	2023	2022	2021	2020
Production facilities ⁽¹⁾	3,428,303	3,256,849	3,764,218	3,856,284
· of which co-generation, thermal and thermoelectric power plants ⁽²⁾	2,972,814	2,808,945	3,333,617	3,418,020
· of which waste-to-energy plants (non-biogenic portion)	455,471	447,882	430,573	438,232
· of which combustion reactions for process uses or services	18	22	28	32
Company vehicles ⁽³⁾	30,143	25,258	19,978	18,555
Gas distribution network ⁽⁴⁾	17,361	18,927	22,699	21,039
Landfills ⁽⁵⁾	145,996	149,573	163,106	166,025
Other emissions (heating, air conditioning, and other production support activities) ⁽⁶⁾	7,667	8,616	8,361	7,126
TOTAL	3,629,470	3,459,223	3,978,362	4,069,029

⁽¹⁾ The fuel emission coefficients published in the 2022 National Standard Parameter Table of the Ministry of the Environment and the Energy Security are used.

⁽²⁾ 87% of emissions from cogeneration plants, thermal power plants and thermoelectric plants are covered by the purchase of carbon allowances within the ETS (Emission Trading System).

⁽³⁾ INEMAR - ARPA Lombardia (2018) emission coefficients are used.

⁽⁴⁾ A gas leakage rate value of 0.1% and methane GWP (Global Warming Potential) of 28 is assumed.

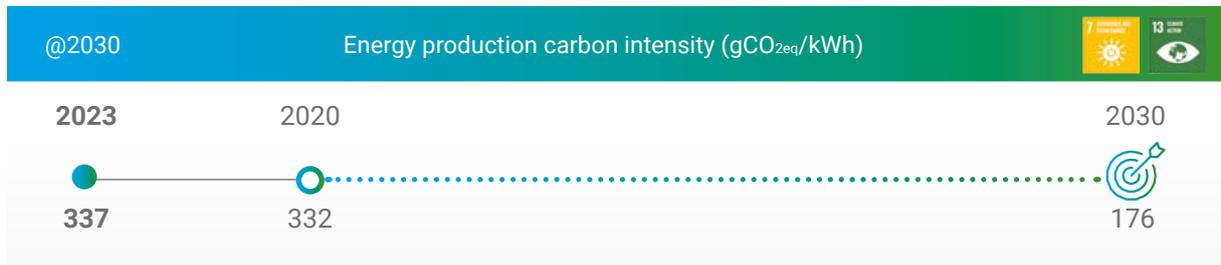
⁽⁵⁾ The GWP of methane of 28 is used.

⁽⁶⁾ Fuel emission coefficients published in the 2023 National Standard Parameters Table and specific GWPs for individual fluorinated gases are used. This includes SF6 emissions equal to: 203 tCO_{2eq} in 2023, 157 tCO_{2eq} in 2022, 109 tCO_{2eq} in 2021 and 25 tCO_{2eq} in 2020.

Direct biogenic GHG emissions (tCO _{2eq})	2023	2022	2021	2020
Waste-to-energy plants	474,062	466,163	448,147	456,119
Landfills, treatment plants and biodigesters	53,277	46,447	32,796	24,915
TOTAL	527,338	512,610	480,943	481,034

The carbon intensity of energy production stands at 337 gCO_{2eq}/kWh in 2023 (the index is calculated according to SBTi considering all scope 1 emissions of energy production plants, related to all electricity and heat produced). The decrease, compared to the previous year, is mainly due to an increase in energy production from renewable sources (especially hydroelectric, photovoltaic and wind) and a decrease in energy production from cogeneration plants and boilers.

The objective set out in the Group’s Business Plan is to reduce the carbon intensity of energy production to 176 gCO_{2eq}/kWh in 2030. The path, defined for the achievement of this objective, includes several variables: industrial, such as the development or acquisition of renewable sources for energy production, scenario, such as the availability of hydrogen and renewable gases that allow the use of fuel blends to replace natural gas alone, and technological, such as the capture and storage of CO₂ emitted by plants.



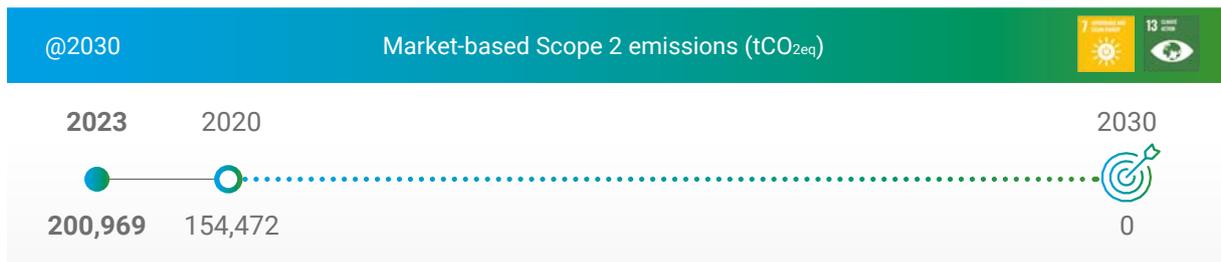
SCOPE 2 EMISSIONS

GHG emissions - Scope 2 (tCO _{2eq})	2023	2022	2021	2020
Location-based methodology ⁽¹⁾	118,584	109,857	111,869	99,720
Market-based methodology ⁽²⁾	200,969	93,547	31,074	154,472

⁽¹⁾ The location-based methodology considers the average emission intensity of the networks where energy consumption occurs (using primarily network average emission factor data). Emissions are therefore obtained by multiplying the electricity purchased from third parties by the emission factor of the national production electricity mix, which for 2023, is equal to 268 kgCO₂/MWh, for 2022, it is equal to 260 kgCO₂/MWh, for 2021, it is equal to 278 kgCO₂/MWh and for 2020, it is equal to 296 kgCO₂/MWh (source: Italian National Inventory Report 2023, ISPRA).

⁽²⁾ The market-based methodology considers the emissions of the type of electricity the company has chosen to purchase. The emissions are, therefore, obtained by setting at zero emissions the share of electricity purchased from renewable sources certified by Guarantee of Origin and multiplying the share of electricity purchased from non-renewable sources by the emission factor that refers to the national residual mix of the previous year, which for 2023, is 457.15 kgCO₂/MWh, for 2022, is 456.570 kgCO₂/MWh, for 2021, is 458.57 kgCO₂/MWh, and for 2020, is 458.57 kgCO₂/MWh (source: European Residual Mixes, AIB).

In 2023, there is a slight increase in scope 2 location-based emissions compared to the previous year, due in particular to the commissioning of newly built plants in the environment sector and the acquisition of new companies in the integrated water service. In the management model adopted by the Group, the main source of “clean” energy (certified with a guarantee of origin - GO) for internal consumption and sales to end customers is the renewable energy production of the Group’s plants. In 2023, the strategy adopted favoured the use of renewable GO energy produced to meet the growing demands of end customers. Scope 2 market-based emissions, which result from domestic consumption, have therefore increased compared to 2022.



SCOPE 3 EMISSIONS

The Group is indirectly responsible for emissions produced by its suppliers and customers and by the entire value chain. This is why it is committed to constantly refining the scope 3 emissions reporting scope.

When analysing total orders - the figure on which the calculation of scope 3 emissions of purchased goods and services, capital goods, transport services and upstream distribution is based - scope 3 emissions are reduced overall compared to 2022, mainly due to the lower contribution of emissions from efficiency produced in terms of purchased capital goods and goods and services, the use of products sold, and emissions related to waste produced. Added to these effects is that of the consolidation of the companies Amter and Acquaenna, whose emission contribution, previously included in scope 3 investment category emissions, was inventoried in scope 1 and 2 emissions.

GHG emissions - Scope 3 (tCO _{2e})	2023	2022	2021	2020
Goods and services purchased ⁽¹⁾	772,936	1,019,014	993,814	765,777
Capital assets (plants and machinery) ⁽¹⁾	13,069	17,501	7,190	3,256
Use of fuel and energy (not included in Scope 1 and 2 emissions) ⁽²⁾	425,322	402,180	470,642	480,459
Upstream transport and distribution services ⁽¹⁾	201,986	157,273	107,164	35,389
Transport of waste produced ⁽³⁾	50,491	62,652	57,759	75,379
Business trips ⁽⁴⁾	256	477	220	137
Employee commutes ⁽⁵⁾	20,400	20,400	12,750	12,750
Use of products sold ⁽⁶⁾	2,066,851	2,238,594	2,673,920	2,464,655
Downstream leased assets ⁽⁷⁾	11,087	10,326	9,268	8,602
Investments ⁽⁸⁾	157,881	112,705	205,715	241,472
TOTAL	3,720,279	4,041,122	4,538,442	4,087,876

⁽¹⁾ All orders from suppliers during the year are analysed and the emissions related to each type of goods and services purchased were estimated using the emission factors used in previous years of the "Quantis Scope 3 Evaluator" tool of the GHG Protocol.

⁽²⁾ Emissions are calculated using Well-to-Tank (WTT) UK Government GHG Conversion Factors for Company Reporting, which quantify the emissions associated with the extraction, processing, and transportation of purchased fuels and electricity. Emission factors are kept constant and equal to the base year 2020 for the purposes of comparability over the years and monitoring of the target validated by SBTi.

⁽³⁾ The emissions generated by the disposal of waste produced by the Group have been estimated, using emission factors from the Ecoinvent 3.7.1 database reprocessed using Simapro software.

⁽⁴⁾ Emissions from business travel are calculated through the Group's travel agency (which handles all employee travel), which performs the environmental impact analysis. For the calculation of CO_{2e} emissions, all services booked through the travel agency portal (plane, train, rentals, hotel) are considered.

⁽⁵⁾ Data estimated on the basis of the average number of employees (range over 10,000) used as in previous years by the "Quantis Scope 3 Evaluator" tool of the GHG Protocol.

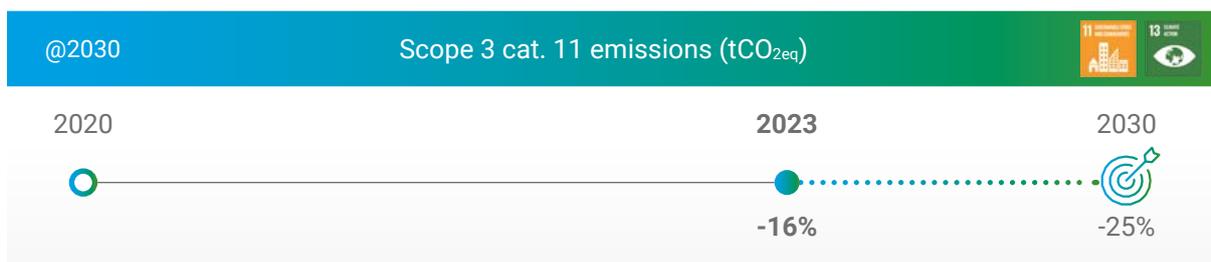
⁽⁶⁾ Volumes of gas distributed to end customers multiplied by the emission factor related to the combustion of the gas are considered.

⁽⁷⁾ Data calculated on the basis of the value of income from rentals and rental income and through the emission factors used in previous years of the "Quantis Scope 3 Evaluator" tool of the GHG Protocol.

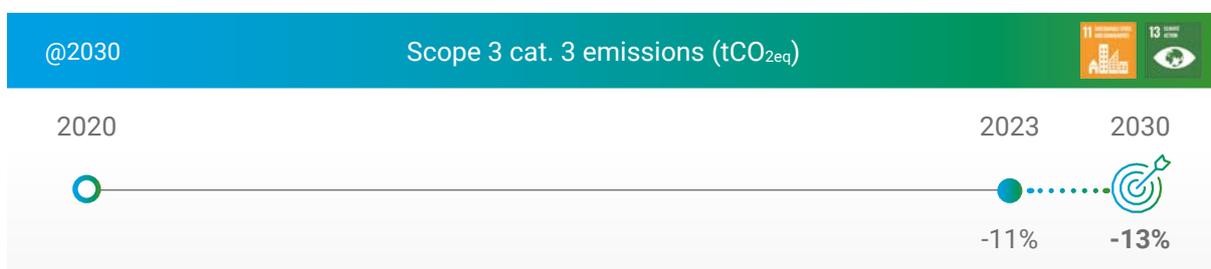
⁽⁸⁾ Data estimated for investee companies not consolidated with the line-by-line method using the emission factors used in previous years of the "Quantis Scope 3 Evaluator" tool of the GHG Protocol. The estimate is based on the annual revenues of the companies and the proportional share of Iren Group's investment in each company.

The Business Plan targets include a 25% reduction in scope 3 emissions related to the use of products sold (category 11) and a 13% reduction in scope 3 emissions related to fuel and energy use (category 3), not included in scope 1 or 2 emissions.

Emissions related to the use of products sold refer to those due to combustion, by the end user, of the natural gas distributed in the Group's networks. The reduction, foreseen by 2030, takes into account scenario analyses that consider aspects such as: the progressive electrification of consumption, the reduction in demand for natural gas for heating due to the rise in average temperatures, the market penetration of hydrogen and renewable gases. In 2023, there was a significant drop in this category of emissions, due to the contraction in the volumes of natural gas distributed, linked to both the warm heating season and the trend in the cost of raw materials, which has led to a reduction in demand.



The item related to the purchase of fuels and electricity quantifies the emissions produced to extract, process and transport the fuels and electricity purchased by the Group. This type of emission is also expected to decrease as a result of both a reduction in the Group’s consumption, thanks to activities planned to minimise the carbon intensity of energy production, and changes in emission factors.



Other atmospheric emissions from production plants concern sulphur oxides (SO_x), nitrogen oxides (NO_x), and particulates.

Atmospheric emissions (t)	2023	2022	2021
SO _x ⁽¹⁾	56	25	43
NO _x	951	746	969
Powders ⁽¹⁾	3	9	10

⁽¹⁾ The data is calculated from the flue gas volume at the stack and the concentration measured by the emission analysis performed by an accredited external laboratory. The determined parameter, which describes the condition of a short period, is then extended to the whole year. This method of calculation may lead to significant differences from one year to the next.

Control and reduction of emissions

Consistent with the strategy outlined in the 2030 Business Plan, the Group has continued to develop renewable assets (» SEE PAGE 113), which constitutes one of the key levers for reducing emissions, just as the predominantly cogenerative set-up (production of electricity and thermal energy that feeds district heating networks) of the Group's thermoelectric park contributes significantly to containing specific greenhouse gas emissions.

Energy production plants fuelled by waste or natural gas adopt combustion technologies that aim to minimise emissions. In particular, larger plants use specific catalysts for the reduction of carbon monoxide (CO) and nitrogen oxides (NO_x). In addition, the plants are equipped with continuous emission monitoring systems that allow the real-time detection of the main pollutants that are periodically monitored through specific indicators and that concern the main species emitted into the atmosphere, in relation to the energy produced. The monitoring of these indicators is also provided for in the Integrated Environmental Authorisations of major installations and in the Environmental Statements of EMAS-registered sites pursuant to Annex IV of Regulation (EC) no. 1221/2009. This makes it possible to improve the efficiency of the combustion process in thermal power plants, including cogeneration plants, larger thermal power plants serving district heating networks, and waste-to-energy plants. These plants are also required, pursuant to the relevant Integrated Environmental Authorisations (IEA), to comply with stricter emission limits than those contained in national legislation. Pursuant to the I.P.P.C. environmental legislation and relevant IEAs, it is mandatory for power plants with a capacity exceeding 50 MW to continually improve environmental services, by updating to the best available technology in order to continually reduce the pollution for the different environmental compartments, including atmospheric emissions. In addition, all thermal and thermoelectric plants, including cogeneration, with a capacity above 20 MW are subject to the system called "European Union Emission Trading Scheme" (EU-ETS). During the year, around 2,834,290 CO₂ allowances (EU Allowances) were purchased to meet the obligations provided for in the Emissions Trading System (ETS) legislation related to emissions generated by Iren Group's plants.

Through the annual monitoring and reporting of greenhouse gas emission data, the aim of this system is to support a more cost-effective reduction of emissions over time at European level and to promote low-carbon investments, to achieve the objectives

defined under the Kyoto Protocol and the Paris Agreement.

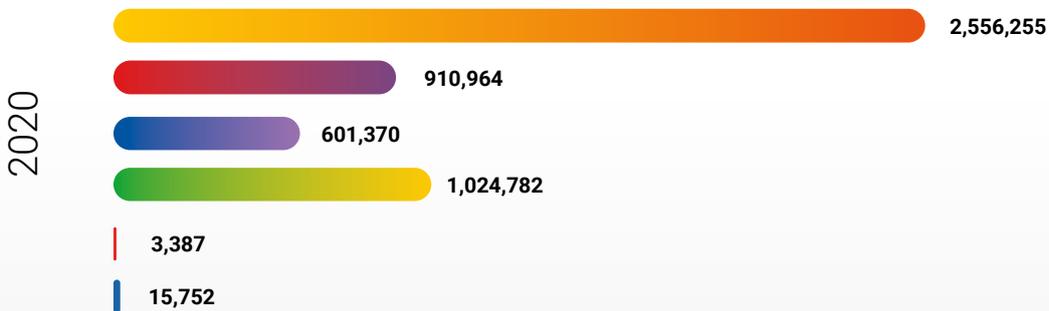
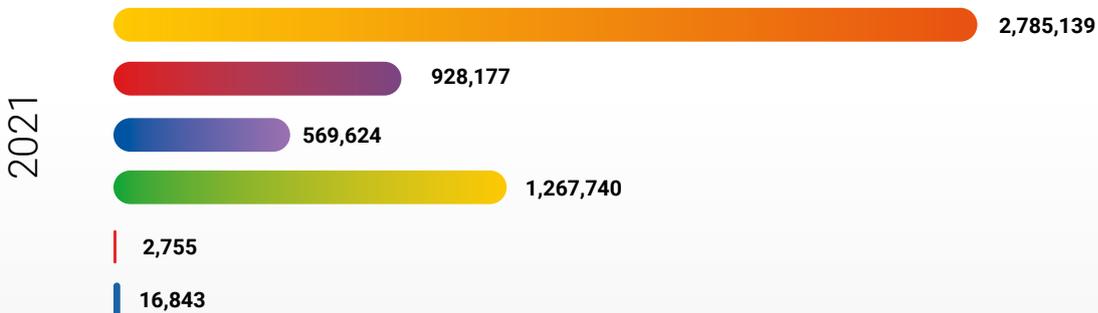
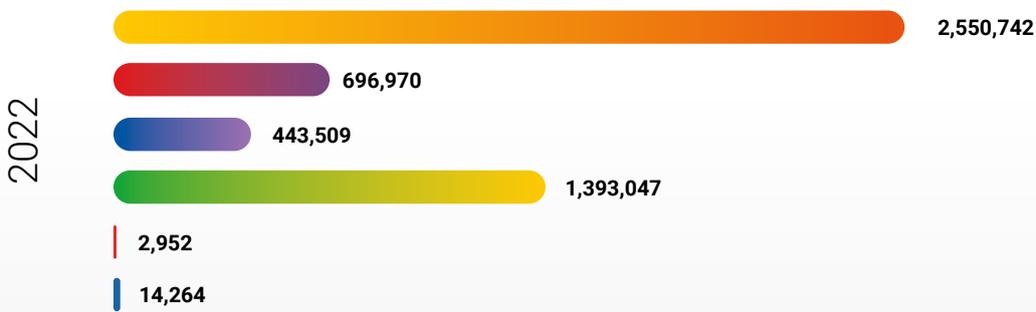
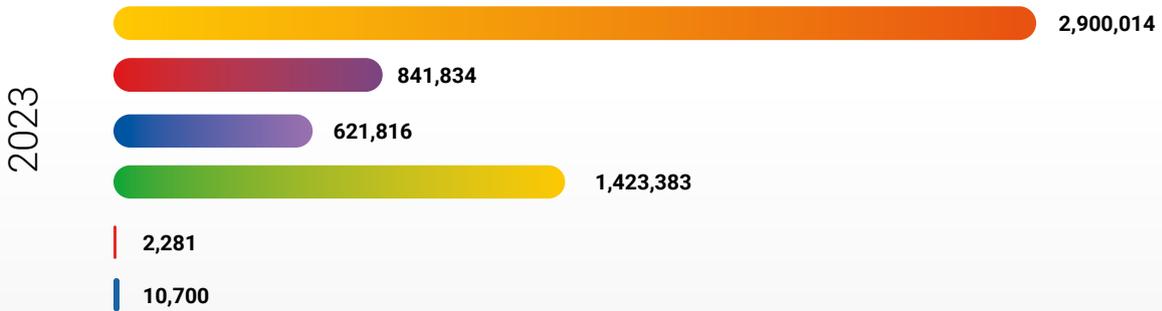
The combustion of the biogas produced in landfills produces the maximum reduction of methane and other greenhouse gas emissions, although its conversion into CO₂ has a potential greenhouse effect 28 times lower than natural gas.

In addition to monitoring and limiting emissions of power plants, Iren Group is contributing to reducing CO₂ emissions also through specific investments and initiatives, such as:

- **district heating** that uses heat produced in cogeneration, replacing traditional condominium boilers and reducing the natural gas consumption;
- **heat accumulators** that store the thermal energy produced by cogeneration plants when the demand for heat is lower, in order to release it during peak load hours of the district heating network, thus reducing the use of integration boilers and allowing a reduction in fuel consumption and related emissions of pollutants into the atmosphere;
- **electric accumulators** that can store or deliver electricity, providing flexibility to the electricity grid and strong support for the development of renewable generation;
- **sorted waste collection and recovery of materials from waste** that allow avoiding both emissions for the production of new materials and emissions that materials would have produced if sent for disposal and generate a positive impact on the environment, for example, through the reuse of plastics, including as a substitute for fossil fuels, and the production of compost and biomethane from organic waste;
- **sustainable mobility** and reduction of employee travel through smart working and agile ways of working.

Total emissions avoided in 2023 by adopting the listed initiatives are summarized in the graph below:

CO₂ emissions avoided (t)



- Total
- From cogeneration, thermoelectric and district heating⁽¹⁾
- From hydroelectric and photovoltaic plants⁽²⁾
- From waste⁽³⁾
- Wastewater plants with biogas production⁽⁴⁾
- Internal projects⁽⁵⁾

⁽¹⁾ The calculation considers as a benchmark the emissions of the national thermoelectric system equal to 462.692 kgCO₂/MWh in 2023, 443.510 kgCO₂/MWh in 2022, 452.268 kgCO₂/MWh in 2021 and 457.059 kgCO₂/MWh in 2020 (Terna and PNA figures). The figures also include emission reductions from heat and electricity storage systems.

⁽²⁾ The calculation considers emission reductions from hydroelectric and photovoltaic plants, compared with the conventional thermoelectric mix.

⁽³⁾ CO₂ avoided from waste takes into account: - production from biogenic sources: electricity produced from biogas (landfills and biodigesters), electricity and heat produced by WTE, assuming 51% of the total production of WTE as a renewable source (Source: GSE) and, in the event that there is also production of thermal energy, converting thermal energy into electrical energy according to specific factors (for PAI = 1/6.88, for TRM = 1/4.5, for Piacenza = 1/6) and applying the national reference parameter (see note 1); - sorted waste collection: correlation between the most significant tonnes of recycled waste (paper and cardboard, plastic, organic and green, wood, iron, glass) and the tonnes of CO₂ equivalent saved (source: Waste management options and climate change EC-AEA 2001); - material recovery: the emissions avoided by the primary materials recovered in Group plants and diverted from incineration (iron and metals, plastic, durable goods, other materials) or by the secondary raw material produced by their recovery (compost, blunair) or by the recovery of sewage sludge.

⁽⁴⁾ The calculation takes into account the amount of biogas from the treatment plants from which electricity was produced.

⁽⁵⁾ Internal Group initiatives are considered (e.g. energy efficiency of plants/processes, electrical storage, electric mobility).



2.9 million tonnes of CO_{2eq} avoided by eco-friendly energy production, sorted waste collection, material recovery and numerous other initiatives

In the Business Plan to 2030, the Group expects to avoid almost 2.3 million tonnes of CO₂ emissions thanks to sorted waste collection and recovery of materials and energy from waste.



Emissions of NO _x and SO _x avoided ⁽¹⁾ (t)	2023	2022	2021
Nitrogen oxides (NO _x)	132	594	546
Sulphur oxides (SO _x)	94	182	229

⁽¹⁾ The calculation considers emissions that, for the same amount of energy produced, would have been generated by domestic heating systems and the national electricity production network, subtracting the emissions effectively produced by the Group's plants.

OTHER INITIATIVES TO REDUCE EMISSIONS

In order to reduce **fugitive emissions** related to the dispersion of methane gas into the atmosphere in the gas distribution service, the Group adopts distributed monitoring systems (remote control), anti-intrusion systems, the continuous planned search for leaks and the ordinary and extraordinary maintenance of networks, measuring and reduction units. In addition, at the Group's main thermoelectric power plants (Moncalieri, Torino Nord and Turbigo), annual monitoring campaigns of fugitive methane emissions released by plant lines and equipment are carried out by specialised companies in order to contain and reduce diffuse non-ducted emissions.

In 2023, a new catalyst module for the abatement of **nitrogen oxides (NO_x)** was allocated at the Turin waste-to-energy plant.

For the containment of the biogas emissions from **landfills**, cycles of internal control are carried out for the regulation of the valves at the top of the biogas collector wells with measurement of the capturing efficiency of the plant.



Energy efficiency and renewable production

[GRI 2-6, 2-23, 3-3, 302-2, 302-4, 302-5, G4-EU1, G4-EU2]

Iren Group has defined important objectives in its development plan to produce 'green' energy and save natural resources, particularly energy resources, is committed to ensuring high levels of energy efficiency in the management of its activities and offers energy efficiency solutions to customers. Choices that contribute not only to reducing environmental impacts, but also to mitigating the economic impact on communities in terms of costs for energy commodities.

Energy efficiency and renewable production to reduce environmental and economic impacts



Risks

- Failure to achieve the objectives and targets (economic-financial and ESG) set out in the Business Plan and consequent negative impacts (operating, economic, financial and reputational)
- Impacts inconsistent with directives and guidelines on energy efficiency and production from renewable sources, resulting in negative economic and reputational impacts
- Shortage of water resources affecting hydropower generation
- Reduction in demand for district heating caused by the rise in average temperatures
- Chronic or extreme natural phenomena from climate change that may cause impacts on assets/performance
- Changes in the legislative/regulatory framework regarding incentives for energy efficiency measures



Opportunities

- Growth in renewable production contributing to the green transition
- Independence from fossil resources
- Growth in services dedicated to energy efficiency and self-production for communities/customers
- Extendability of district heating systems in new geographical areas



Management methods

- Planning and monitoring of business plan objectives and targets (economic/financial and ESG)
- Sustainability Policy
- Sustainable Financing Framework
- MbO and LTI system with ESG objectives
- ERM system (Operational Risk Policy and Climate Change Risk Policy)
- Construction/acquisition of new renewable plants
- Development of a portfolio of energy efficiency services/products for customers and communities
- Integrated Certified Management System (risk assessment, containment measures and third-party audits)
- EMAS Certification
- Procedures: Environmental analysis; Execution of energy refurbishment of buildings; Management of energy resources
- Temperature monitoring
- Adoption of best available technologies
- Maintenance plans, including predictive plans
- Energy manager
- Energy diagnosis
- Monitoring and studying energy consumption

Energy production

**9,067
GWh**
of electricity
production

The Group's power production plants consist mainly of hydroelectric and photovoltaic plants that use renewable sources and combined-cycle co-generation thermoelectric plants, which are some of the most efficient technologies available on the market. Furthermore, co-generation fuels the urban district heating network, which, compared to traditional heating systems, allows for reductions in energy consumption and improves environmental performance.

In 2023, Iren Group produced 9,067 GWh of electricity, more than 73% from renewable sources (water, solar, wind, biomass or waste) and high-efficiency co-generation.

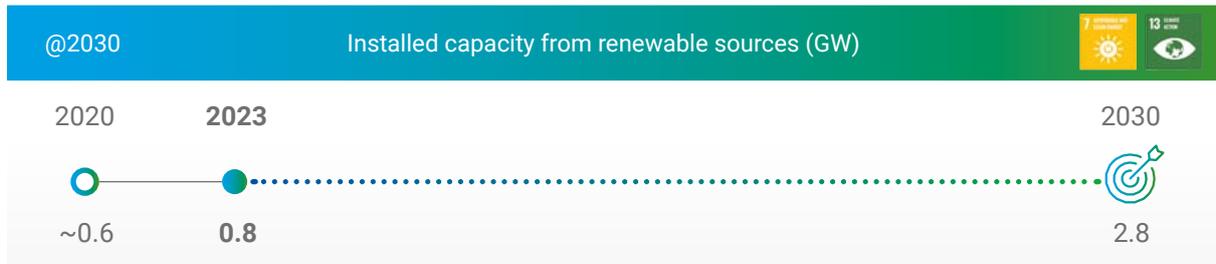
Net energy output	Installed power (MW)	2023	2022	2021	2020
		Electricity production (GWh)			
Hydroelectric plants	622	1,120	793	1,239	1,295
Photovoltaic plants	189	214	207	21	21
Wind plants	6	9	0	0	0
Thermoelectric plants	1,219	2,425	1,658	2,337	2,706
Cogeneration plants ⁽¹⁾	1,263	4,684	4,955	5,611	5,454
Waste-to-energy plants ⁽¹⁾	95	577	605	578	598
Landfills	16	32	27	31	29
Biogas plants	1	4	5	5	7
Other renewables	1	2	2	1	0
TOTAL	3,411	9,067	8,252	9,823	10,110

Net energy output	Installed power (MW)	2023	2022	2021	2020
		Thermal energy production (GWh)			
Cogeneration plants	874	2,006	2,135	2,564	2,230
Boilers	1,516	342	434	480	533
Waste-to-energy plants	191	291	301	285	180
Biomass	0.4	0	0.3	0.3	0.3
TOTAL	2,581	2,639	2,870	3,329	2,943

⁽¹⁾ The capacity of the cogeneration plants and waste-to-energy plants refers to the electrical set-up; the capacity of these plants in cogeneration set-up is 1,092 MWe and 62 MWe, respectively.

The objectives of the Business Plan to 2030 provide for an increase in installed capacity from renewable sources in order to reach a total of 3.4 GW. For the development of photovoltaic and wind power plants, the Group's strategy is primarily oriented towards realising and, on a residual basis, acquiring new plants to benefit the decarbonization and energy independence of the country system as well. In 2023, following the inauguration of two major **photovoltaic parks** in Basilicata and Lazio, the Group reached approximately 189 MW of total installed photovoltaic power. In addition, plants with an additional 69 MW of installed capacity are under construction and numerous other projects, totalling more than 1 GW, are in the development and authorisation phase. These plants are located in different Italian regions, with a particular focus on the Group's local areas. In 2023, the Group acquired its first **wind farm**, located in Liguria, which is already in operation, with an installed capacity of 6 MW, and for which authorisation

procedures are underway for an increase to 7 MW of capacity. To increase the installed power of the **hydroelectric plants**, the projects for the reactivation of the Noasca (TO) and Giffoni (SA) plants and the installation of the generator group of the San Mauro crossroads on the Po River (TO) continued in 2023, with the related upstream ladder for the ichthyofauna. In addition, the final design for the authorisation of a hydroelectric plant, in the Turin area, using the head of the existing Michelotti canal crossing at the Po River in Turin, with associated upstream ladder for ichthyofauna, was completed.



ELECTRICAL STORAGE FOR THE ENERGY TRANSITION

The Group's Strategic Plan envisages the installation of about 300 MW of electrical storage by 2030 to support the development of renewable energy sources for the energy transition, in line with national strategies, and to provide support services for the stability of the national transmission grid for the transition to a zero-emission electricity system.

To materialise this strategic orientation, two electricity storage systems that can store up to 20 MWh of energy were built and commissioned in 2023 at the Turbigo (MI) and Moncalieri (TO) power plants. Accumulators make both the generation units installed in power plants and the national transmission grid more flexible, as they are able to cope with the natural intermittency of renewable sources. Other electricity storage systems are being studied and will be implemented in the coming years in line with the Group's strategy and the emerging opportunities in the electricity market.

Energy savings in processes

The efficient use and saving of energy resources are among the main objectives of Business Plan of Iren Group, pursued - in the short, medium and long-term - across all Business Units with increasing efficiency in processes and services, through solutions to guarantee stakeholders a reduction in energy consumption and through the use of technological systems, monitoring and guidance of correct behaviour.

The total energy savings generated by the Group in 2023 stood at about 769,000 TOE (equal to about 32 million GJ), up 10% compared to 2022, with contributions from various areas of operation.

Energy savings in processes ⁽¹⁾ (TOE/000)	2023	2022	2021	2020
Energy production plants				
Cogenerators and boilers ⁽²⁾	207	208	238	223
Hydroelectric ⁽³⁾	194	138	215	225
Waste-to-energy plants ⁽⁴⁾	60	63	60	60
Thermoelectric ⁽²⁾	32	28	31	30
Landfills ⁽³⁾	6	5	6	5
Photovoltaic ⁽³⁾	37	36	4	4
Wind	2	0	0	0
Biogas plants ⁽⁵⁾	7	6	2	3
Sorted waste collection ⁽⁶⁾	111	103	97	92
Material recovery ⁽⁶⁾	88	90	69	17
Heat accumulators ⁽⁷⁾	14	14	9	5
Other internal projects ⁽⁸⁾	11	9	9	8
TOTAL	769	699	740	672

⁽¹⁾ Values are calculated in accordance with the criteria indicated in the notes to each table item. In some cases, the energy saved may increase/decrease in a manner that is not directly proportional to the increase/decrease in production, due to an increase of the specific consumptions used for calculations.

⁽²⁾ Comparison between gross production and actual fuel consumption of the Group with the consumption that the national electricity grid and the "national average" production system would have recorded to produce the same quantities of electricity and heat.

⁽³⁾ The calculation was based on the assumption that there was zero fuel consumption and compared the consumption recorded by the national electricity grid for the production of the same quantities of electricity.

⁽⁴⁾ Sum of electric and thermal energy production converted to electric, according to specific factors (PAI=1/6.88, Piacenza=1/6, TRM=1/4.5), multiplied by the coefficient for electric energy (187 TOE/GWh).

⁽⁵⁾ Cubic metres of natural gas produced (60% of biogas) multiplied by the Sm3/TOE conversion factor 0.836.

⁽⁶⁾ Energy consumption avoided for the primary production of the main materials collected, sorted and recovered in the Group's plants.

⁽⁷⁾ Fuel not consumed in the production of the stored heat.

⁽⁸⁾ This includes savings obtained from activities of energy efficiency of production processes, from the district division of networks, from water houses, from projects to reduce the impacts related to the mobility of employees (IrenGo, Ecoviaggio, smart working and teleworking).

The goals of the Strategic Plan include increasing energy savings from manufacturing processes to 1,740,000 TOE in 2030. For this reason, Iren Group invests in internal projects and initiatives which, in 2023, mainly concerned the energy efficiency of systems and reduction of building consumption, with an overall saving of approximately 1,100 TOE.



ENERGY EFFICIENCY CERTIFICATES (EEC)

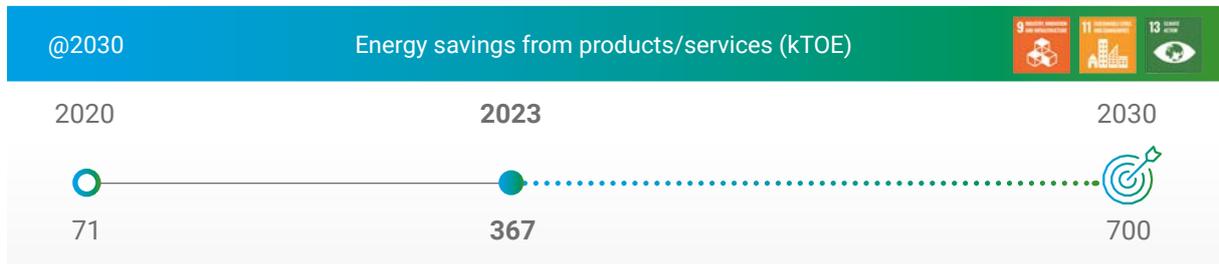
In 2023, no Energy Efficiency Certificates (EEC) were obtained in connection with the cogeneration of the Turin North plant, as the incentives ended with the last issue of Certificates in the year 2022. Therefore, the total amount of EEC obtained by the Group during the year amounted to 3,909 (equivalent to the same number of TOE), derived mainly from public lighting projects carried out in various territories during the year.

The requirement to produce (or purchase on the market) and supply Energy Efficiency Certificates to the GSE (Electricity Services Provider) is the sole responsibility of Ireti and Ireti Gas (as distributor) and is valid for 2023 (with maturity 31 May 2024).

In 2023, 55,812 EEC were purchased at an average price of 252 Euro/EEC.

Products and services for the energy efficiency of customers and communities

In order to generate positive environmental impacts downstream in the value chain, the Group has set in its Strategic Plan, a target by 2030 of 700,000 TOE of energy saved, thanks to the offer of products and services that increase the energy efficiency and self-production of communities and citizens. By 2023, savings in this area amount to 367,000 TOE (an increase of 13% compared to 2022) and can be attributed to the redevelopment of heating and air conditioning systems in public buildings, energy efficiency and rebuilding of buildings for private customers, the sale of green electricity, and the offer of “low-carbon” products and services in the Iren Plus portfolio such as the installation of photovoltaic systems for customers.



REBUILDING AND ENERGY EFFICIENCY INTERVENTIONS

Iren Group contributes to the reduction of environmental impacts by customers, through energy efficiency and rebuilding interventions that concern:

- energy requalification of buildings and thermal systems** with the launch of numerous interventions, including several social housing buildings mainly in Genoa, Reggio Emilia, La Spezia, Savona and Padua. In 2023, some 550 public and private energy upgrading sites were managed, with 70 new sites started. The Group also won the tender to install photovoltaic systems on three industrial buildings at the commercial dock terminals in the Port of Savona that will produce more than 2 GWh of energy from renewable sources annually. In addition, the plant and building redevelopment project aimed at improving the energy efficiency of 800 buildings in the City of Turin, including schools, offices, sports facilities, cultural and religious buildings, has continued: a set of interventions (insulation systems, thermal and photovoltaic solar systems, renovation of windows and doors, and replacement of existing technological heating equipment) that will be completed in July 2030, with a forecast of energy savings of 33% compared to the historical consumption of electricity and heat;
- efficient city public lighting**, thanks to the replacement of traditional lamps with LED fixtures that guarantee a reduction in energy consumption of more than 60%. The main project concerns the city of Turin, in addition to the activities carried out in the municipalities of Alba, Asti, Biella, Cuneo, Fidenza, Vercelli and other small municipalities;

- **installation of thermostatic valves and allocators** in condominium contexts reduces consumption in individual flats with respect to the situation pre-intervention;
- **energy efficiency in industry and large-scale distribution**, with the upgrading of dedicated air-conditioning and process heat plants, installation of cogenerators or trigenerators and renewable energy plants.

ENERGY COMMUNITIES

In 2023, the Group, in line with the forecasts of the Business Plan to 2030, started work on the first Renewable Energy Community (REC) of primary station called “Parma Nord”, which saw the construction of a 956 kW photovoltaic power plant on an inactive landfill that will produce energy from renewable sources for about 1.25 GWh per year for the benefit of REC members.

In 2023, Iren Smart Solutions signed 5 surface rights for the development of ground-mounted photovoltaic plants (opening the site for the construction of one of them) and accepted as many connection requests with an installed capacity of about 1 MW. In addition, during the year, the Group received 40 full-service contracts for the construction of renewable energy plants and the set-up of the activities of an equal number of energy communities, mainly in condominiums, with an average installed capacity of about 20 kW.

REC are associations composed of local public authorities, companies, businesses or private citizens, which choose independently and/or through third-party producers to equip themselves with infrastructures for the production of energy from renewable sources and virtual self-consumption. They represent a collaborative form of energy production, centred on a local exchange system capable of facilitating sustainable development and reducing energy dependence on the national system. Users in the energy community with their own electricity generation plant sell the part in excess of their own consumption to other parties connected to the local public grid.

In addition to meeting the energy needs of their members, energy communities stimulate the emergence of new socio-economic models characterised by circularity: their members actively follow all stages of the energy process, from production to energy consumption and exchange, in accordance with the principles of environmental, social and economic responsibility that focus on the active and shared participation of people.

In order to accelerate and trigger the process of creating energy communities, Iren Group plans, for larger plants, to fully finance the investment and take care of the design, construction and maintenance of the plant as well as support users for all the technical and bureaucratic steps necessary for the creation of the energy community as a legal entity, the qualification for access to incentives and the ongoing management to ensure that participants receive the benefits.

LOW-CARBON PRODUCTS AND SERVICES

Iren Group offers a range of green products and services (Iren Plus portfolio) that allow customers to obtain important results from the point of view of rationalising energy consumption:

- **turnkey photovoltaic systems**, from design to installation, for the production of clean and sustainable energy that can be stored thanks to the storage system and used only when needed;
- latest generation **heat pumps** allow to manage gas better and save up to 40% compared to current consumption;
- high-performance **windows and doors** to improve the energy efficiency of homes;

- **intelligent thermostats** for energy efficiency that ensure the boiler is switched on for the minimum time necessary to maintain the desired temperature;
- latest generation **condensing boilers** that allow saving up to 25% in consumption. Thanks to the recovery of part of the latent heat of the fumes and, consequently, to the lower use of fuel, the boilers produce, in addition to savings, less environmental pollution.

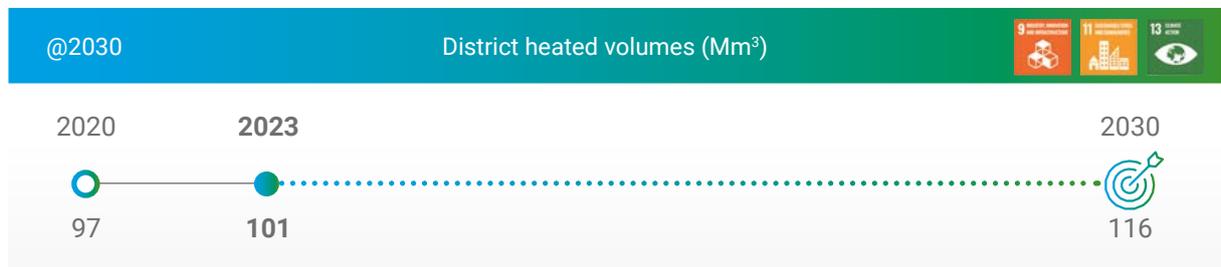
In addition to these products and services, the Group has consolidated its portfolio with the promotion of **green offers** both for the supply of **electricity** produced entirely from renewable sources, and through the first pilot projects aimed at offsetting CO₂ emissions related to the **supply of natural gas**. The solution envisaged for the latter is represented by certified carbon credits that attest to the offsetting or absorption of the CO₂ emitted into the atmosphere by the combustion of the gas. Carbon credits are generated from the development of environmental protection projects, accredited by major international standards.

Among the goals of the Strategic Plan is a steady increase in green electricity sales, to reach 3,500 GWh in 2030: in 2023, the Group sold certified green electricity for 1,755 GWh.



DISTRICT HEATING

In the coming years, the plan to extend the district heating volume will offer customers the chance to contribute to the improvement of air quality in urban environments. The progress of this expansion is linked to the 2030 target in the Group's Business Plan.



As part of the project to saturate the networks in Turin, Grugliasco and Reggio Emilia and to extend the network in the northern part of Turin, new volumes of approximately 1.7 million cubic metres were connected in 2023. Furthermore, during the year, the new storage system The Heat Garden was inaugurated in Turin (SEE PAGE 241) and the laying of the backbone for the future connection of an important new subdivision in the city of Piacenza was completed.



Sustainable use of water resources

[GRI 2-6, 2-23, 3-3, 303-1, 303-2, 303-3, 303-4, 303-5]

The rational use and protection of water resources are explicit objectives, in line with the Sustainability Policy adopted, in the Group’s Business Plan, which defined targets relating to the withdrawal of water for distribution for drinking purposes and the quality of the waste returned to the environment, which represent fundamental factors for sustainable management.

Sustainable use of water resources



Risks

- Failure to achieve the objectives and targets (economic-financial and ESG) set out in the Business Plan and consequent negative impacts (operating, economic, financial and reputational)
- Failure to achieve the targets set by the regulation
- Negative impacts on environment, health and safety with consequent reputational and economic impacts
- Interruptions to the integrated water service
- Failure to meet regulatory water quality levels for distributed and discharged water
- Accidental spills impacting groundwater and surface water bodies
- Chronic or extreme natural phenomena from climate change that may cause impacts on assets/performance
- Shortage of water resources due to droughts and climate change



Opportunities

- Access to reward systems linked to improved environmental performance
- Reduction of energy consumption related to the reduction of water resource leaks in the network
- Reduction of water withdrawals from the environment for drinking purposes
- Improving the quality of the water resource returned to the environment
- Reuse of water resources with contribution to water stress reduction



Management methods

- Planning and monitoring of business plan objectives and targets (economic/financial and ESG)
- Code of Ethics
- Sustainability Policy
- Organisational Model 231 and information flows to the Supervisory Bodies
- Sustainable Financing Framework
- MbO and LTI system with ESG objectives
- Investment plans for plant and network optimisation
- ERM system (Operational Risk Policy and Climate Change Risk Policy)
- Integrated Certified Management System (risk assessment, containment measures and third-party audits)
- Procedures: Environmental analysis, Management of water resources, Management and control of water withdrawals and discharges, Programmed search for water leaks, Management of accidental spills of hazardous and/or polluting substances
- Water resources monitoring plans with targets on water resource withdrawn
- Strategies for conservation and reuse of water resources
- Temperature monitoring
- Adoption of best available technologies

Use of water in processes

The commitment to reducing environmental impacts is reflected in the conscious and sustainable use of water resources in all the Group's processes and services, in terms of both withdrawals and consumption and releases and discharges.

Most Group companies have implemented a certified environmental management system (ISO 14001) and the main production sites have EMAS registrations; therefore, they have procedures for the management of water resources, which represent an operating tool for the management of withdrawals and discharges. The procedures apply to:

- the various types of production processes and/or supplies of services, which require the use of the "water" resource, even for a secondary purpose;
- water withdrawal of any kind and purpose;
- treatments and qualitative modifications of the resource water made for any reason;
- water discharges of any kind, purpose and origin to soil, subsoil, surface water bodies and sewers.

WATER WITHDRAWALS

The water supply to the Group's sites is made by withdrawing water from surface water bodies (reservoirs, rivers), from the sea and from groundwater pumped from wells and water mains.

Almost all of the Group's water withdrawals are attributable to **electricity and heat generation** activities: in particular, the cogeneration and thermoelectric plants, which use about 98% of the Group's total withdrawals, use water mainly for cooling thermal cycles. In order to contain and mitigate the impact of these plants on water bodies, in addition to the chemical and physical parameters, the temperature difference between withdrawal and discharge is also monitored to ensure that the water is always returned to the environment at the correct temperature. In energy production, each activity regarding the use of water sources is regulated by legal provisions of the law or authorisations with the responsibility laying in the hands of the Legal Representative of the Company or Managers, provided with specific powers of attorney and proxies, who have the task of managing and supervising the correct performance of the activities and the correct application of the procedures. Moreover, the "environmental analysis" document, prepared for each site/plant, allows for the identification of the environmental aspects related to water resources and the obligations foreseen by environmental legislations. The analysis also identifies the applicability of the legislation to the Group's plants as well as the compliance with the regulations in force.

In 2023, the Group's water withdrawals increased by 27% compared to 2022, mainly due to the increased use of surface water for cooling a new combined-cycle plant that came on stream during the year, generating more thermoelectric production overall. The expansion of the company perimeter also influences the trend in withdrawals, albeit to a lesser extent.

WATER WITHDRAWAL BY SOURCE (m³/000) ⁽¹⁾

Sources	2023	2022	2021
Water mains	2,615	2,364	2,787
Surface water	594,144	457,785	493,418
Seawater	5,388	10,859	13,810
Groundwater	6,327	6,497	6,737
TOTAL ⁽¹⁾	608,474	477,506	516,752

⁽¹⁾ All withdrawal sources (except seawater) are composed of freshwater ($\leq 1,000$ mg/L of total dissolved solids). For the integrated water service, withdrawals for industrial use in water treatment and purification activities are considered, while throughputs feeding local community waterworks are excluded. Based on figures updated to 2023 from the World Resources Institute "Aqueduct water risk atlas", water withdrawals are approximately 62% in low water stress areas (<10%) and approximately 38% in contained water stress areas (20-40%)

Water used in hydroelectric power generation is considered as passing through and is therefore not counted in the Group’s total water withdrawals. In fact, in the hydroelectric plants, the water, captured by intake works in surface water bodies and artificial reservoirs, is returned to the environment without changing its chemical and physical characteristics. In all plants, the ‘Minimum Vital Flow’ (DMV) is guaranteed, which is the water supply that can guarantee the natural ecological integrity of the surface water body, with particular reference to the protection of aquatic life. The DMV is defined by the Concession Specifications or by regional regulations in implementation of the approved Water Protection Plans, in accordance with the Ecological Flow Guidelines, and through agreements with the competent authorities.

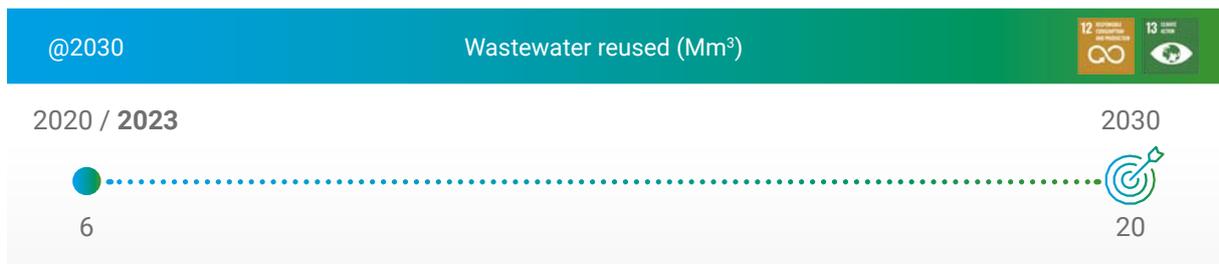
In 2023 - as happened in the previous year as a result of the strong summer drought that hit northern Italy - the Group has adjusted the daily planning of hydroelectric energy production, in particular of the Ceresole Reale reservoir, to allow all consortia agricultural companies in the Canavese area to carry out the irrigation of the crops, thus allowing the crops to be made safe. This initiative was made possible by constant discussion and consultation with the consortia.

RECOVERY AND REUSE OF WATER RESOURCES

With a view to circularity and mitigation of the impact of its activities on water resources, in a context where climate risks such as drought and water stress are continuously increasing, the Group promotes, where possible, water recovery and reuse initiatives.

An example is the Torino Nord **cogeneration** plant, which is equipped with recovery systems for secondary rainfall rainwater and condensate from the air cooling system entering the turbine. The industrial water produced is stored in a tank and used for firefighting purposes, to supply the demineralised water production installation and for plant-related services. Water recovery and recycling systems are also present in **waste treatment plants**: for example, in waste-to-energy plants, water is recovered and recycled, where possible, to extinguish combustion slag and to cool the plant; in other plants, there

are rainwater recovery systems that, after being treated, are used to irrigate green areas or to wash indoor areas. Wastewater treated by **wastewater treatment plants** can be reused for irrigation purposes (agriculture, green spaces and sports facilities) and industrial purposes (plant cooling, street cleaning). Water reuse can reduce pressure on natural water resources and combat water scarcity, promoting the transition to production models centred on the concept of circular economy. The Group, which in 2023, reused around 6 million cubic metres of water thanks to the Mancasale (RE) wastewater treatment plant, has set itself the goal of reaching 20 million cubic metres of recovered resources by 2030. The water reuse figure has dropped compared to last year since the floods that hit the Emilia-Romagna region in May forced a stoppage of the plant in question.



WATER DISCHARGES

The activities carried out by the Group generate water discharges, whose management is regulated by Integrated Environmental Authorisations, Consolidated Environmental Authorisations and existing legislation:

- industrial discharges (including water used for the cooling of plants);
- integrated water service (process water from purification and treatment systems that do not contain particular pollutants);
- waste management and treatment;
- washing vehicles and industrial areas;
- discharge of domestic water at non-industrial sites.

Most water discharges are composed of water used in the cooling process at thermoelectric plants, which is discharged to surface water (rivers).

There is a 28% increase in discharges compared to 2022, driven by the similar increase in withdrawals commented on above.

WATER DISCHARGES (m³/000) ⁽¹⁾

Destinations	2023	2022	2021
Surface water	595,244	458,984	494,744
Groundwater	87	148	102
Seawater	5,408	10,881	13,810
Sewer	6,059	5,864	6,500
TOTAL	606,798	475,877	515,157

⁽¹⁾ All discharges (except seawater) are composed of freshwater ($\leq 1,000$ mg/L of total dissolved solids). For treatment plants, only process water is considered, not treated wastewater serving communities (see page 189). Based on figures updated to 2023 from the World Resources Institute "Aqueduct water risk atlas", water discharges are approximately 62% in low water stress areas (<10%) and approximately 38% in contained water stress areas (20-40%).

The water withdrawn is almost totally returned to the environment: about 0.2% of withdrawals, equal to 1.7 million cubic metres, is consumed in industrial processes. This is mainly water evaporated in production processes (with particular reference to waste-to-energy plants) and used for district heating networks.

Management of the integrated water service

WATER PRODUCTION AND DISTRIBUTION

The supply of water for the distribution of drinking water to the communities is carried out in compliance with regulations and concessions and according to effectiveness and efficiency criteria.

The criteria for using resources consider several factors: authorised quantities, size of reserves in the main reservoirs, the quality of available surface water, the hydrological features of the basins, final data relating to the previous year and the current year. Modern automation and remote control equipment

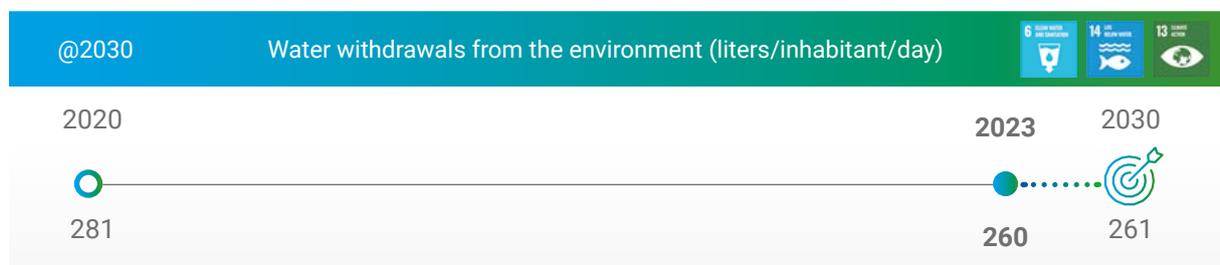
ensure the water catchment, purification, and lifting systems' best operation.

Water withdrawn from the environment and injected into the network shows an increase of 3.7% compared to 2022, caused by the consolidation of AM.TER. and Acquaenna, in the Genoa and Enna areas, respectively. Excluding this change in the scope of consolidation, there was a decrease of 2.4%, due to the improvement achieved in the reduction of water network losses in the historically managed territories.

Water injected into the network (m ³ /000)	2023	2022	2021	2020
Piacenza	30,144	30,913	32,608	31,041
Parma	35,452	35,075	37,645	38,095
Reggio Emilia	43,310	43,990	44,936	45,818
Vercelli	8,426	8,617	8,614	8,916
Genoa ⁽¹⁾	89,279	87,125	87,725	90,605
Savona	16,621	18,574	19,540	19,093
Imperia	2,979	3,198	3,108	3,080
La Spezia	36,167	37,876	39,800	38,002
Enna ⁽²⁾	12,794	n.a.	n.a.	n.a.
Other provinces	1,412	1,425	3,941	4,956
TOTAL	276,585	266,792	277,917	279,606

⁽¹⁾ As of 1/4/2023, the basin served in the Genoa area increases by 7 municipalities, due to the consolidation of AM.TER.

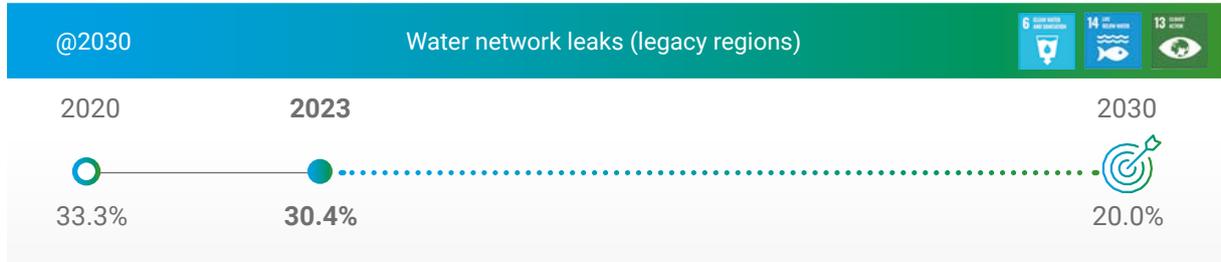
⁽²⁾ As of 1/6/2023, Acquaenna is consolidated by the Group.



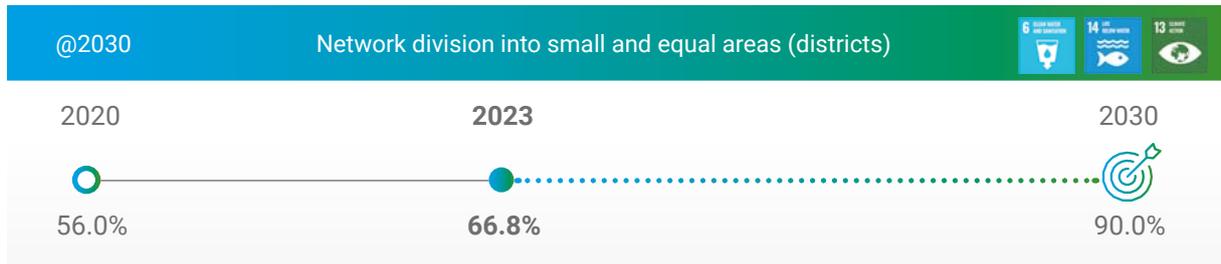
The commitment of Iren Group in the enhancement and protection of the water resource is expressed in the constant activity of research and reduction of network losses and in the sensitisation of customers and citizens to the reduction of waste. In fact, in the 2030 Business Plan, the Group has planned major investments to make the water distribution service increasingly efficient, with the aim of reducing water withdrawals from the environment and significantly reducing network losses. In 2023, the Regulatory Authority for Energy Networks and Environment

(ARERA) confirmed the excellent performance of Iren Group companies involved in the management of the integrated water service, certifying them among the best operators at national level for the technical quality performance achieved in the two-year period 2020-2021.

The percentage of network losses stands at 31.1% (30.4% in the historical territories), registering a reduction compared to 2022 (31.3%), with levels well below the national average of 41.2% (ISTAT figures).



Among the initiatives for the reduction of leaks in the aqueduct networks, we note the district division: a technique that involves dividing the networks into small homogeneous areas, the so-called districts, which allow daily monitoring and constant analysis of hydraulic parameters. In this way, the instrumental leak detection campaigns are punctual and targeted only to the districts on which the monitoring has detected hidden leaks. Currently 66.8% (69.2% in the historical territories) of the managed network is district divided, thanks to 235 new districts implemented by 2023, in line with the 2030 target of reaching 90% of the managed networks.



WATER HOUSES

The network of houses for the free supply to citizens of water (chilled and sparkling), coming from the managed aqueducts, allows to strongly reduce the use of plastic bottles (over 19 million 1.5 litre bottles in 2023) and, consequently, the production of waste (674.5 tonnes of PET avoided), with an estimated saving of 1,756 tonnes of CO₂ thanks to the avoided consumption of 1,281 tonnes of oil equivalent for the production of bottles.



WATER SAFETY PLANS

The Water Safety Plan (WSP) is a model, introduced by the World Health Organisation, that consists of a detailed risk analysis of the entire water-drinking chain, starting from the capture of the water resource up to the point where the water is made available to end users. This approach aims to ensure the protection of water resources and reduce potential health hazards in water for human consumption.

With the implementation of WSP, it is possible to ensure that all phases of water collection, treatment and distribution are subject to continuous and permanent risk assessment and management, through the multidisciplinary nature of the experts involved in the team (AUSL, ARPA, Regions, ATO and municipalities) to achieve a complete knowledge of the system, with the integrated water service manager as the main player and responsible for preparing the WSP.

In the water risk assessment, related to the first WSP launched by the Group, a particular focus is on climate risks intended both as exceptional weather phenomena (floods, severe droughts) and as changes in the quality/quantity of water resources due to climate change. In addition to these assessments, there are site-specific ones peculiar to each drinking water system.

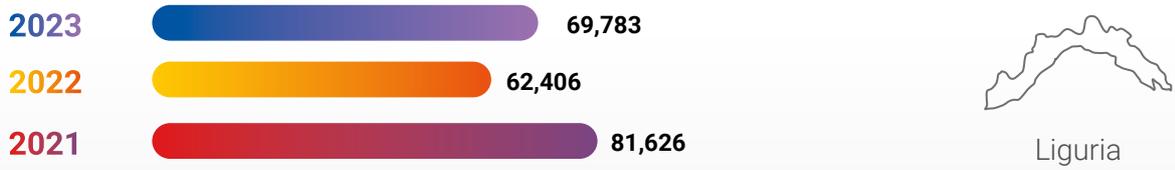
The Group – which, considering all the territories managed, will have to prepare 230 WSP by 2029 – has embarked on the path to adopt and implement the WSP, giving priority to the supply areas with the largest number of inhabitants and sensitive users (hospitals, nursing homes, schools), which will be followed by the launch of the remaining plans according to a defined chronological schedule and final validation by the Ministry of Health and the Istituto Superiore di Sanità.

SEWER AND TREATMENT QUALITY

Urban wastewater from public sewers is treated at 1,380 treatment plants of varying capacity and type. In the central plants, pre-treatments are carried out to remove coarse matter, sand and oils, primary treatments to remove settleable solids and traditional secondary and tertiary treatments for nitrogen removal and with chemical and biological dephosphating systems. The Group also manages several phyto-purification plants that use plants' treatment activity and are used both for the treatment of sewage (sub-surface flow system) and for the refinement of water treated in traditional wastewater treatment plants (surface flow systems).

Overall, the volumes of wastewater treated in 2023 increased compared to the previous year due to both climatic factors, such as different rainfall, and the change in the company's scope.

Treated wastewater (m³/000)⁽¹⁾



TOTAL



⁽¹⁾ For the volumes of water treated, all the Group's treatment plants with a capacity of more than 2,000 inhabitant equivalent are considered. In Liguria, the Group does not manage the sewerage and treatment service in the Savona and Imperia areas.

Purified water quality is measured by the percentage of reduction of the main pollutants leaving the plants compared to the quantities entering: BOD (Biochemical Oxygen Demand), COD (Chemical Oxygen Demand), SST (Total Suspended Solids). The Group's goal is to ensure the following percentages of reduction in the purified water: COD greater than 90%, BOD greater than 94%, and SST greater than 93%. Overall, the following average results were obtained in 2023: 92.1% for COD, 92.3% for BOD, and 91.7% for SST. The chart details the reduction by geographic area.

Pollutant reduction by geographical area (%)⁽¹⁾



Emilia-Romagna



Liguria



Piedmont



Sicily

⁽¹⁾ For calculation of pollutant reduction, all the Group's treatment plants with a capacity of more than 2,000 residents equivalent are considered. In Liguria, the Group does not manage the sewerage and treatment service in the Savona and Imperia areas.

The Group’s long-term objectives also include increasing the capacity of its wastewater treatment plants in order to provide increasingly extensive and efficient service and to improve the environmental impact of wastewater management.

In 2023, the Group’s treatment capacity exceeded 3,675,000 inhabitant equivalent, an increase compared to 2022 also due to the expansion of the company perimeter in the Genoa metropolitan area and the Enna territory.



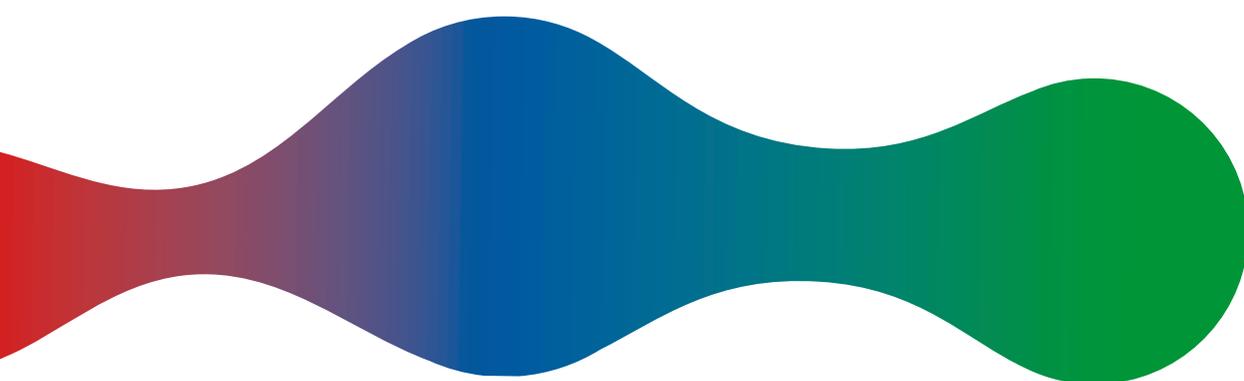
Lastly, the Group is committed to the containment and abatement of **odorous emissions** from wastewater treatment plants by confining them to secure rooms during the process in order to allow the air to be aspirated and treated.

DESTINATION OF TREATED WASTEWATER

All the water bodies that receive wastewater treated by the Group in the Emilia-Romagna and Piedmont regions fall within the Po River basin. The land lies within an area declared as sensitive so the plants, depending on their size, are subject to the application of the strictest nitrogen and phosphorus limits.

The wastewater treated by the treatment plants in Liguria’s served areas is discharged into the Ligurian sea (mainly the Gulf of Genoa, the Gulf of Tigullio and the Gulf of La Spezia).

In the areas served in the province of Enna, discharge is into surface water bodies such as streams, valleys and rivers, mainly the Salso (southern Imera), Simeto, Dittaino, Torricoda and Sotto di Troina. There is no direct discharge into the sea.





Circular economy and waste management

[GRI 2-6, 2-23, 3-3, 306-1, 306-2, 306-3, 306-4, 306-5]

Iren Group manages its own waste and the waste managed on behalf of local communities with the aim of reducing its production and increasing recovery and production of energy from waste, according to the principles of prevention, sustainability and safety. Dialogue and a constant flow of information on the topic with Institutions and residents are essential, as is the training provided in collaboration with schools and universities.

Circular economy and waste management



Risks

- Failure to achieve the objectives and targets (economic-financial and ESG) set out in the Business Plan and consequent negative impacts (operating, economic, financial and reputational)
- Impacts inconsistent with circular economy directives or negative environmental, health and safety impacts with consequent negative reputational and economic impacts
- Chronic or extreme natural phenomena from climate change that may cause impacts on assets/performance
- Non-/missed attainment of environmental authorisations
- Growing waste production and consequent insufficient treatment plants
- Incorrect handling of waste by employees or suppliers



Opportunities

- Favourable regulatory framework
- Growth opportunities in the domestic market
- Recovery of critical raw materials
- Increased consumer awareness



Management methods

- Planning and monitoring of business plan objectives and targets (economic/financial and ESG)
- Sustainable Financing Framework
- Code of Ethics
- Sustainability Policy
- Organisational Model 231 and information flows to the Supervisory Bodies
- MbO and LTI system with ESG objectives
- ERM system (Operational Risk Policy and Climate Change Risk Policy)
- Integrated Certified Management System (risk assessment, containment measures and third-party audits)
- EMAS Certification
- Adoption of best available technologies
- Procedures: Environmental analysis; Special waste management; Hazardous and non-hazardous waste management
- Environmental authorisations
- Requirements in the specifications for the tracing of waste and timely checks
- Qualification and monitoring of suppliers
- Audit of the most significant and potentially sensitive contracts concerning environmental protection

Waste produced by the Group

The Group's main waste-generating activities are:

- processes for the **treatment and processing of waste**, urban and special, for communities and private bodies (e.g. leachate generated at landfills, ash and debris from waste-to-energy plants, etc.);
- the **treatment and purification of water** in the management of the integrated water service for the municipalities served (e.g. sludge, sand);
- operation and maintenance of heat and **energy production plants** and **electricity and gas distribution networks**.

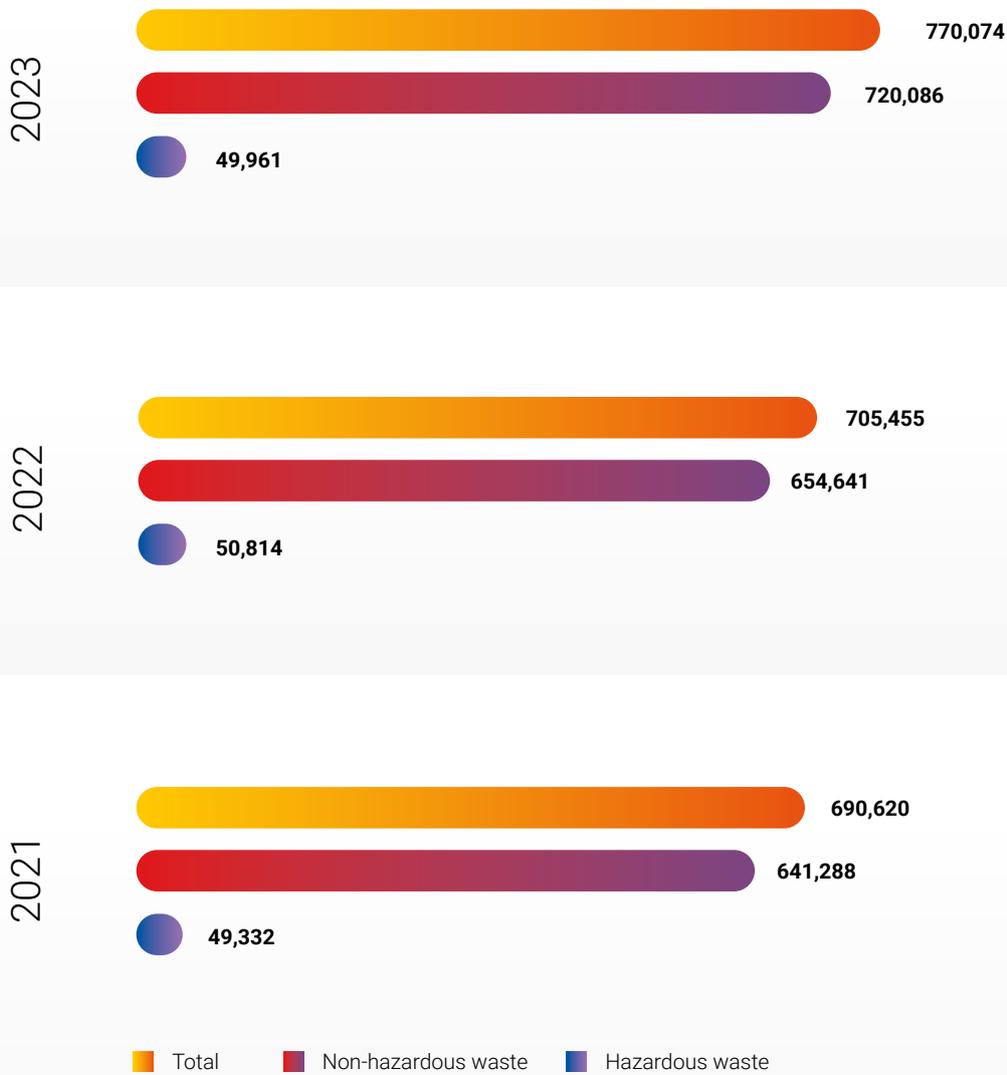
The Group's attention to the environment is also reflected in the correct management of the waste produced in carrying out the activities, in accordance with the **principle of the waste hierarchy**, which aims to prevent the production and use the waste produced first of all as a material, through reuse and recycling, then as energy and, only in the residual phase, through disposal (art. 179 of Legislative Decree no. 152/2006).

The management of special hazardous and non-hazardous waste produced at the main production sites is carried out in compliance with the procedures laid down in ISO 14001 standard or EMAS registrations, for sites with such certifications, and in accordance with environmental regulations. The transport and recovery/disposal of waste produced by company processes is carried out, where possible, internally by the Waste Management Business Unit and, where it is necessary to use third parties, it is always entrusted to bodies registered with the Register of Environmental Managers. The quantities of waste produced are monitored periodically and communicated annually to the Chambers of Commerce through the MUD declaration.

Systems of sorted waste collection, aiming to increase material recycling, have been installed in all Group sites. Policies limiting the use of paper have also been drawn up and implemented through dematerialisation and computerisation of processes.



Waste produced by Group processes (t)



In 2023, the Group produced a little over 770,000 tonnes of waste, of which about 720,000 tonnes was non-hazardous. The increase over the previous year (about 9%) is due to the expansion of the company perimeter, the increase in operations in the reclamation sector, and the start of operation of the OFMSW biodigester in Reggio Emilia.

Waste generated by business and main materials (t) ⁽¹⁾	2023	2022	2021
Waste management services	620,188	547,391	532,610
of which non-hazardous	570,615	497,109	483,653
• Slags	178,225	178,292	169,701
• Leachate	81,955	73,229	84,756
• Sludge	12,719	15,757	15,647
• Sands	4,088	3,960	4,826
• Metals	11,539	8,096	8,898
• Other Waste	282,089	217,775	199,825
of which hazardous	49,574	50,282	48,957
Integrated water service	148,444	155,242	156,508
of which non-hazardous	148,293	154,979	156,315
• Sludge	136,959	136,425	131,752
• Sands	4,444	4,019	7,679
• Sieve/Muddle	4,580	4,914	5,394
• Other Waste	2,310	9,621	11,490
of which hazardous	151	263	193
Net energy output	863	975	1,027
of which non-hazardous	744	748	864
of which hazardous	199	227	163
Other non-hazardous waste	434	1,806	456
Other hazardous waste	117	41	19
TOTAL	770,047	705,455	690,620

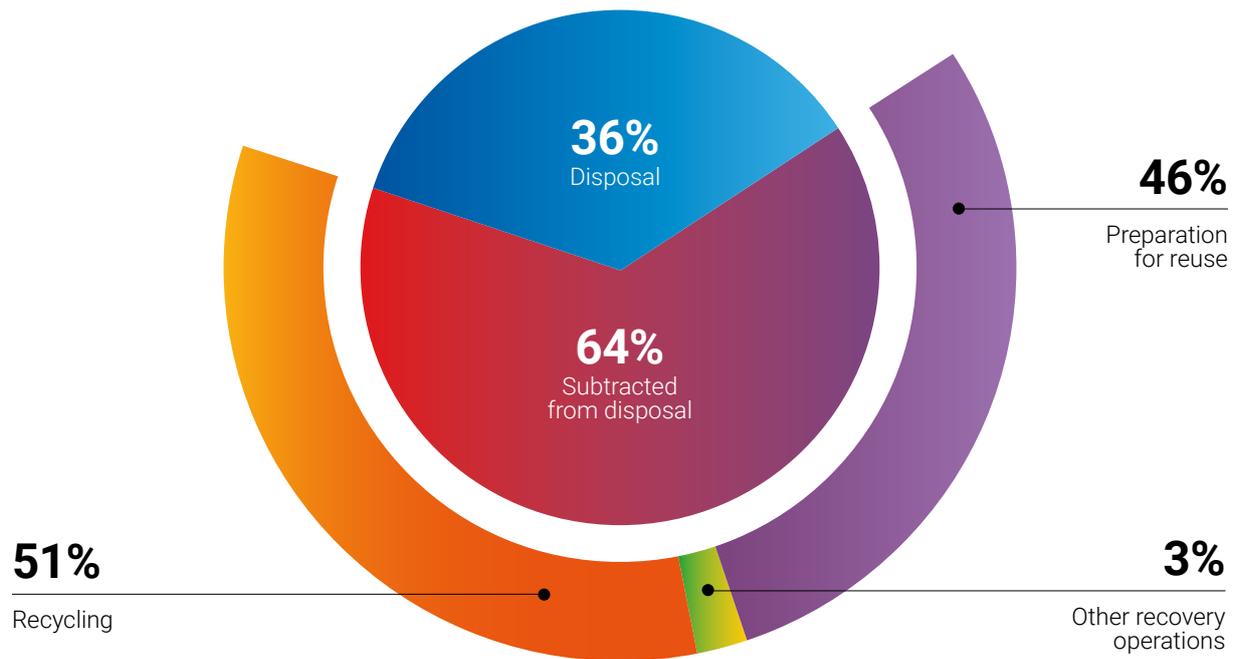
⁽¹⁾ The difference between waste generated and its destination (tables below) is mainly due to the amount of liquid waste used as fluidisers in the solid waste inerting process. It should be noted that the Group's activities do not produce any radioactive waste.

In addition to complying with the legislative framework, the waste cycle is closed with a particular focus on the enhancement of the waste resource (recycling, material recovery and preparation for re-use) with priority to the energy recovery of waste that cannot be usefully recovered, and only as a last resort to disposal.

DESTINATION OF WASTE PRODUCED

WASTE DIVERTED FROM DISPOSAL

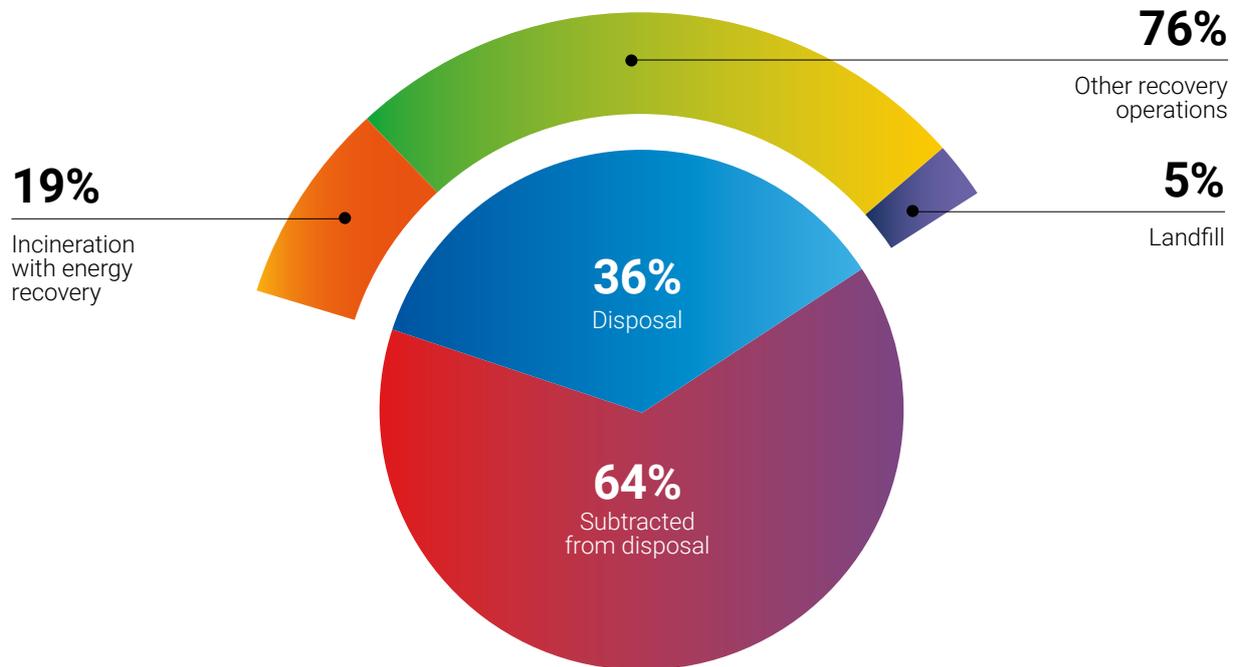
In 2023, approximately 64% of the waste produced by the Group was removed from disposal, continuing the growth trend over the last three years, through the start of the material recovery chain through recycling (51%), preparation for reuse (46%) or other to recovery operations (3%), in plants owned by the Group or third parties.



The details of the waste diverted from disposal are shown in the following table.

Waste diverted from disposal (t)	2023		2022		2021	
	Group plants	Third-party plants	Group plants	Third-party plants	Group plants	Third-party plants
Preparing for reuse	40,261	186,138	38,369	136,539	46,311	128,108
<i>of which hazardous</i>	82	11,530	84	11,721	48	23,708
Recycling	4,208	250,158	7,576	240,309	192	168,792
<i>of which hazardous</i>	-	13,161	8	10,639	-	24,543
Other recovery operations	2,645	13,154	2,549	11,414	47	13,123
<i>of which hazardous</i>	13	296	11	67	13	275
TOTAL	47,115	449,450	48,494	388,262	46,550	310,023

WASTE DISPOSED



The remaining share, equal to 36% of the waste produced, was destined for incineration with energy recovery (19%), landfill (5%) and other disposal operations (76%), in plants owned by the Group and third parties, in the quantities indicated in the following table.

Waste disposed (t)	2023		2022		2021	
	Group plants	Third-party plants	Group plants	Third-party plants	Group plants	Third-party plants
Incineration with energy recovery	50,898	26	39,876	746	46,254	195
<i>of which hazardous</i>	4	1	4	0	64	0
Landfill	7,372	6,859	6,780	8,389	14,784	20,814
<i>of which hazardous</i>	5,925	22	6,650	3	7,267	105
Other disposal operations ⁽¹⁾	135,897	72,392	123,007	88,412	120,319	70,788
<i>of which hazardous</i>	12,987	5,944	14,261	7,323	15,440	5,711
TOTAL	194,168	79,277	169,664	97,546	168,858	80,384

⁽¹⁾ Includes 3.056 tonnes of waste sent to incineration without energy recovery at third-party facilities.

Waste management services for communities

WASTE COLLECTION

Iren Group operates in the waste collection sector in a number of different capacities, depending on the agreements in place with service providers:

- as operator, on the basis of long-term agreements, in 281 municipalities in the provinces of Parma, Piacenza, Reggio Emilia (Iren Ambiente), La Spezia (Acam Ambiente), Vercelli (ASM Vercelli), in the city of Turin (Amiat) and, in the provinces of Arezzo, Grosseto, Siena and Livorno (Sei Toscana). In these contexts, the Group collaborates with the Regulatory Bodies to define targets and plan the collection systems;
- as a contractor, in the case of San Germano, with operational support to local authorities or other operators, in 155 other municipalities.

In 2023, the Group provided urban waste collection services in a catchment area of more than 3.8 million residents, where about 3 million tonnes of urban waste were managed.

Preventing generation, increasing sorted waste collection levels, and recycling waste are critical objectives of management policies, as they reduce disposal requirements and thus the overall environmental impact. To this end, Iren Group promotes awareness and information initiatives to disseminate culture, awareness and behaviour oriented towards reducing waste production, through communication to citizens and schools, the

introduction of punctual pricing systems that create attention and responsibility towards consumption styles more oriented towards reducing waste and scrap, and incentives to use good practices such as family self-composting.

In addition to specific communication and information campaigns aimed at raising awareness among citizens to reduce waste production, Iren Group adopts advanced collection systems (door-to-door, ecological islands with user recognition, punctual pricing), which contribute to achieving excellent levels of sorted waste collection: in 2023, the Group reached **71.1% of sorted waste collection in the historic areas** (Emilia-Romagna, Liguria and Piedmont), compared to a national average of 65.2%.

In some areas, **levels of excellence are recorded**: around 82% in the province of Reggio Emilia, while the province of Parma reached almost 80%.

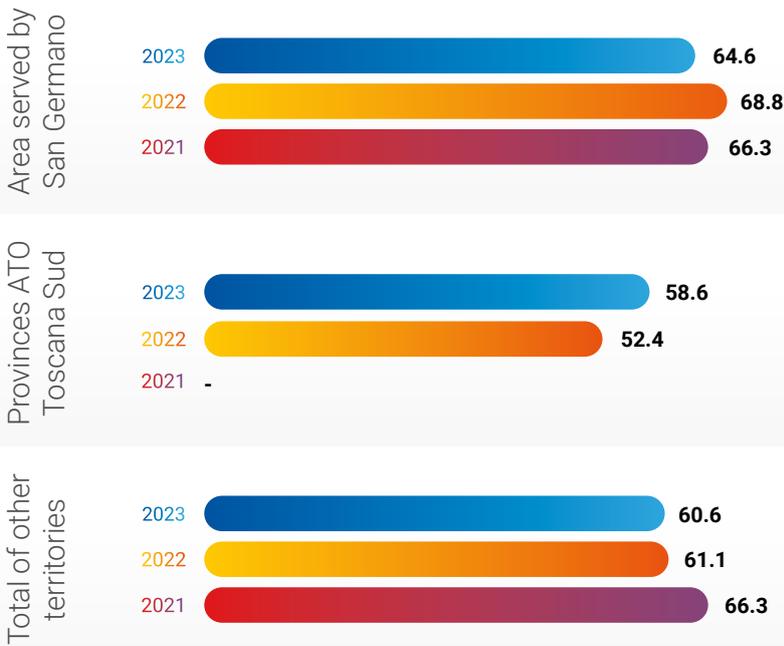
These excellent results are the result of the collaboration between Iren Group and the municipalities, but also of the commitment of the citizens, who show their awareness of the importance of this service with a view to protecting the territory.

SORTED WASTE COLLECTION IN HISTORICAL TERRITORIES (%)



In the **other local areas** (ATO South Tuscany and areas served by San Germano), the sorted collection figure stands at 60.6%. The slight decrease compared to 2022 is related to the change in the contracts managed by San Germano in 2023, which saw the cessation of activities in territorial areas where high levels of sorted waste collection had been achieved, as well as the acquisition of management in new territories with lower levels than the average of the municipalities managed.

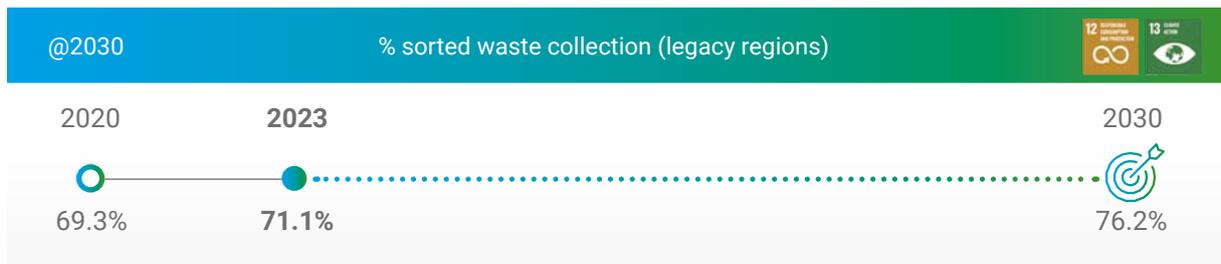
SORTED WASTE COLLECTION IN OTHER TERRITORIES (%)



In the system offered to citizens to increase the results of sorted waste collection, the presence of 420 Collection Centres (181 in historical areas and 239 in other local areas) is particularly significant, where it is possible to freely confer the different types of waste inside large containers. The range of services is completed by collecting bulky waste at home and services dedicated to companies for the management of waste assimilated to urban waste. Of the about 1.9 million tonnes of municipal waste collected in the territories in which the Group operates as manager (Emilia-Romagna, Liguria, Piedmont and

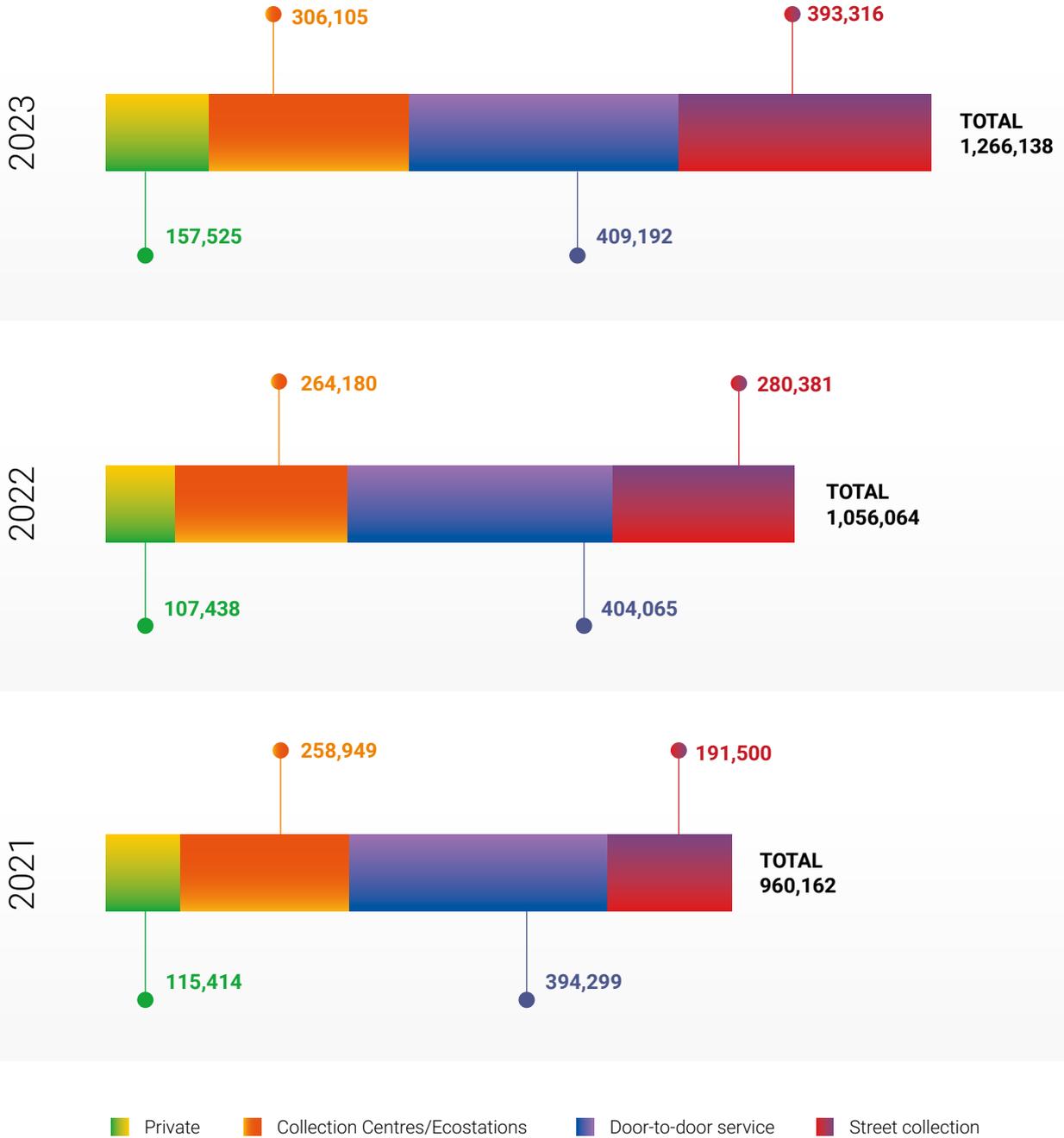
Tuscany), about 1.3 million tonnes are sorted. Positive results were also recorded in the municipalities served under contract by San Germano, 241,000 tonnes of sorted urban waste collected, in line with the last two years.

In line with sector directives and territorial planning, the Group has confirmed in its Business Plan to 2030 its commitment to achieve further growth in sorted waste collection to reach, by 2030, 76.2% in the historical areas served and 75.3% in the other local areas, through the continuous development of proximity and home collection services and punctual tariff systems.



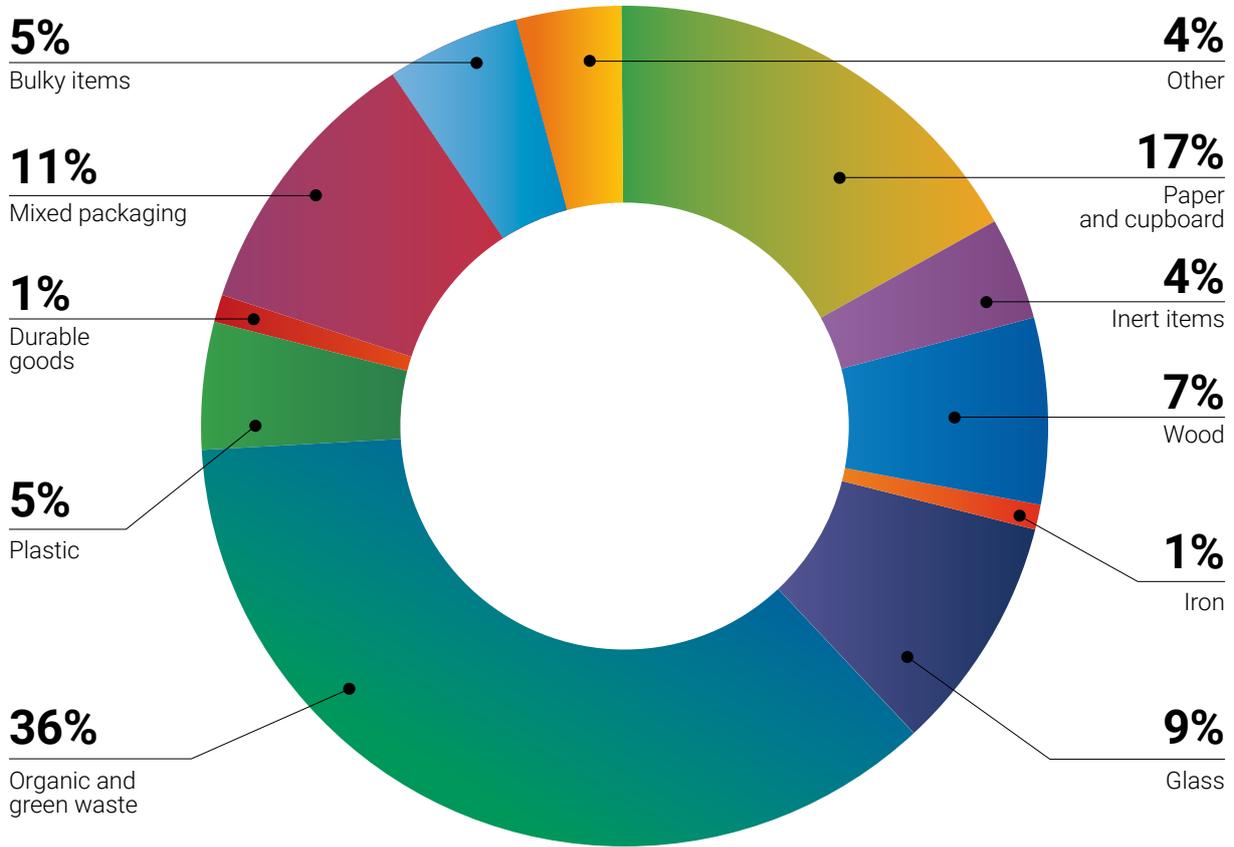
At the end of 2023, the inhabitants of the historical territories served by punctual measurement systems are 31% of the total.

SORTED WASTE COLLECTION BY METHOD (t)



The sorted waste collected, up overall by 20% compared to 2022, is sent for recovery in the Group’s plants, through the specialised platforms and sector supply chains, thanks to the agreements in place with the consortia belonging to CONAI (National Packaging Consortium), or through private operators.

Sorted waste recovered by type (%)



For the development and increasingly efficient management of the service, the importance of the process computerisation is emphasised, which allows for important environmental benefits, thanks to optimisation of collection, waste delivery logistics, monitoring of services rendered in the local area, and extension of the punctual pricing method.

WASTE RECOVERY, TREATMENT AND DISPOSAL

In order to guarantee an effective management of the entire waste cycle, the Group is also committed to the treatment and disposal, the recovery of material and the exploitation of the resource waste for the generation of electricity, heat and biogas through a structured system of plants.

In 2023, the Group’s plant park grew, thanks both to the construction of new plants and to the expansion of the corporate perimeter. In particular, a **plastics recovery and treatment** plant (Borgaro Torinese), which, with an authorised capacity of 100,000 tonnes per year, is the largest plant in Europe, and a **“Circular wood” regeneration** plant (Vercelli) came into operation.

CIRCULAR WOOD

Iren Group has built Italy's first plant for the production of logistic supports from wood coming exclusively from **sorted waste collection**: it is the **Circular Wood in Vercelli**, inaugurated in June 2023. The plant, which covers an area of 50 thousand m², employs 40 direct workers and is capable of processing up to **110,000 tonnes/year of wood waste** to produce up to **750,000 pallets** and about **135,000 cubic metres of pallet blocks** every year.

The waste wood **from sorted waste collection**, once received at the plant, is shredded and refined to allow the removal of any metal parts that may be present. Afterwards, it is cleaned, ground and chopped up before moving on to the drying stage. This is followed by resin moulding, which allows the product to be shaped: the material obtained is mixed with thickeners and additives, and then goes to the moulding press, which produces the final products, pallets and pallet blocks, destined for companies in the logistics sector, starting with those in the local area.

The pallets are marketed by Chimar, under the name of **Giott0: a zero-waste** solution, which comes from recycling and remains 100% recyclable, guaranteeing excellent performance in full compliance with the principles of the circular economy.

Circular Wood also hosts an **educational area** for visits by schools and citizens, intended for training and awareness-raising sessions on the conscious use of resources and the circular economy approach.

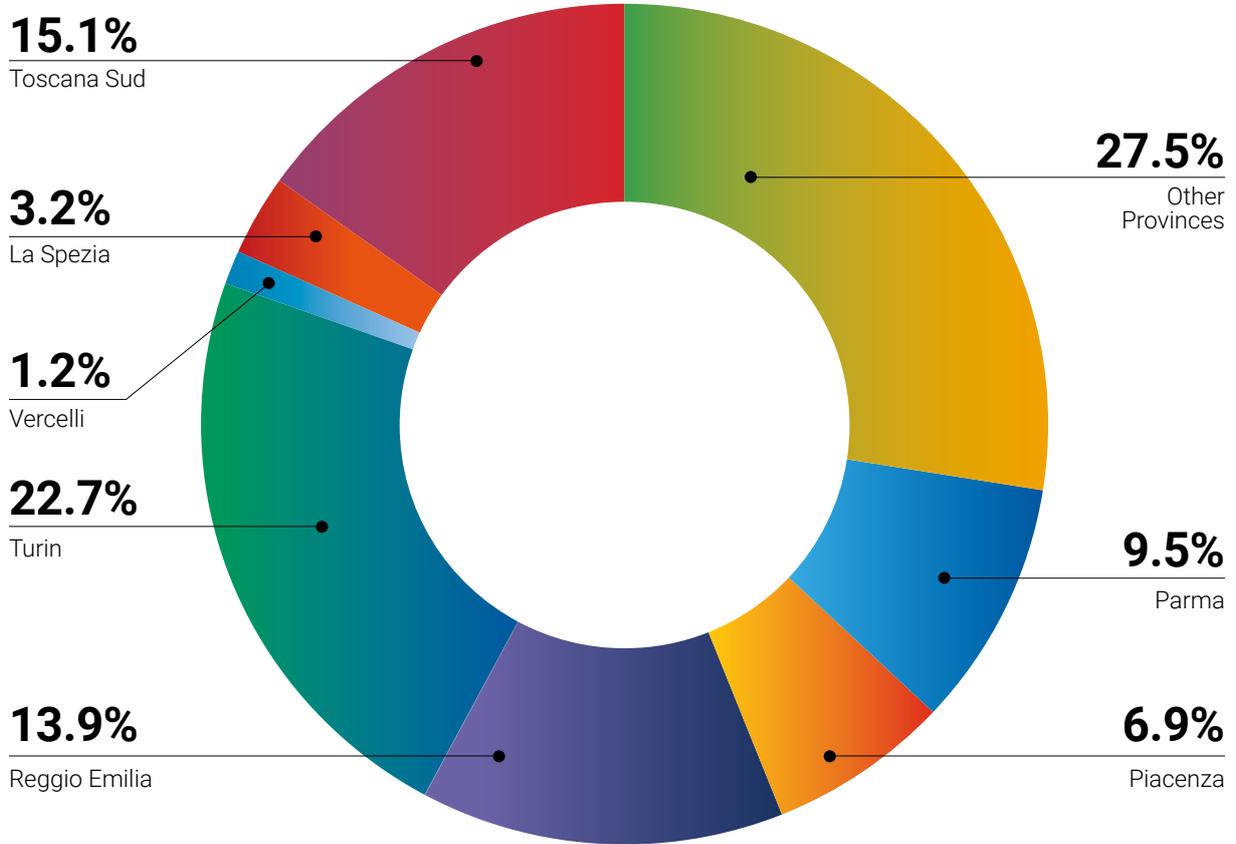
As far as new acquisitions are concerned, the Group has been enriched with **a plant for the valorisation of the polyurethane foam supply chain**, created by the start-up Re Mat, which recycles polyurethane waste from industrial processing, the automotive and furniture sectors, generating semi-finished products for mattresses, finished mattresses, sound-absorbing or heat-insulating panels, and padding for vehicles: 100% green products with technical performance comparable to that of new polyurethane. Re Mat operates in the context of a circular economy, whereby waste is processed, transformed, put on the market again and can subsequently be recycled, countless times.

The plants owned by Iren Group at 31/12/2023 are as follows:

Plants	Number
Waste-to-energy plants	3
Operating landfills	4
Storage and transfer	22
Liquid waste treatment	6
Material recovery	18
Treatment and exploitation of organic waste	5
Mechanical-biological treatment	5

In 2023, a total of over 3.8 million tonnes of waste was managed, including a little over 404,000 collected by San Germano (not included in the breakdowns below).

Waste managed by area of origin (%)



Waste managed by type (t)



■ Special waste
 ■ Unsorted urban waste
 ■ Sorted urban waste
 ■ Neutral fraction

The **sorted component** of waste is on the rise compared to 2022, thanks to the construction of new plants and the full operation of some plants activated in 2022, which led to a 12% increase in waste managed in the Group's material recovery plants.

As already highlighted above, in the Business Plan to 2030, the Group places the closure of the circular economy cycle at the centre of its strategy, envisaging huge investments in new plants for the recovery of the organic fraction - with the production of compost and biomethane - of paper, plastic and wood, with the production of materials that are reintroduced on the market: the goal is to reach 2.3 million tonnes of material recovery capacity from waste in owned plants.



CO₂ ZERO IMPACT

In 2023, Iren Group entered into a partnership with the Nippon Gases Italia Group for the management and marketing of biogenic CO₂ from the anaerobic digestion of the sorted organic fraction produced in the OFMSW plant in Reggio Emilia, which started operation in 2022.

The plant processes the sorted organic fraction of food residues and pruning clippings into important resources: quality compost, biomethane and biogenic CO₂. Thanks to an innovative process, biogenic CO₂ is purified and liquefied to the quality required for reuse in the food and beverage industry.

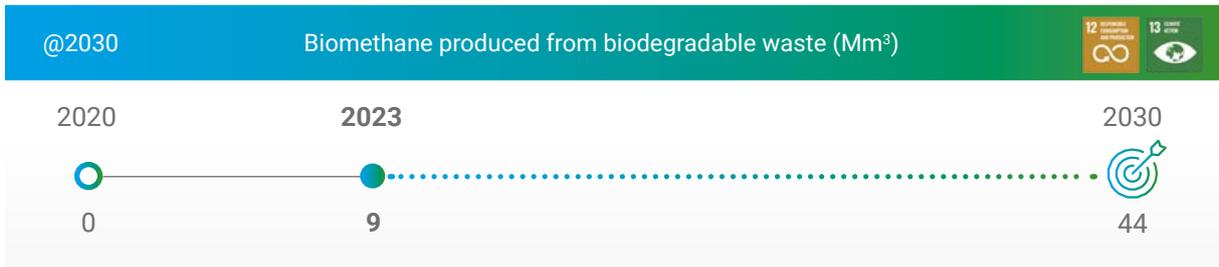
PRODUCTION OF BIOMETHANE

The OFMSW treatment and valorisation plants of Cairo Montenotte (SV), Santhià (VC) and Gavassa (RE) valorise organic waste and produce, in addition to quality compost, biomethane, a natural gas that derives from the refining and treatment of the biogas produced during the anaerobic digestion phase of organic waste and the green fraction.

The process, called upgrading, allows to increase the percentage of methane contained in the biogas, up to about 99%. In this way, the energy characteristics and uses of biomethane correspond to all effects to those of natural methane, with two substantial differences: it is not extracted from the bowels of the earth, and it is obtained from renewable raw materials.

Biomethane is a renewable source of energy, an example of circular economy and an indispensable support for decarbonization, for example of the mobility sector, which contributes to reducing the use of fossil fuels, the main source of climate-changing gas emissions.

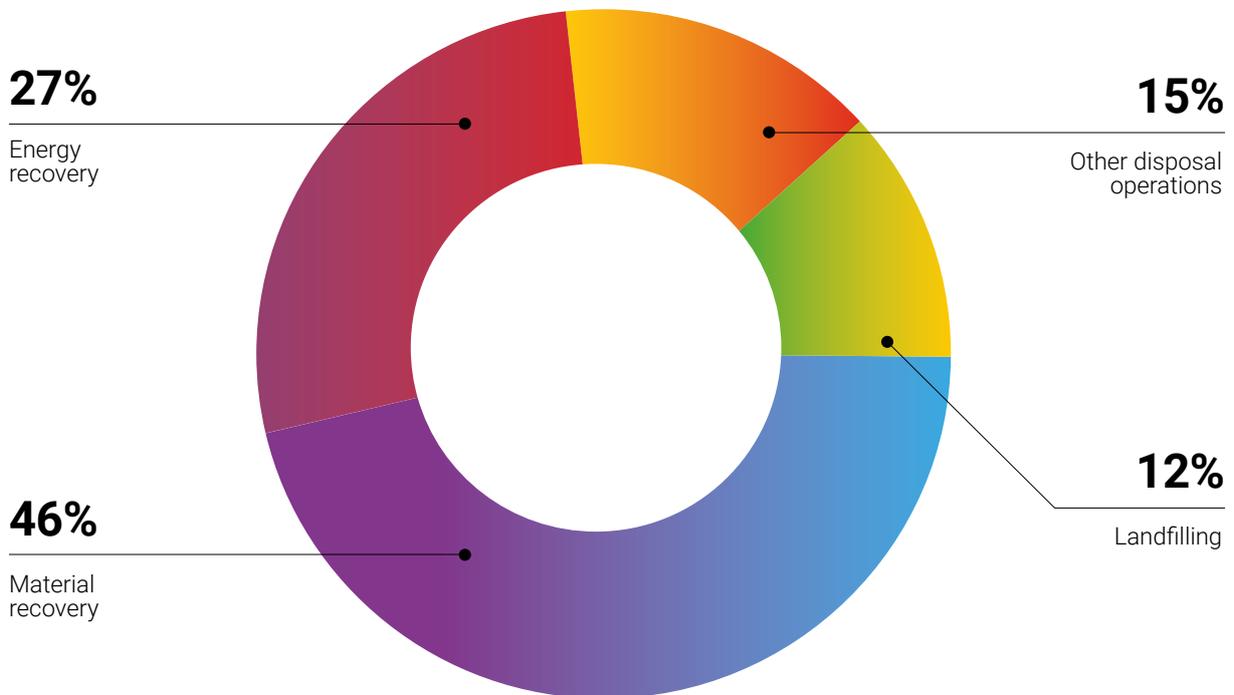
In 2023, Iren produced over 9 million cubic metres of biomethane, in line with the growth target of the Business Plan to 2030.



The **unsorted component** of the waste is destined for various disposal methods searching for the best use of the waste resource that sees energy recovery, through waste-to-energy, as the most effective solution from an environmental point of view.

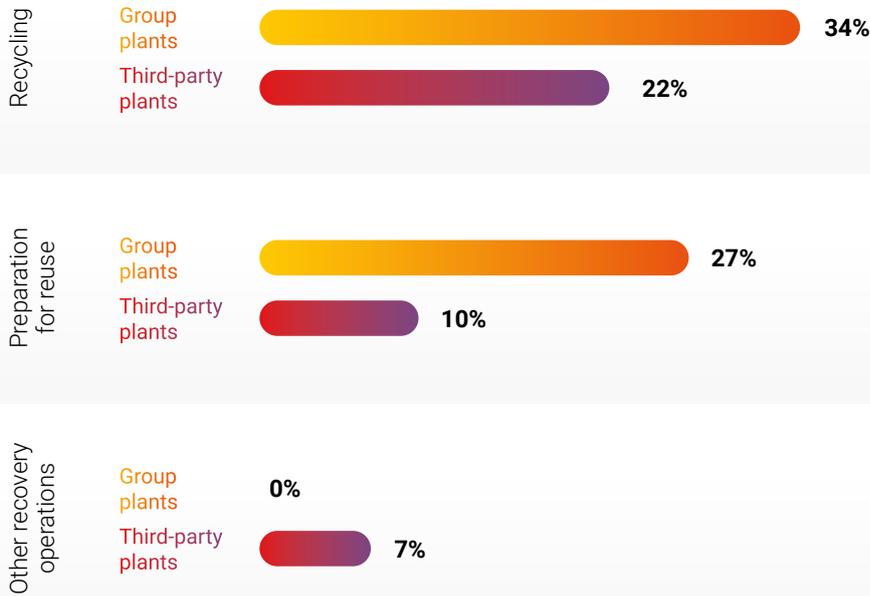
Disposal operations include mechanical-biological treatment (MBT), which, through the mechanical selection of unsorted waste, separates the organic fraction and stabilises it biologically for recovery. In 2023, approximately 273,500 tonnes of waste was processed at the Group’s MBT.

Destination of managed waste (%)



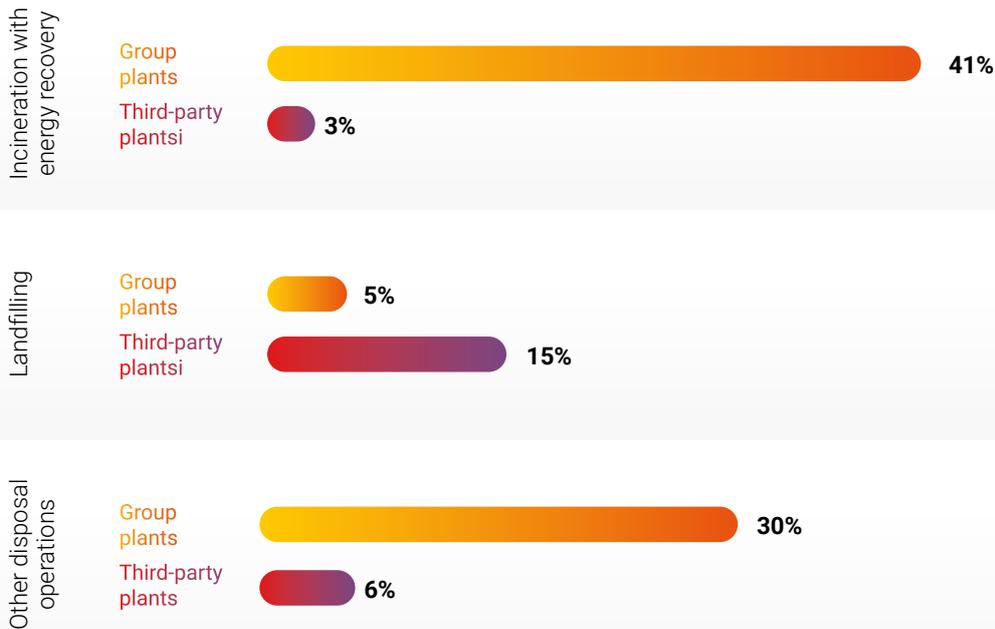
Of the total waste managed in 2023, 46% was destined for the material recovery chain (recycling, preparation for re-use and other recovery operations) in Group and third-party plants, as detailed in the graph below.

WASTE SENT FOR MATERIAL RECOVERY (%) ⁽¹⁾



Of the portion of waste that could not be recovered as a material (54% of the total), 44% was sent to energy recovery and the remainder to other disposal operations (36%) or to landfills. Almost all (99.96%) of the waste sent to landfill is special waste. No waste has been sent for incineration without energy recovery. Compared to the total waste managed by the Group in 2023, only 3% is of hazardous type ⁽¹⁾ (a little over 14,000 tonnes sent to material recovery and over 104,000 tonnes to disposal).

WASTE SENT FOR ENERGY RECOVERY AND DISPOSAL (%) ⁽¹⁾



⁽¹⁾ The Group does not handle radioactive waste. Specific management and control procedures are in place at the plants, which require that any waste with a radioactive load, intercepted through specific instruments placed prior to entering the plants (e.g. household/medical waste), is inspected by qualified experts, stored in special quarantine areas and sent for disposal only when the radioactive load has decayed.



Mobility management

[GRI 302-1, 302-2, 305-1, 305-5, 305-7]



over

7,280
vehicles



over

20%
environmentally friendly vehicles
(electric, hybrid, LPG and methane)

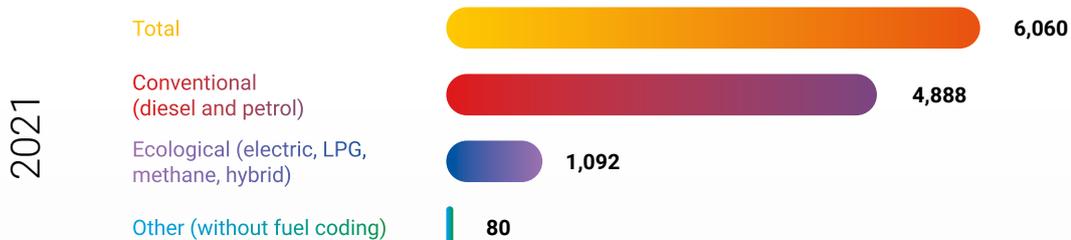
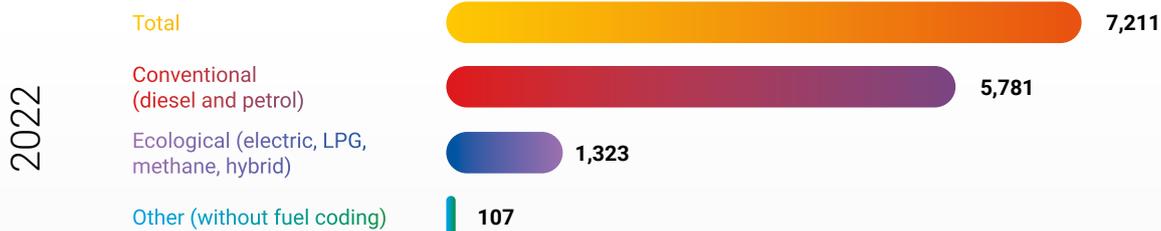
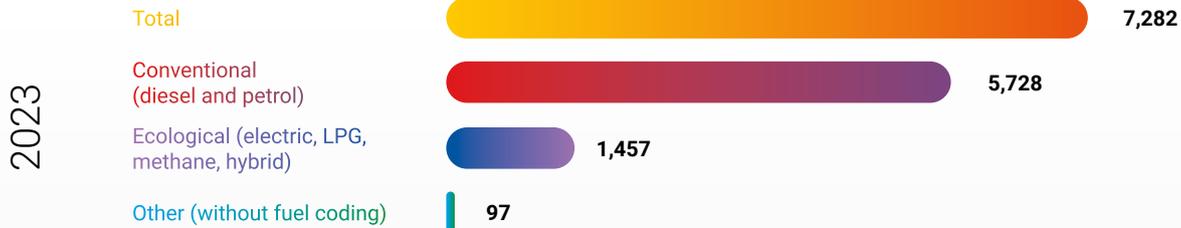
Iren Group has a fleet of over 7,280 vehicles, in 2023, 20% of which are environmentally friendly (electric, hybrid, LPG and methane). More than half of the fleet is dedicated to waste collection and transport services, activities for which significant distances are expected, depending on the peculiarities of the area served. In 2023, about 260 owned or hired vehicles of the new companies acquired during the year joined the Group's fleet, of which about 10% environmentally friendly.

The Group undertakes to contain the negative impacts deriving from road traffic, through the progressive electrification of the fleet, the systematic renewal of vehicles and the promotion of initiatives aimed at employees.

The management of vehicles is performed pursuant to the corporate guidelines that define levels of safety, maximum distances travelled and criteria of replacement in relation to total distances travelled, the age of the vehicle and level of wear and tear, the changing operating needs and the management synergies between the different local areas. Obsolete vehicles are replaced with electric or Euro 6D category vehicles.



Owned and leased vehicles as at 31/12/2023 (nO.)



ATMOSPHERIC EMISSIONS OF COMPANY VEHICLES (t)

Type of emissions (t) ⁽¹⁾	2023	2022	2021
NO _x	65	64	53
VOC	2	2	2
CO	27	25	20
PM10	6	5	4
CO ₂	30,143	25,257	19,978

⁽¹⁾ The emissions are calculated multiplying the km travelled by the vehicles (broken down into different Euro categories, type of fuel and vehicle) by the more recent emission coefficients (source: INEMAR - ARPA Lombardy 2018). The mileage is obtained from the Group’s management software and through data from fuel companies on which merit checks are carried out.

Atmospheric emissions in 2023 increased by 19% compared to the previous year due, in large part, to the significant increase in the mileage of vehicles dedicated to waste collection services and company cars, both of which are attributable to the expansion of the company perimeter.

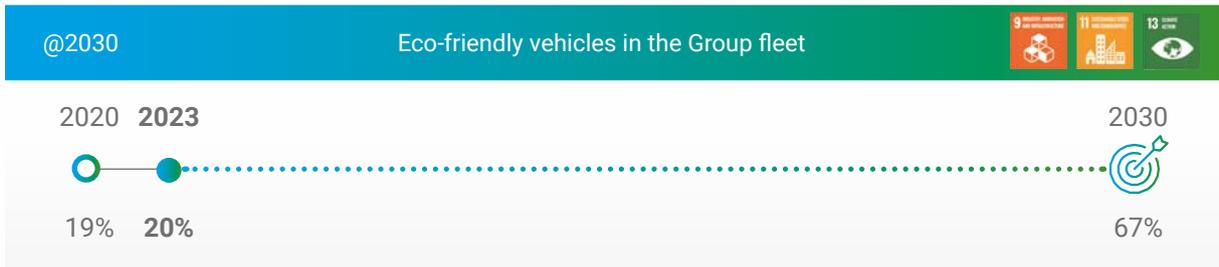
The Business Plan to 2030 pushes towards sustainable mobility, with the aim of making 67% of the company fleet eco-friendly.

The goal can be achieved mainly thanks to the **IrenGo** project, which involves purchasing full-electric vehicles – cars, vans, vehicles for sorted waste collection and heavy vehicles – and the installation of recharging infrastructures (recharging units and wall boxes) at the Company’s premises. At the end of 2023, 1,052 electric vehicles were already on the road (cars, vans and waste collection quadricycles) and there were nearly 1,100 operational recharging points. These are vehicles that contribute to the improvement of air quality in the urban contexts in which they operate on a daily basis.

In Turin, during the year, the number of sweepers for **cleaning cycle paths** was increased, which are fully electric in order to reduce not only polluting emissions, but also noise impact. They are small means equipped also with a hydraulic and water recirculation system to minimise dust lift.



In 2023, the IrenGo project on the company fleet made it possible to avoid the emission of approximately 2,315 tonnes of CO₂ and to save over 381 TOE (respectively 27% and 11% more than 2022).



The progress towards the electrification of the fleet, in 2023, is influenced by the entry into the Group of the new companies, acquired during the year, which will gradually apply the vehicle management policies adopted by the Group.

The Group also promotes initiatives for the **sustainable mobility of employees**: incentives to use public transport (purchase of season tickets at a discounted price, in instalments or charged to their salary), alternative methods of transportation to get to work, such as the “Ecoviaggio Smart” app, which offers the possibility of organising car-sharing journeys for work.

In addition, the Group promotes remote working modes (teleworking and smart working) which, in 2023, involved more than 3,800 employees, generating a positive environmental impact, thanks to the reduction in travel: almost 8 million km not travelled, which allowed avoiding over 1,260 tonnes of CO₂ and saving 591 TOE.





Protection of biodiversity

[GRI 2-23, 3-3, 304-1, 304-2, 304-3, 304-4, G4-EU13]

The **conservation of biodiversity and ecosystems** is considered by Iren Group as an essential component of sustainable development in the implementation of its industrial activities as defined in the Sustainability Policy. For this reason, as well as entering into partnerships with Bodies, Institutions and Associations, the Group has developed a policy to ensure that the activities managed are compatible and sustainable for the environment and maintain its natural balance.

Biodiversity





Risks

- Natural/accidental event affecting minimum vital water flow mechanisms according to regulations
- Possible gaps in monitoring the biodiversity impact of plants, activities or services
- Accidental spills impacting biodiversity


Opportunities

- Improving impacts to counter biodiversity loss


Management methods

- Sustainability Policy
- Biodiversity Policy
- ERM system integrated with ESG topics
- Integrated Certified Management System (risk assessment, containment measures and third-party audits)
- Procedures: Environmental analysis
- Asset mapping for the assessment of impacts on biodiversity (ongoing)
- Plant equipment and monitoring systems to minimize possible impacts on biodiversity
- Contingency plans
- Collaboration with local protection agencies, institutions and associations

Protecting biodiversity from the continuous deterioration of natural habitats and threats to certain species is one of the main issues considered by the European Union in its environmental policy, oriented to the conservation of natural and semi-

natural habitats and of wild flora and fauna within the territory of member states. To this end, a network of special protected areas was established at European level under the Directive "Natura 2000", involving various Italian regions and areas. The network

also includes certain environments transformed by man over time which represent important areas for the survival of numerous species of plants and animals. The protection of Natura 2000 sites is mandatory (Presidential Decree 357/1997 "Regulation implementing Directive 92/43/EEC on the conservation of natural habitats, and of wild flora and fauna" and Presidential Decree 120/2003).

The regulation establishes that the territorial planning and programming must take into account the naturalistic-environmental value of Sites of Community Importance (SCI) and Special Protection Areas (SPA). In addition, it establishes that any plan or project, inside or outside these areas, which may in some way affect the conservation of protected habitats or species, must be subject to an appropriate assessment of the impact it may have on the sites concerned. Prior to the implementation of new measures, the development of new networks and the execution of significant maintenance activities (revamping/repowering), which may lead to environmental impacts for the "Natura 2000" protected areas, they must be submitted for **prior assessment in order to protect the areas**. It is also necessary to verify that machinery, plants and equipment subject to the measures possess

the environmental requirements necessary and to assess the potential impacts resulting from the use of hazardous substances and the adoption of appropriate management measures. In particular, the **impact assessment** (art. 5 Presidential Decree 357/1997) is the procedure implemented in cases where an intervention may significantly affect an SCI or an SPA in the "Natura 2000" network. The Ministry of the Environment and Energy Safety (MASE) publishes decrees which list the Italian SCIs.

The realisation and management of plants, activities and projects must be carried out in accordance with Italian environmental regulations (Legislative Decree 152/2006) which provide for the **integration of environmental aspects in the development of plans and programs** and the **Environmental Impact Assessment (EIA)**, with the aim of identifying and assessing in advance the effects on the environment of certain public or private projects - in their start-up phase or in case of significant changes to existing projects - and of identifying the measures to prevent, eliminate or minimise negative impacts on the environment before they actually occur, analysing the impact in terms of atmospheric emissions, water withdrawals and discharges, waste, noise and odours.

Group policy and principles

Iren Group formalised its commitment in the Biodiversity Policy, which is based on the adoption of an effective management model, consistent with the National Strategy for Biodiversity, with European Union strategic objectives (European Green Deal and EU Biodiversity Strategy to 2030) and with the United Nations Sustainable Development Goals (SDGs). The principles on which the Group's Policy is based are:

- **conservation** of the biodiversity of ecosystems, in particular for the activities carried out in vulnerable or protected natural areas;
- **monitoring** and **mitigation** of the impacts of the activities on biodiversity;
- **promotion of environmental improvement** through actions aimed at protecting areas of high ecological value and disseminating a culture of biodiversity;
- raising **awareness** and **knowledge** about biodiversity, its protection and conservation, encouraging best practice and passing it on internally and externally;
- **collaboration** with local associations and communities in actions and projects designed to increase stakeholders' awareness of the importance of protecting biodiversity.

Activities in protected areas or areas of environmental interest

The Group’s activities, by their nature, have a direct or indirect impact on the air, water resources, soil, ecosystems and the species that inhabit them. This is why Iren, aware that the preservation of the natural ecosystem is essential for long-term global sustainability, promotes the sustainable development of its activities.



Electricity production activities in protected areas mainly concern hydroelectric plants, whose main environmental impacts concern water resources and noise. In order to contain and monitor the wide-ranging environmental impacts of hydroelectric plants, **Environmental Impact Assessments** are carried out, in the realisation phase, and water withdrawals and releases are managed according to the concessions issued by the competent authorities. Management Plans have been prepared for all the reservoirs managed (pursuant to Legislative Decree 152/2006) with the relevant impact studies for those affecting SCIs. In addition, the hydroelectric plants adopt an ISO 14001-certified environmental management system, under which environmental analyses are prepared and periodically updated to identify environmental impacts and quantify their significance, with a view to their containment and monitoring of environmental performance. The main water sources affected by water withdrawals for energy production and the water bodies of discharge are detailed in the table below.

Plant type	Withdrawals	Discharges
Hydroelectric	<p><i>Basins:</i> Valsoera, Eugio, Telesio, Agnel, Serrù, Ceresole and Brugneto, Nel</p> <p><i>Rivers:</i> Dora Riparia, Po, Maira, Secchia, Bussento, Rio Casaletto, Tanagro, Tusciano, Calore, Picentino and Tenza</p> <p><i>Torrents:</i> Orco, Clarea, Galambra, Noaschetta, Roc, Ciamosseretto</p>	<p><i>Reservoirs:</i> Telesio, Ceresole</p> <p><i>Rivers:</i> Dora Riparia, Po, Secchia, Tanagro, Tenza, Tusciano, Calore, Picentino, Piantonetto,</p> <p><i>Torrents:</i> Orco, Noaschetta, Pontiletto</p>
Thermoelectric	<p><i>Rivers:</i> Po, Naviglio Grande</p> <p><i>Seas:</i> Ligurian</p>	<p><i>Rivers:</i> Naviglio Grande, Ticino</p> <p><i>Torrents:</i> Chisola</p> <p><i>Seas:</i> Ligurian</p>

Discharges are made up of cooling water from the plants or from the treatment processes of the water used in production sites. Monitoring the

presence of any pollutants in the effluent and keeping the water temperature within certain ranges are essential for the protection of aquatic fauna and flora. At the Turbigio and Moncalieri power plants, for example, the temperature of the water leaving the condensers, discharged into the Naviglio Grande canal (or alternatively into the Ticino River) and near the confluence of the Po River canal, is monitored. For the Moncalieri cogeneration plant and the Baiso hydroelectric plant, the health status of the watercourses on which the plants are located is monitored by calculating the **Extended Biotic Index (EBI)**, which is based on the analysis of a group of invertebrate animal organisms, macro-invertebrates, which colonise the different types of waterways. Based on the grouping unit and the species identified during sampling, which takes place upstream and downstream of the power plants, the quality of the watercourse can be established. Moreover, the measures to improve efficiency of hydroelectric plants, carried out by the Group, had positive repercussions on the entire system, as they reduce the need to produce energy from fossil sources and help to reduce atmospheric emissions. For all the redevelopment work carried out on plants, the plant IAFR certification (certifying that it is powered by renewable sources) was obtained, which identifies the environmental benefits expected in terms of reductions in SO₂, CO₂, NO_x, particulate and natural gas emissions. In order to minimise the acoustic impact on the surrounding environment, all systems are properly soundproofed.



The development of the **electricity distribution network** may directly involve or be in the immediate vicinity of various areas of the “Nature 2000” network, including: Collina di Superga (SCI), Meisino (SPA) and Stupinigi (SCI), in the city of Turin, Mandria (SPA) in the province of Turin, Lama del Badiotto (SPA) e Garzaia della Brarola (SPA), in the city of Vercelli. The electricity distribution network of Parma does not affect SCIs or SPAs in the “Natura 2000” network.



Waste management and environmental health activities do not affect protected areas. Plants with greater capacity (waste-to-energy plants and landfills) are equipped with a green system, in harmony with

the vegetation climax in which they are situated, with visual and environmental mitigation functions. The impacts related to the activities carried out are examined annually with the aim of verifying the result of the interventions carried out and of having all the elements necessary to confirm or modify the system implemented, in order to assess compliance with environmental regulations and authorisations and to define/update management systems improvement plans, including those related to environmental performance. The **Parma Integrated Environmental Centre (PAI)** operates in a largely industrial area and has a “green system” that, in addition to complying with the mitigation of particulates, also restores some habitats and acts as an ecological bridge between different biotopes and will lead to the creation of an ecosystem that could be an important resource for the overall recovery of the landscape and ecological value of the area. Every year, a monitoring campaign is carried out on the content of the particulates collected from the plants sowed, in order to estimate the environmental benefits in terms of the atmospheric particulate matter removed. The **Piacenza waste-to-energy plant** is located in an area that is not subject to any urban, landscape, hydrogeological, seismic or territorial constraint and in which there are no protections for parks, oases or other protected areas. The **Turin waste-to-energy plant (TRM)** obtained a positive environmental compatibility assessment via a process that included an Environmental Impact Study, the conclusions of which, in terms of vegetation, flora, fauna and ecosystems, demonstrated that the site is located within a highly developed area where no specific natural value has been detected in regard to vegetation and wildlife. Despite being in the middle of an EIA phase, the introduction of the plant does not indicate the appearance of significant symptoms of stress on the ecosystems that already suffer from human impact; the emissions do not cause any harm to the local fauna present across a vast area, including the areas of particular naturalistic interest represented by the Stupinigi Natural Park and the system of protected areas of the Po river belt.



The management of the **gas distribution** service does not have any particular impact on biodiversity. Infrastructure development, maintenance and management activities rigorously comply with the regulatory framework relevant to environmental impact. Annual walking inspections are carried out within the natural areas where pipes are present and at the end of the winter season to not damage the vegetation.



Regarding the **integrated water service**, all the water bodies receiving wastewater treated by the Group in the Emilia-Romagna and Piedmont regions are located in the basin of the Po River, which falls within the area declared sensitive. Wastewater treatment plants, therefore, are subject, depending on size, to the application of more restrictive limits for nitrogen and phosphorus. Wastewater treated by the treatment plants in the Ligurian territory is discharged into the coastal waters of the Ligurian Sea (mainly the Gulf of Genoa, the Gulf of Tigullio and the Gulf of La Spezia), while in the province of Enna, it is mainly discharged into the Salso (southern Imera), Simeto, Dittaino, Torcicoda and Sotto di Troina rivers. The treatment activity is, by its nature, aimed at maintaining optimal environmental conditions and its main objective is to ensure that discharges are appropriately treated so that they are compatible with the natural habitats of the receiving bodies of water. In the same way, protecting the areas in which sources of water withdrawal are found is of the utmost importance for the management of the integrated water service. Screenings and environmental impact assessments are carried out within the timeframe required by regulations, both for water treatment plants and water withdrawals. The Genoese plants of the Brugnato Dam lie within Antola Regional Park (Genoa), while the Gorzente lakes lie within the Regional Park of Capanne di Marcarolo, partly within the Province of Alessandria. In the Province of Piacenza, the Group owns a lowland forest within the protected area of Conoide del Nure and Bosco di Fornace Vecchia (SCI). The wastewater treatment plants managed in the province of La Spezia are located near the Cinque Terre National Park/Cinque Terre Marine Protected Area, the Porto Venere Regional Nature Park, the Regional Nature Park of Montemarcello-Magra-Vara and the Regional Islands of Portovenere Marine Protection area. The wastewater treatment plants operated in the province of Enna are located near Monte Capodarso and Valley of the Imera River Meridionale (SPA), Tratto di Pietralunga of the Simeto River (SPA), Lago di Pozzillo (SCI), Bosco di Sperlinga and Alto Sasso (SPA) and the oriented nature reserve Vallone di Piano della Corte.

No natural habitats were offset during the reporting period.

Areas and species protected

Iren Group constantly collaborates with the Management Bodies of the protected areas in which it works to safeguard the ecosystem and protected species.

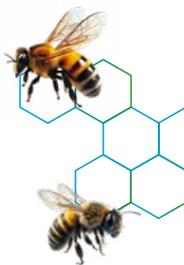
It also undertakes to increasingly extend the mapping and location of plants and networks to identify their potential interferences with the protected areas they are located or in their vicinity. The **mapping of the operating sites** of the Group - the activities of which could have a significant impact on biodiversity, as they are located in or near protected areas (2 km radius) - in 2023, focused the analysis on sites where energy production, waste treatment, biogas production and electricity distribution activities take place. For this purpose, the *Natura 2000* Viewer tool was used, which provides key information on all *Natura 2000* sites: species and habitats, population size and species conservation status. The outcome of the mapping shows that, in 2023, 35% of the operational sites analysed, i.e. 42 sites, are located in or near protected areas. All operational activities, located in or near protected areas, are certified by the ISO 14001 environmental management system and are, due to their nature, subject to Environmental Impact Assessment, as required by current legislation (Legislative Decree 152/2006).

The main Sites of Community Importance and Special Protection Areas near which there are plants and/or infrastructures managed by Iren Group are monitored annually. There are 416 protected species present in the sensitive areas around which the Group operates and listed on the IUCN Red Lists, belonging to the following categories:

IUCN categories	2023 (number)
Critical risk (CR)	11
Endangered (EN)	40
Vulnerable (VU)	51
Near threat (NT)	41
Less concern (LC)	231
Regionally extinct (RE)	2
Data deficient (DD)	12
Not applicable (NA)	28
TOTAL	416

In 2023, two **beehives** were placed in the Mancasale (RE) Purified Water Park. The project follows up on what has already been implemented at the Turin North cogeneration plant, the Turin waste-to-energy plant and the Integrated Environmental Centre (PAI) in Parma, and aims to monitor the quality of areas and various environmental matrices and to facilitate pollination.

More than 120,000 bees have been placed in the hives, which are able to pollinate about 60 million flowers every day in the surrounding area and to produce about 20 kg of honey per year. The project also envisages - through the observation of the conduct, health and productive capacity of bees - the verification of behaviour and the recording of any behavioural changes in the ecosystem created. The increasingly massive use of insecticides, herbicides and pesticides and the reduction of biological diversity caused by industrial agriculture, threaten the survival of bees and pollinators that are the basis of the delicate balance of the Earth's ecosystem, which is reflected in biodiversity.





Other initiatives to mitigate impacts on the environment

[GRI 2-27, 301-1, 301-2, 307-1]

PCB management

Polychlorinated biphenyls (PCBs) are aromatic compounds – consisting of toxic chlorinated molecules that are persistent organic pollutants with bio-accumulative properties – found in transformers and other electrical equipment. To avoid forms of pollution or dispersion of these substances, Iren Group regularly and continuously updates the number of machines containing insulating oil and the quantity contained in them, in accordance with registration and cataloguing procedures. As part of projects to

improve the environmental performance of electricity distribution, the gradual decommissioning of the number of equipment containing oil contaminated by PCB/PCT is envisaged, in line with previous years. The goal is to keep the disposal trend steady until the elimination of all of the contaminated devices. In 2023, 6 electrical and electronic equipment containing oil contaminated with PCB at concentrations between 50 and 500 ppm were sent for disposal, in the quantities indicated in the table.

Oil containing PCB disposed of (kg) ⁽¹⁾	2023	2022	2021
with PCB content of over 0.05%	0	0	0
with PCB between 0.005% and 0.05%	1,473	2,924	4,223
TOTAL	1,473	2,924	4,223

⁽¹⁾ The total amount of oil containing PCB in transformers and other equipment as at 31/12/2023 is approximately 46,640 kg.

Materials used

The production and service activities involve the use of process materials acquired from external suppliers, including, for example, products for cooling and lubricating plants and machinery, substances for treating water, and reagents for waste treatment and waste-to-energy processes. In 2023, the Group used 210,708 tonnes of process materials in total, with a negligible proportion of renewable and recycled materials, considering the type of processes managed.

Qualification of suppliers

As part of the qualification process, Group suppliers are required to possess environmental certifications or if they have, in any case, acquired significant and interrelated elements of the environmental system (» SEE PAGE 335). Moreover, information is specifically requested regarding the use of materials with low emissions, low energy consumption, of recycled or recyclable material and the eventual adoption of procedures for the storage and collection of recyclable materials in order to guarantee recycling.

Environmental compliance and reporting mechanisms

The Environmental Management System (ISO 14001) adopted by the Group involves all employees who are required, as part of their duties, to participate in the process of risk prevention, environmental protection and protection of their own health and safety, of colleagues and third parties. To this end, the Group also contributes to the research and development of advanced technologies aimed at safeguarding resources and reducing the environmental impact and related risks. There are many tools available to stakeholders for reporting environmental violations: written communications on the Iren Integrity Line platform ([SEE PAGE 71](#)), via post, e-mail, social channels. All communications are considered and sent to the competent offices, which carry out to the appropriate checks, and, lastly, each stakeholder receives a response in relations to their reports.



The **production and distribution of electricity and heat** services are certified by standards of quality, safety and environmental management, and are, therefore, subject to internal and external audits with regard to the processes and obligations relevant to environmental legislation. In addition, for electricity and heat production plants covered by the ETS, the annual communication and verification, by accredited third parties, of the CO₂ emitted by the plants is required.



With regard to the **waste management services**, residents and Public Authorities have access to an environmental contact centre where it is possible to report any breaches and/or critical situations pertinent to the environment. Moreover, “Environmental Inspectors” operate in the provinces of Piacenza, Parma and Reggio Emilia, who patrol the areas of competence in order to identify illegal landfills and abandoned waste hazardous to the environment. Once a report is received, the Environmental Inspectors organise the verification activities and the necessary treatment for the resolution of the problems identified, pursuant to the proper procedures. In addition to this type of reporting, the Inspectors also provide information to residents about correct waste sorting methods and

the use of the collection service. Furthermore, specific procedures provide guidelines for operators concerning the processes to be implemented for the solution and/or limitation of any environmental emergencies that may arise during the performance of services. In relation to **waste-to-energy plants**, emission data are released to the Supervisory Authorities in real time. These figures are public and can be viewed daily on the websites. To ensure IEA provisions on communication anomalies are adhered to, a 24-hour technician service has been established.



In the **integrated water service**, the entire cycle is subjected to constant monitoring of operating parameters, also through remote control systems of the plants, providing for the execution of tens of thousands of laboratory analytical determinations and the continuous improvement of the use of water resources, both in terms of withdrawal and use, and of release and discharge. The integrated water service is also subject to controls pursuant to the law by local Regulatory Authorities. The optimisation of the corrective measures put in place to minimise possible negative effects of problems identified, is often carried out through the involvement of other Bodies, including through specific operational protocols.

In 2023, the Group paid 24 fines and penalties - of which 13 related to the year of reporting and 11 to previous years - for non-compliance with environmental laws and regulations, related to discharge authorisations of some wastewater treatment plants, exceeding of tabular limits of effluent output, temporary storages and REC. These are fines and penalties all below 10,000 Euro (significance threshold set by the Group).

An aerial photograph of a wind turbine in a lush green forest. A river winds through the landscape, and several high-voltage power lines with pylons are visible in the background. The image is overlaid with a semi-transparent teal filter. On the left side, there is a vertical orange-to-yellow gradient bar. At the bottom left, there are abstract shapes in blue, purple, and green. On the right side, there is a large white graphic element consisting of a vertical line and a large, stylized white shape that partially obscures the turbine's blades.

Local
presence



IN THIS CHAPTER WE TALK ABOUT

development
of the local
areas



initiatives
and projects



education





Sustainable development of the local areas and communities

[GRI 2-23, 2-27, 3-3, 203-1, 413-1, 413-2, 416-1, G4-EU22, EU25]

Iren Group identifies the focus for progress and the creation of shared value in the communities and local areas of reference, as highlighted in the Sustainability Policy. The objective is to improve people’s quality of life, making businesses more competitive, looking to the growth of local areas through the eyes of change and making development and sustainability a single value: the realisation of this future represents the vision of Iren Group.

Sustainable development of the local areas and communities



Risks

- Failure to meet the targets set out in the Business Plan and consequent negative impacts (operational, economic and reputational)
- Disruption of relations with the representative subjects of the local areas with subsequent negative reputational impact
- Negative perception by the community related to the presence of the Group’s plants or managed activities
- Lack of perception of the Group’s investments for the development of regional infrastructures
- Lack of attention to stakeholder demands that may develop socio-economic tensions in communities
- Slowdown in the dissemination of sustainability culture in communities



Opportunities

- Policy and legislative framework increasingly oriented towards sustainable development
- Participation in national and international networks for sustainable development
- Brand promotion
- Enhancement of the local areas
- Changing consumption behaviour of customers and communities



Management methods

- Planning and monitoring of business plan objectives and targets (economic/financial and ESG)
- Code of Ethics
- Sustainability Policy
- Organisational Model 231 and information flows to the Supervisory Bodies
- MbO and LTI system with ESG objectives
- Structured communication plans on strategies, objectives, plants and services and territorial impacts
- Local Committees
- Eduiren educational programme
- Sustainability awareness programmes
- Monitoring activities and definition of corrective actions in case of claims/complaints
- Procedures: Sponsorship management; Media Relations management; Whistleblowing
- Plants open to visitors

Investments for the local areas

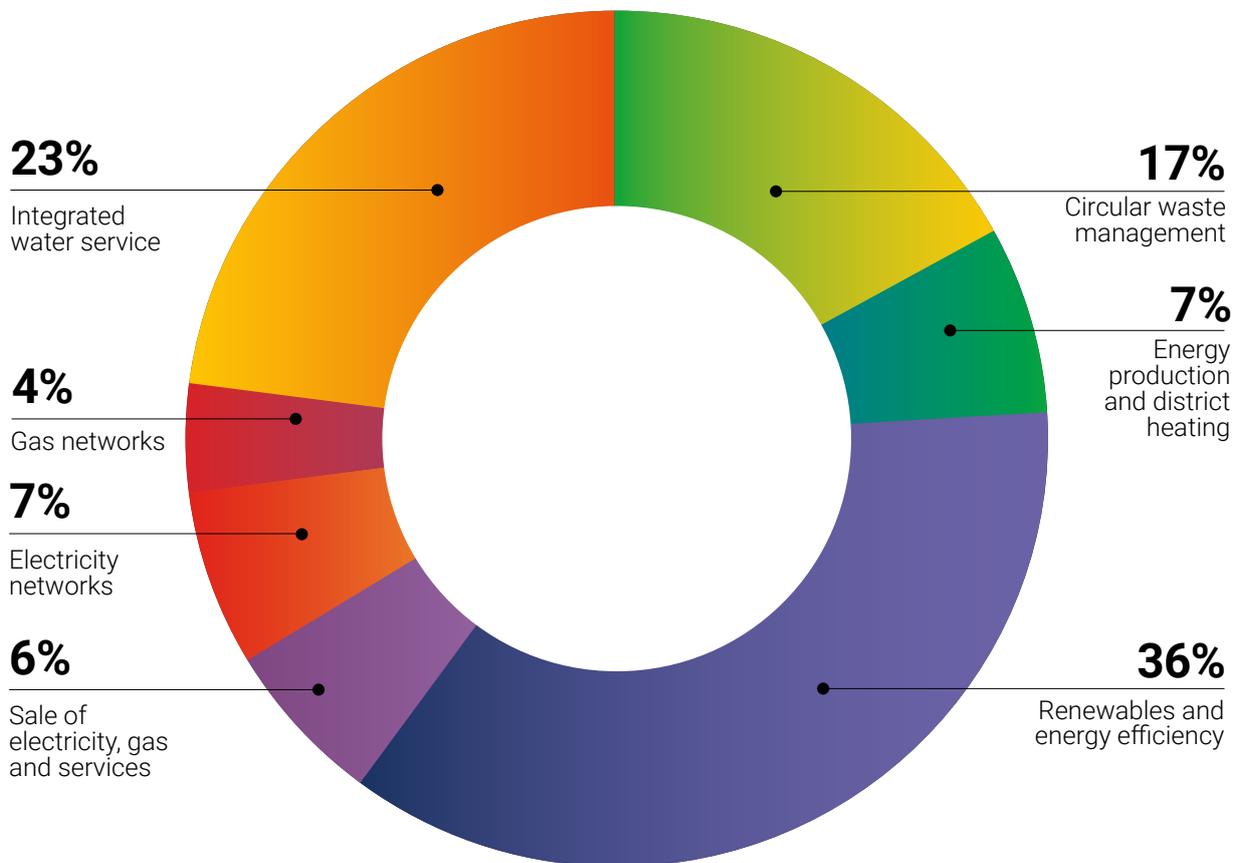
about
10
billion Euro
equal to
about
95%
of the total

Iren Group has been characterised by strong territorial roots, continuously confirmed by the value generated in the areas of operation, in terms of economic, occupational, social and cultural impacts. Local presence represents one of the pillars on which the Group’s growth strategy is based, understood as the growth of penetration in historical territories and the ambition to become a reference partner for communities, thanks to the expansion of the portfolio of services offered.

The Business Plan to 2030 foresees, in fact, that about 10 billion Euro, equal to 95% of the total investments, will be destined to the local areas to design a sustainable future to the benefit of the communities, increasing, compared to 2020, both the base of customers and citizens served in the various businesses and the territorial areas in which Iren is present with a plurality of services. The ambition of the Group to become the reference partner in the territories is pursued by expanding the range of services offered to municipalities, through the proposal of new services for smart cities, e-mobility, and urban and infrastructural redevelopment.

Also in 2023, the strategic guidelines of the Business Plan, oriented towards the local area, found concrete expression in the amount of investments made to increase the efficiency of infrastructures and services and to maximise the opportunities for business development at the service of the local areas.

This is **1,254 million Euro** gross (including works for customers in the area carried out by Iren Smart Solutions and approximately 67 million of financial investments aimed at development through merger and acquisition transactions), representing about 96% of the total gross investment, as broken down below:



Sector analysis shows:

- in **Circular waste management**, the largest share of investments relates to the construction and development of material recovery plants in Piedmont (wood, plastic and organic with biomethane production) and in Emilia (treatment of organic waste with biomethane production) and the development of home collection with investments in Emilia, Tuscany and Piedmont. In addition, there are initiatives for the implementation and digitalisation of collection systems with punctual pricing in all the areas served;
- in the **Integrated water service**, the most significant investments regard the efficiency of the aqueduct networks, the upgrading, construction and renovation of wastewater treatment plants, as well as the installation of smart meters to improve the monitoring of water supplies and consumption and growth, through the consolidation of Acquaenna, in Sicily;
- in the **Electricity distribution networks**, the most significant investment initiatives in all the areas managed are related to the resilience, the renewal and adaptation of electrical stations and the widespread use of new generation smart meters (2G);
- in **Gas distribution**, the most significant investments concern ordinary and extraordinary maintenance for the efficiency and safety of the network and the installation of digital meters;
- in the **Sale of energy and innovative services**, the commitment is focused on the ever-increasing service quality to customers in all the local areas, thanks to investments in the digitalisation of operations and the gradual expansion of the service portfolio for home automation, energy efficiency, e-mobility, internet connectivity and insurance;
- in the production from **Renewable sources**, in the local areas, investments are aimed at maintaining existing hydroelectric plants and expanding the plant park to increase installed capacity and photovoltaic production, particularly in southern Italy (Basilicata and Sicily), and to enter the wind power sector through the acquisition of WFL in Liguria;
- in the area of **Energy efficiency**, also thanks to incentive systems, the most significant share of resources was allocated to the rebuilding and energy requalification of buildings of public and private customers in the Group's local areas;
- in **Energy production** and **District heating**, most of the investments are related to the construction of new production lines from cogeneration at the Moncalieri (Turin) plant and from thermoelectric production at the Turbigio (Milan) plant, the renewal of the cogeneration and heat production plants in the Turin area, the renewal of substations in all areas served by District heating (Turin, Parma, Piacenza, Reggio Emilia, Genoa), the extension of the Turin network and the saturation of the Reggio Emilia, Parma and Turin networks.

Initiatives for communities and local areas

In 2023, the Group's contribution to the sustainable development of the local areas and communities was also reflected in the implementation and support of 368 **sustainability projects**, a growth compared to 2022, despite the difficult international economic situation.

The projects, which range from the construction of facilities and infrastructure, education and culture, adaptation to climate change, saving water and energy resources to promoting social inclusion for the most vulnerable, are in line with the Sustainable Development Goals of the 2030 Agenda.

PROJECTS OF THE IREN LOCAL COMMITTEES

To identify the needs of the local areas and develop shared initiatives with the communities, Iren Local Committees develop a process of constant listening and participatory planning with stakeholders

» [SEE PAGE 123](#). Through the tool of the Local Committees, the Group can on the one hand intercept the needs of the local area and on the other hand detect the potential impacts of its activities on the communities.

In this sense, the Iren Local Committees guarantee:

- listening to communities and mapping key issues and reports;
- sharing information on the Group's strategies, actions, projects and services in the local area in a logic of transparency and collaboration;
- raising awareness of responsible behaviour, which is necessary to promote the sustainable development of communities and the local area;
- active participation of local communities in the implementation and identification of projects for the environmental and social sustainability of the local area.

111
projects
completed
at the end
of 2023

In 2023, the Local Committees of Genoa, Parma, Piacenza, Reggio Emilia and Turin incubated 50 projects - 32 of which already completed during the year, and the others in the development phase - concerning environmental, social and educational issues. At the end of 2023, there are a total of 111 projects implemented by the Committees, which can be consulted on [Irencollabora.it](#). Below is a breakdown of projects completed in 2023 and those in the pipeline.

PROJECTS REALISED IN 2023

Project (implementer)	Local Committee	Description
The Shared Garden (Associazione Donne Ambientaliste di Parma)	Parma	Setting up a green space at the Liceo Scientifico Marconi to activate a green classroom for environmental education, both for the High School students and for other city schools, with which to develop integrated teaching paths. A meeting place, open to citizenship, to promote environmental sustainability and education projects on biological diversity, and carry out knowledge exchange activities and experimentation.
Well-being in Nature (Parma Sostenibile)	Parma	Development of extensive environmental sustainability and wellness education pathways, with indoor and outdoor resident workshops, guided tours of urban parks and nature areas, farmers markets and organic farms, and the Picasso Food Forest public green space. The target group are children and young people aged 3 to 18, involved in workshops on biodiversity, critical consumption, self-production, environmentally and socially sustainable agricultural practices, and the local and solidarity-based economy.
Solidarity Trails (CAI Section of Parma)	Parma	Promotion of new synergies between the mountain world (CAI and municipalities in particular) and the realities of social cooperation type B of Parma (with the inclusion of disadvantaged people in the workforce), through a structured collaboration aimed at the maintenance of local trail networks. The distinctive competences of the CAI in the field of hiking and the competences of the type "B" social cooperation in green management are valorised.
Memories of Water and Stone (CAI Section of Parma)	Parma	Maintenance and restoration of a number of historical fountains in the Parma Apennines to preserve the memory of vanished uses and pay more general attention to water resources, especially in springs and aquifers whose protection has become increasingly important. In addition, the Comprehensive Institutes located in the local areas of Langhirano and Corniglio were involved in order to promote the historical and cultural aspects connected to the creation and use of public fountains in the past and to raise awareness on the correct management of water resources in our territories.
Neighbourhood VIPs (CSV Emilia of Parma)	Parma	The creation of a proximity network that can support those who in a period of their life need help, not only for economic reasons, but also for reasons of health, loneliness or temporary dependence on others. The network consists of several people with different skills who, voluntarily, provide support and help to those in need. Those involved are traders, artisans, shopkeepers, cooperatives and entrepreneurs.
Theatre Paths (Associazione Ermo Colle)	Parma	A two-year course aimed at adolescents from the vulnerable groups, migrants, with disabilities, and therefore with "fragility", in the care of social services. Educational action oriented towards active citizenship, capable of enhancing social and cultural intertwining and effective integration based on "doing together" through theatre, with theatre workshops on topics that allow students' cultural and especially civic growth (inter-culturalism, gender issues, peer relations, legality, environmental issues).

Project (implementer)	Local Committee	Description
Dilemma 2nd phase (Cibopertutti/ Kuminda Network)	Parma	The game Dilemma stimulates reflection on the relationship between competition and cooperation and encourages the exploration of social, environmental and economic issues, consistent with the goals of Agenda 2030. To disseminate the project, 30 tutors were trained, mainly educators and social workers, and 215 teens were involved in experimenting with the game. The project was disseminated in Parma high schools in collaboration with Edulren.
Alter Fest (Kult APS)	Piacenza	A participatory and innovative festival, held in October 2023, aimed at addressing the issue of caring for others through a discussion of environmental, social, economic and cultural sustainability topics. Over the three days, workshops and events were held on the topic of sustainable development, inclusive politics, circular economy, and caring for others, with the ultimate aim of promoting the usability and environmental enhancement of the area.
Twice upon a Time... (Des Tacum Social Cooperative)	Piacenza	Recovery of objects in good condition that, thanks to repair and creative reworking, are sold at bargain prices while continuing to fulfil a function. The recovery activity is carried out by fragile people (unemployed, migrants, ex-offenders, etc.) that, once trained, put to use old and new skills. Three city schools (primary, lower and upper secondary school) participate in the project with the creation of instant spots for reuse and the dissemination of good practices through families, social channels and the websites of the organisations involved.
The Air Machine (ISII G. Marconi of Piacenza)	Piacenza	Creation of a greenhouse inside the School Institute aimed at purifying the air in a part of the building, planting plants suitable for the purpose. The project stems from the need to improve school life, starting from the basics, the air we breathe. Panels illustrating the project, its functionality and the benefits it brings to the environment are installed in the vicinity of the greenhouse. Group works were also organised so that the children can actively participate in setting up the greenhouse.
Hack the Waste (The Hub Reggio Emilia)	Reggio Emilia	Hackathon aimed at students from universities and postgraduate training institutions, to raise awareness of the circular economy and waste reduction among young people, and to bring out new messages, behaviours and possible entrepreneurial projects. Participants competed in a challenge, based on "design thinking", to come up with new solutions to recycle and reduce waste, taking into account factors such as feasibility, innovativeness and sustainability.
Music in Nature (Cooperative Risonanze)	Reggio Emilia	Orientation of children and adults towards respecting, protecting and discovering nature, through music used as an engagement tool. The project saw the realisation of a series of initiatives on environmental protection, aimed at schools in the area (e.g. reproduction of sound scapes with the musical instruments built) and all citizens.
Footprint Zero - a sustainable summer (Heron SCSD)	Reggio Emilia	Pilot project of sustainable educational paths aimed at reducing the impact of a summer centre, through the constant support of a dedicated sustainability team. In addition to the educational course for all enrolled children, the interventions included the study of sustainable mobility, reducing the use of plastic, and days dedicated to the plant-based diet, to raise awareness of reducing meat consumption in order to reduce one's impact.

Project (implementer)	Local Committee	Description
<p>NaturalMense (Caritas Diocesana Reggion Emilia - Guastalla)</p>	Reggion Emilia	<p>Adoption of reusable tableware (cutlery, glasses and melamine plates) in the widespread canteens served by Caritas Diocesana Reggion Emilia - Guastalla, which are aesthetically more similar to those used in the domestic sphere and have characteristics of durability and resistance, making it possible to considerably reduce the impact in terms of waste production.</p>
<p>Second Chance (Società Cooperativa Sociale Rigenera)</p>	Reggion Emilia	<p>Narrative on the issues of circular economy and environmental sustainability that highlights how apparently unusable objects and materials can be transformed into other artefacts, acquiring new life. The following are activated: training aimed at people with disabilities to carry out small creative recycling jobs; environmental education workshops with primary school children; a workshop narrating the results of the course to the neighbourhood population and sale of the objects made; social stuffing and green care workshops open to citizens.</p>
<p>Nature between your Feet (Ecosapiens - L'Ovile Cooperativa di Solidarietà Sociale)</p>	Reggion Emilia	<p>Realisation of equipped spaces within the former Cave Corazza Oasis of the Poviglio municipality, with experimentation of innovative educational paths in the environment for infant-toddler centres, preschools and first cycle of primary schools. The space set up, designed by teachers and children, remains available for citizens who can use it for independent activities in nature. Entirely natural and environmentally friendly facilities are set up in the Oasis, dedicated to play and innovative educational activities, outdoor education activities are organised, as well as questionnaires, online interviews and project impact assessment activities.</p>
<p>Cooperfor2030 (Confcooperative - Unione Provinciale Reggion Emilia)</p>	Reggion Emilia	<p>Promotion of initiatives to raise the awareness of companies, proposing good practices and concrete actions to contribute to achieving the 17 SDGs by 2030. Activities have been carried out aimed at employees of participating companies to promote virtuous behaviour in the workplace, meetings/workshops/visits aimed at member cooperatives and external stakeholders, and communication activities to promote sustainability towards specific targets.</p>
<p>A Journey around Food (CNA Reggion Emilia)</p>	Reggion Emilia	<p>Food and environmental education aimed at Reggion primary school children to provide them with the tools to adopt consumption choices and conscious behaviour. The project raises awareness of environmental sustainability, starting with zero-kilometre food, reuse in the kitchen, food packaging and the use of packaging, and ending with the issue of food waste. The project involved CNA artisans through company visits by schools and educational workshops to present artisan products, their history, their link with the territory, the ingredients used, nutritional properties and environmental sustainability aspects.</p>

Project (implementer)	Local Committee	Description
DIGIAMBIEntale Education (The Hub Reggio Emilia Soc. Coop.)	Reggio Emilia	Correcting and reorienting young people's passive attitudes towards new technologies, promoting sociability, making them understand the pervasiveness of the digital, whose usefulness, but also sometimes non-essentiality, it is important to appreciate. The project develops three educational workshops, aimed at 8-13-year-olds, on the theme of reuse, environmental sustainability, and the circular economy. In the form of a game, each workshop is a working project covering in a simplified manner all the activities and skills required of a digital design team.
Portina.io (CNA Reggio Emilia)	Reggio Emilia	Activation of concierge service, in the "Polveriera" area, to accompany and support the residents of the neighbourhood in the knowledge and use of proximity services and the support of a digital platform. The creation of a network of professionals for the provision of proximity services and the activation of training courses aim to respond to the needs of the territory, particularly the most vulnerable inhabitants.
Clear Waters (Pro Natura)	Reggio Emilia	Production of systematic cataloguing and localisation of the wetlands present in the Reggio Emilia hills, increasing knowledge of the provincial natural heritage and making an important tool available to land management bodies (Central Emilia Park Authority and municipalities) that facilitates them in planning activities and protection of the territory.
Participation and Creativity for the Well-being of Communities (ACER Reggio Emilia)	Reggio Emilia	Aimed at the residents of Villaggio Stranieri and Viale Magenta, the project contributes to the implementation of a process of urban, building and living requalification of the public housing neighbourhoods, through the promotion of social cohesion activities and the care of common spaces, leading to the promotion of the formation of neighbourhood committees. Meetings were developed with adolescents and their families to explore topics such as: waste and sorted waste collection, good practices of civil coexistence, exchange of goods and reuse, home economics.
Upper Valleys of Lanzo Network (Valliadi APS)	Turin	Eco-sustainable mobility and enhancement of the environmental, cultural, sports and accommodation heritage of the Upper Valleys of Lanzo, through the installation of an e-bike recharging station in each of the 12 municipalities in the area. A service is provided free of charge to residents, tourists, holidaymakers and amateurs, who are increasingly using e-bikes to visit the Alte Valli while promoting the enhancement of the area and its facilities.
Children's Theatre (Allegra Compagnia Mr Brown APS)	Turin	Theatre course for children with writing and staging of a show on the topic of circular economy. The protagonists and active players are boys and girls who, turning their attention to the major issues concerning the environment, climate change, sustainable development, and the circular economy, have created 4 theatre performances for citizens, taking care of the writing, set design, costumes and music.

Project (implementer)	Local Committee	Description
<p>The Network of Green Community Gatehouses (Rete Italiana di Cultura Popolare)</p>	Turin	<p>Building, together and with citizens everyday services and a place for meeting, culture and sociability in Turin's Borgo San Paolo district. A green area has been redeveloped and open-air classrooms have been created with laboratory activities for children and adults, as well as a bike sharing station and a small cycle workshop with related courses, charging points for electric vehicles, in addition to an area for open-air cinema.</p>
<p>The Path through the Forest (Amici dei Sentieri)</p>	Turin	<p>Making usable one of the variants of the hiking itinerary linking the Basilica of Superga to the Sacro Monte di Crea, allowing us to reach the Romanesque abbey of Santa Fede in Cavagnolo. The project saw the restoration and protection of the area, including through the placement of appropriate signage (notice boards with description panels, route markings, photographs). The trail also makes it possible to carry out environmental education initiatives and organise open-air events.</p>
<p>The River Box for fluid teaching (Anna Marino)</p>	Turin	<p>Teaching proposal with experiential teaching methods, through innovative educational tools in which creativity and learning are stimulated. Through this educational proposal, students of primary schools, lower secondary schools and upper secondary schools were made aware of issues of global importance such as the responsible use of water resources, climate change and monitoring of the quality of rivers.</p>
<p>Grugliasco Reuse Network (Le Serre)</p>	Turin	<p>Creation of a place for the exchange and donation of used objects among citizens. Through awareness and sharing, citizens carry out initiatives to safeguard the territory. Thanks to the use of a dedicated platform, citizens plan the exchange of goods and manage the "time bank", where they can make their skills available for the repair of small objects. The project is completed by the dissemination of initiatives for waste reduction and environmental protection (apps against food waste, collection centres for used clothes, etc.).</p>
<p>Lead Nature - Green Leaders (AIESEC Turin)</p>	Turin	<p>Creating environmental awareness in communities, through seminars, recreational activities and events, with the aim of changing daily habits and the relationship with the environment, stimulating the use of green areas in the city. 12 international volunteers and 7 volunteers of Legambiente involved local school students in this path of education to sustainability, collecting direct testimonies and documenting the concrete effects of the program with respect to the stakeholders involved.</p>
<p>The Community Culture Gatehouse (Rete Italiana di Cultura Popolare)</p>	Turin	<p>A travelling concierge school offering art workshops with recycling materials, sewing courses, digital literacy courses, ABC technology for the elderly, support in the use of apps and Italian driving licence courses for foreigners. The solidarity purchasing group of the Inhabitants of the Gatehouse, set up by traders, craftsmen, associations and active citizenship, delivers groceries free of charge to those who request them.</p>

Project (implementer)	Local Committee	Description
Green Brugneto (ASD Wild Lake Val Brugneto)	Genoa	Cleaning the Brugneto lake, raising awareness of sorted waste collection and knowledge of the area's flora and fauna, through 2 days of environmental workshops, guided visits to the Brugneto dam plant and demonstration activities for cleaning the Brugneto lake.
We Reporters too! (Bet She Can)	Genoa	Creation of a community of teachers on topics such as: personal development and potential, environmental protection, inclusive language, resilience and sustainability, giving a leading role to girls and boys to make their voices heard, directly questioning the key testimonies of the proposed topics and communicating with them to open up to different points of view and experiences. The interviews carried out by the children with the key testimonies, shared with the entire school, were followed by a final moment of elaboration with the teachers, to consolidate the learning.

PROJECTS UNDER IMPLEMENTATION IN 2023

Project (implementer)	Local Committee	Description
The Social Recovery of Textile Waste (Cooperativa Fiorente)	Parma	Recovery and reuse of used clothing and textile material through home collection in a residential area of the city. The project develops a service with high social value as it engages people with disabilities who participate in socio-educational and work training courses.
BIN MAN... Super Hero Sweeper! (Cooperative Sirio)	Parma	Civic education to respect the environment and those who care for it. There are 2 "neighbourhood sweepers" to activate workshop paths, aimed at young people aged 7 to 12 from schools in the Molinetto district, with the objective of activating civic co-responsibility and motivation on the topic of the "clean city", experimenting a model of civic-environmental education that enhances the active role of those in the field who deal with waste sweeping and sorted waste collection.
Sustainable Roads (Laboratorio di Strada ODV)	Piacenza	Awareness-raising course on issues relating to care for the environment (reuse, combating waste and cleaning the spaces that are used), the future perspective, and a sense of responsibility through a participative and aggregative dimension. The target group is represented by boys and girls aged 13 to 19, mostly foreigners but not exclusively, who met specifically in informal gathering places (pedestrian zones, green areas, playgrounds, clubs, squares, etc.).
When Necessity goes Hand in Hand with Virtue (Cooperativa Sociale L'Orto Botanico)	Piacenza	Combating food waste, implemented at the Piacenza prison, through the re-use of surplus whole fruit and vegetables, their transformation into products (jams, purées and marmalades as well as pastes and sauces) and their introduction, at reduced prices, into the collective catering and retail circuit. Eight detainees are given the opportunity to work in prison, learn a job and strengthen their chances of fully integrating into society once they have served their sentences.

Project (implementer)	Local Committee	Description
I Coccioli (Brainfarm)	Piacenza	Waste, shards, scraps, objects now considered useless, regain their value in the form of "Coccioli", cute animated and interactive characters, protagonists of a smartphone app associated with trekking routes in the Piacenza valleys. The app is structured as a treasure hunt, in which it will be possible to interact with the "Coccioli", learn all the information on the correct disposal and life cycle of waste, and explore topics related to environmental, civic, historical and naturalistic education.
Concerto Kids 2024 (Associazione Concerto APS)	Piacenza	As part of the Concerto festival, the Kids section offers workshops, screenings and snacks to address the issue of sustainability together with children, parents and teachers. The screening of short films on the topic of environmental sustainability is the vehicle to promote culture through art, education and interaction; the focus also on adult education is a key element to activate environmentally aware and environmentally friendly behaviour.
Synergy for Energy (Circolo Rathaus)	Piacenza	Four projects, aimed at citizenship, on education for sustainability: "Faster than the planet" dedicated to the fight against fast fashion, "Eco-anxiety club" to support all those (especially young people) suffering from climate change anxiety, "Knowledge for Piacenza" talk and workshop on the recovery of discarded objects and the reduction of domestic emissions, "Archaeoplastics exhibition" made up of "finds" found in the Po and a day dedicated to cleaning the great river, in collaboration with Legambiente.
Plain in Pot'Enza (Officina Acsè)	Reggio Emilia	Redevelopment of the Fontanili area in Praticello di Gattatico by planting fruit trees, reinforcing the existing trees and creating an equipped area. The community is made aware and actively involved in the protection of the asset through events and communication activities.
Discovering Energy with FCHgo (University of Modena and Reggio Emilia)	Reggio Emilia	Educational activities, based on a narrative and imaginative approach, for understanding hydrogen energy and its technologies. The project involves around 200 primary and lower secondary school students, 10 teachers and 2 local associations/cooperatives. Specific training is given to teachers and, at the end of the course, debates are held to give an account of the skills developed and the results achieved.
DACCS Technology and Carbon Printing for a Net-zero Future (IESS - European Institute for Advanced Studies)	Reggio Emilia	Laboratory for capturing CO ₂ generated by human activities indoors. An ecological laboratory active in environmental monitoring and climate mitigation is created in the school building. The experimental ecological hub houses an environmental sensing station, a plant for the direct capture of CO ₂ in the air with the production of calcium carbonate, a device for the generation of calcium carbonate and polylactic acid extrudates, and an end-user of the extrudates for the creation of objects by means of a 3D printer.

Project (implementer)	Local Committee	Description
Acting for the Climate with 3V (Istituto Comprensivo Volpiano)	Turin	Creating a link with the land to raise awareness among the younger generation on issues such as deforestation, cementification, desertification, drought, global warming and climate change. Starting from the awareness of climate change and global warming, through the discovery of the benefits produced by plants and the enhancement of urban greenery, the students will be the protagonists of a reforestation project for the development of active citizenship, shared with the older ones.
ColtivAbile - Phase II (Autismo e Società)	Turin	Employment and work placement of autistic youngsters through the restoration and cultivation of a plot of land located in the municipality of Moncalieri through the creation of a greenhouse where training and cultivation activities can be carried out even during the winter months as well as the creation of educational workshops, where autistic youngsters take a leading role, on the topics of circular economy and respect for the environment.
A cleaner Po (Casa Malta)	Turin	Enhancement of the Lungo Po Machiavelli area in Turin through urban regeneration and awareness-raising. Improvements will be made to the area, permanently rectifying some of the problems related to degradation and neglect, as well as carrying out awareness-raising activities through workshops and photographic exhibitions on environmental issues.
Families in Solidarity (Balgasar)	Genoa	Circular economy in a neighbourhood Charity Shop networking various local realities. The neighbourhood network is involved and in particular, the services offered by the Emporio Solidale, the Ce.Sto community centre and the Ghettop literacy school to boost the collection of used or donated goods, supporting and participating in the creation of a neighbourhood Charity Shop.
To University ... pedalling! (CUS Genoa)	Genoa	Facilitating the sustainable mobility of university students between study and sport, promoting a healthy lifestyle and spreading the culture of road safety education. It is planned to purchase 20 muscle bicycles, equipped with a GPS lock, which will be placed in racks in university departments and sports facilities. The service will be available through the CUS Genoa app. There will also be 10 e-bike rides (provided by CUS Genoa) at Genoa forts, with a qualified instructor.
(I) IMPACT (Teatro dell'Ortica)	Genoa	Social theatre, ecology and activism for secondary schools, in a project that aims to combine the methodological approach of Social Theatre with environmental issues. The students will be directly involved and, extensively, also their teachers and families.

Project (implementer)	Local Committee	Description
Becoming sustainable Champions (Lions 108 iA2)	Genoa	Sport, environmental education and art for all in a project involving the social services of the municipality of Genoa and over 30 associations in the municipal area. Beneficiaries will be over 300 girls and boys, supervised by social services, engaged in sports, arts and activities related to environmental and social sustainability, renewable energy and water.
Sustainable Irrigation for Social Gardens (Amici di Ponte Carrega)	Genoa	Recovery and distribution of rainwater for social gardens created on a redeveloped plot in Val Bisagno. The activation of a collective land cultivation process in fact involves private citizens who will donate part of the harvest to the needy families in the care of the association.

OTHER INITIATIVES OF LOCAL COMMITTEES

In 2023, the new editions of the AmbientAzioni call were promoted - the seventh for Piacenza, the fifth for Turin and the second for Reggio Emilia - which had as their object the design of tools, actions and initiatives to save energy and water resources, the reduction of waste production, the reduction of CO₂ production and the mitigation and adaptation to climate change. The Piacenza and Reggio Emilia calls for tenders were aimed at citizens over the age of 18, school and university institutes, organisations and associations of persons or companies, while the Turin call was aimed at young people aged between 18 and 26. Participants were asked to submit innovative projects that could be replicated in other contexts and with demonstrable economic and social benefits for the community.

The dialogue that the Local Committees have established with the territories continued, in order to explore and monitor the future energy scenario and the actions introduced by Iren Group for households, businesses and local areas, with a focus on renewable energy communities.

The Iren Local Committees were also a place for in-depth discussion and debate on issues such as the 2022 Sustainability Report, the update of the Iren Business Plan, the assessment of sustainability issues material to the strategy and drafting of the 2023 Sustainability Report and the transition to the free market of electricity and gas.

In 2023, 5 videos on the activities of the 5 Committees were made and disseminated on the Group's social channels, with the aim of spreading awareness of the activities developed and stimulating more projects from the territories.

The year 2023 also marked the renewal of the three-year mandate of the Piacenza Local Committee.

Donations and sponsorships

Consistent with its 2030 objectives, in 2023, Iren Group pursued numerous initiatives with the aim of **promoting the socio-economic development of the areas in which it is present**, by supporting organisations and institutions in their promotion and participation activities.

As a result, during the year, it invested **more than 11 million Euro in 336 projects**, ranging from culture, sport, entertainment (music, shows, conventions), to the support of entities such as foundations, theatres and museums in the various territories where the Group operates.

The projects, selected on the basis of their consistency with the Group's vision to have a positive impact on local areas and citizens, were chosen according to their distinctive characteristics, territorial roots and traditions, values and mission in line with those of the company. Activities designed to continue creating value for communities not only through services but also through the passions that drive them.

We worked to give continuity to the strategic commitment of "shaping tomorrow every day" towards the new generations who will find themselves living it, supporting the administrations in responding to the needs of the territories and facilitating their development, creating new opportunities and solutions that are more sustainable for the country.

A widespread effort that involved local areas and people, with a multiplicity of initiatives, an economic commitment and resources that, for the year 2023, was divided as follows:



In 2023, and in particular during the spring/summer season, there were many musical events supported by Iren, all linked by the common thread of the **Get into The Green** Campaign, with the aim of offering citizens and tourists moments of aggregation, recreation, cultural growth and requalification of the social environment.

In the field of **sport**, Iren has supported many sports associations, amateur or otherwise, with a particular focus on minor sports, women's and Para-Olympic categories. A partnership that helps translate the daily commitment of Iren into a broader concept of sustainability, which also includes support for sport as a factor capable of setting people and communities in motion. In this regard, mention should be made of support for the Special Olympics in La Spezia, for the HB Torino wheelchair basketball team and for the CUS Torino women's field hockey, and for the Donne in Corsa CSV Emilia and Just a Woman I Am events in Turin.

Also in 2023, the interest in and commitment to **culture** as a vehicle that can promote places, traditions, stories, communities and generate direct and indirect impacts remained central.

Donations and sponsorships by area

Among the projects in which Iren Group has been involved, five are those of excellence through which Iren has told its sustainability model:



Genoa, The Ocean Race, Grand Finale

In June 2023, the Ligurian capital welcomed the arrival of the final leg of the most important trans-ocean race. The event saw a three-year build-up, with events along the main stages of the route, online communication activities and local events, during which Iren was present with a stand at The Ocean Race Village, set up at the waterfront in Genoa, where the topics of marine biodiversity and the preservation of the environment from plastic pollution were explored;



Turin Fringe Festival

Giving impetus to the territory's culture by enhancing its venues and talents: with this objective, Iren Group was a partner and the inaugural setting of the Festival on 12 May 2023. In fact, the Arbarello primary electrical station was chosen as the opening location for the theatrical review, hosting five musicians (Dub Master Albino D'Amato and video artist Ricky Akasha Franco-Loiri) who combined contemporary electronic jazz techniques with live dubbing and the creation in live cinema of a film edited and projected live;



FestAmbiente in Grosseto

Five days of meetings and discoveries to talk about circular economy within the Festival organised by Legambiente and dedicated to ecology and peace, aimed at the new generations to involve them and bring their attention to fundamental issues. The stand, realised in cooperation with Sei Toscana, presented the Masterpieces of Climate Change, a project launched at the XVI edition of the Turin International Book Fair;



TEDx Reggio Emilia

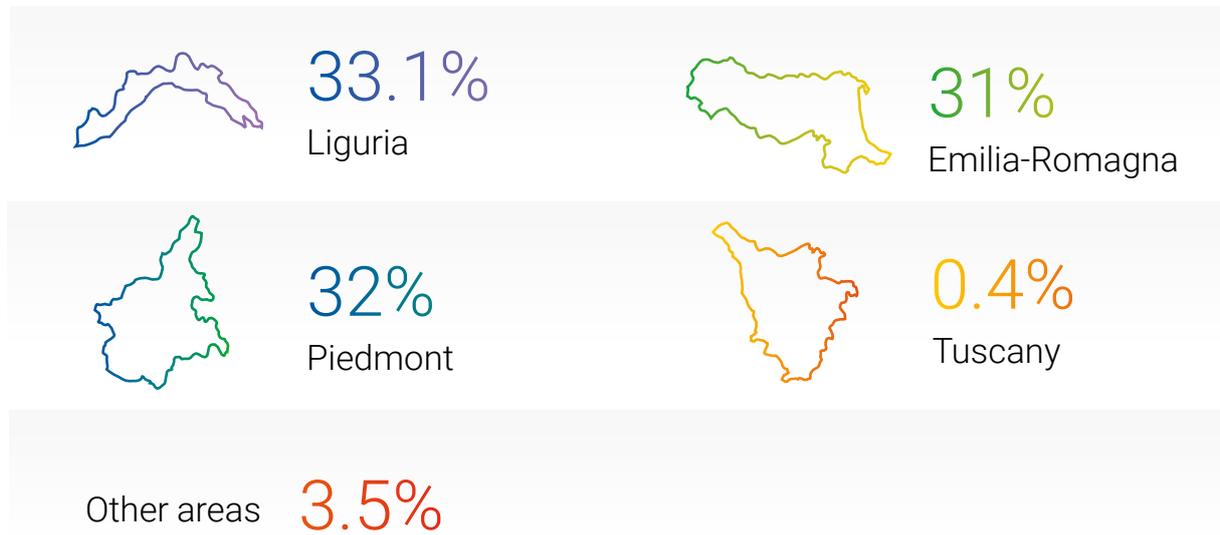
Iren provided useful tips on sustainable mobility, water saving and sorted waste collection that were disseminated through the official TEDx channels and provided a mobile fountain for free water supply. During the event, on 2 December 2023, the trailer for "Terra" was presented, a series of three unprecedented TEDx Reggio Emilia Salon events to be held in 2024 at the OFMSW plant in Reggio Emilia, realised in collaboration with Iren Group and dedicated to the topics of circular economy, the balance between nature and innovation, waste regeneration and environmental sustainability;



Pallacanestro Reggiana, Io Tifo Pulito

The partnership between Pallacanestro Reggiana and Iren Group continued, and in collaboration with "Scuola di Tifo", they relaunched the "Io Tifo Pulito" project in the Reggio Emilia area. An idea that has allowed many primary and secondary school students to come into contact with a professional sports reality, thanks to the presence of the players in the meetings, but above all to start, with the collaboration of Eduiren, a process of educating the youngest on extremely important issues such as respect for the environment, eco-sustainability and sorted waste collection.

Donations and sponsorships by area



Communication on the local areas

All territorial communication activities had the objective of improving the quality of life in local communities with always different methods and tools depending on the specific reference panorama, in order to contribute with tangible and direct actions. The most promoted topics were sustainability in all its aspects and the need to act in the face of the great challenges of ongoing climate change, topics that have repercussions on our lives as citizens and service providers.

With these underlying objectives, in 2023, Iren Group carried out communication campaigns and actions aimed at promoting not only the services provided, but above all the circular economy model that underlies these services, through unusual tools and places, to achieve constantly and consistently the reference stakeholders of each action.

The Group's social channels favoured formats with the possibility of interaction with the public, giving users the chance to become co-authors of the narrative: through the "Eco Why" column, users were asked to indicate titles of books, films, documentaries that have left their mark on the sustainability narrative, while the "Misrepresented Waste" format questioned the way in which numerous everyday objects are sorted, to help citizens understand the correct way.

Cultural projects

Position Paper Critical raw Materials and Italian industrial Production

Produced in collaboration with The European House - Ambrosetti, the Position paper - presented in Rome in May 2023, in the presence of numerous institutions and economic operators - illustrates the opportunities offered by the circular economy. The study was an opportunity to present to numerous partners a vision of the problem affecting our continent, as well as to present the solutions offered by the Group in its Business Plan, with plans for the recovery of electronic devices in order to extract these valuable materials to be reintroduced into the industrial cycle.

Green Week in Parma

On the occasion of Green Week, an initiative within the Festival of the Green Economy held in Parma, Iren's plants, and the circular economy model, were the protagonists with the "The Factories of Sustainability" tour, also with visits dedicated to students. In addition, the Group played a leading role, enhancing the debate with its know-how on the circular economy, and focusing on the sustainability goals of the Business Plan to 2030.

Turin International Book Fair

Iren took part in the Turin International Book Fair by presenting the "**Masterpieces of Climate Change**" series to the public. From "Alice in the Land of Emissions" to "The Book of the Deforested Jungle", from "Wuthering Climates" to "Twenty Thousand Leagues Under the Sea of Plastic": the original series conceived by Iren revisits the great classics of literature to recount the ruinous effects of climate change. Driving the Masterpieces of Climate Change are the creativity and imagination of people, to whom Iren addresses a specific invitation: "Is the future already written or can we change it together?". Ten titles were created from this question, each with a cover generated by artificial intelligence: the question remains open and becomes a stimulus to imagine new titles and original solutions to change a future that seems already written.

Ecomondo

At Ecomondo, the European benchmark event for green transition and new models of circular and regenerative economy held every year in Rimini, the Iren stand hosted numerous meetings and panels dedicated to the most topical and strategic issues for the future of the country and the planet. It was an opportunity to dialogue with industries, stakeholders, opinion leaders and share best practices on circular economy and green transition.

Iren Loves Energy Genoa

Green event, organised by Iren Group, dedicated to all families to redevelop the Govi Gardens at Punta Vagno on the occasion of the Grand Final of The Ocean Race in Genoa: redesigning the roof of a wastewater treatment plant, to allow the re-appropriation of a public space for sport and leisure (with the creation of marine-themed murals and the refurbishment of the skating rink) and allow, through workshops and games, a reflection on the role of water services and their impact on people's lives.

Matterhorn - The Legendary Mountain

In July, the Iren "Pierfranco Nigretti" Alpine House in Ceresole Reale (TO) hosted an exhibition curated by mountaineer Hervé Barmasse on the history of Matterhorn ascents told through photographs, documents, original materials and videos.

"5 Terre" Project

Activities continued in cooperation with the Cinque Terre Park, through the organisation of several days of awareness-raising on environmental issues aimed in particular at the large number of tourists and hikers, to protect an area with many fragile aspects, in particular by organising hiking and plogging activities with the support of park guides.

Cultural projects

Pesolibro

Participation in the initiative of the Passerini Landi Library of Piacenza to exchange books by weight. Iren for the 2023 edition presented the initiative The Masterpieces of Climate Change.

Millevele Regatta

Awareness-raising activities related to the protection of the sea continued in September, with participation in a now historic event in Genoa, the Millevele regatta.

Journalism Championship

Environmental topics were proposed to various schools in the La Spezia area, which were the starting point for articles during the Journalism Championships in collaboration with La Nazione.

Servizi a Rete

Collaboration with "Servizi a Rete" continued. In 2023, the Iren headquarters in Reggio Emilia hosted the conferences "Digital twin and asset management for networks and infrastructures in utilities" and "Modernisation of wastewater treatment plants: technologies supporting the implementation of the PNRR", developing topics related to the water cycle.

Environmental projects

Circular economy

- **Circular Wood** is the first plant in Italy for the production of pallets and pallet blocks from recycled wood, a virtuous example of innovation and circular economy, allowing 115,000 trees to be saved every year. The plant, built by Iren Group in the Vercelli area, was inaugurated in June 2023, in the presence of Environment and Energy Security Minister Gilberto Pichetto Fratin;
- the inauguration of **the OFMSW plant** in Reggio Emilia was an opportunity to bring together institutional representatives, supply chain consortia, local associations, the press and company management to take stock of the circular economy model proposed by Iren. The OFMSW plant replicates the natural transformation cycle of organic waste, obtaining three main products, biomethane, compost, and carbon dioxide, which are recovered. The biomethane is fed into the grid, the food grade carbon dioxide is marketed, and the compost is made available for cultivation;
- the **10th anniversary of TRM**, the Turin waste-to-energy plant, was celebrated with a national conference attended by experts, lecturers and representatives of local authorities, and the opening of the plant to the public for guided tours, meetings and discussions with local stakeholders and citizens. Among the organised activities, the following are worth mentioning: the collaboration with Geopop, the popular science popularisation column conceived and hosted by Andrea Moccia, who produced a video on the functioning of the plant; two open days, in March and October, with the participation of more than 1,200 visitors; a weekend open night on Saturday evening and, on Sunday, a theatre show, enriched by the pedal-powered theatre format, in which the electricity needed for the theatrical performance was generated by the spectators themselves through the use of special bicycles.

Sustainable use of resources

To promote the sustainable use of resources, the main initiatives concerned:

- campaign "**Sorted waste, badly done, generates monsters**", created to stimulate citizens to adopt correct waste management behaviour with a clear message: throwing separate materials in the appropriate bins enables better sorted waste collection, avoiding the creation of waste "monsters" that cannot be recycled. The communication of the campaign, based on three subjects representing common mistakes in waste separation - the "Pizzone", created from a mixture of organic and paper, the "Peperattolo", created from unsorted organic and tin, the "Tazziglia", a hybrid of ceramics and glass - was disseminated through multiple channels: posters, space in the main local newspapers and digital content on the social media of the Group and of the various municipalities;

Environmental projects

- awareness-raising campaigns in the Emilia-Romagna region aimed at **proper waste management, water and energy saving** and, more generally, environmental sustainability. The communication tools chosen with the aim of reaching the target audience and **contributing to the creation of a shared culture of sustainability** are, among others, posters, letters to families, information brochures in several languages, press advertisements, videos, web, social;
- **information material on sorted waste collection** on the occasion of the activation, extension or modification of the different collection services (PaP, tari, waste oils) and to raise citizens' awareness on specific aspects related to waste management;
- communication campaign for the **new IrenAmbiente app** and for the **Ecocounters**;
- **voluntary waste collection initiatives** in several municipalities in the Emilia-Romagna area. Iren supported the initiatives organised among others by Plastic Free, Legambiente, UISP through technical and operational support;
- communication activities for **waste management** in the Parma and Piacenza basin;
- campaign **"Put it in your head"** in cooperation with Comieco and Tetrapak, dedicated to the sorted collection of beverage cartons. The campaign covered the territories of Parma, Piacenza and Reggio Emilia and was disseminated through banner ads on local web publications and content for digital channels;
- **"Parma is our home, let's treat it well"**: this was the claim of the campaign, realised by Iren and the municipality of Parma, aimed at rekindling the community's awareness of caring for the city and inviting collaboration to keep it clean and enhance it. The campaign was developed through posters, advertisements and banners in online newspapers that featured images of the most characteristic views of the historic centre;
- **inauguration of the fifth Collection Centre** in the city of Parma, in an area not yet covered by this type of service, to bring services closer to people, reduce travel, provide access with flexible criteria to combat waste abandonment;
- project **neighbourhood sweeper**, implemented in cooperation with the municipality of La Spezia, aimed at providing citizens with reference operators, easily identifiable through the uniforms worn, to provide information on the functioning of services and support them in the correct management of waste;
- **environmental communication activities** in Turin that focused on sorted waste collection, the operation of the new door-to-door collection system extended to the city centre, the correct disposal of waste oils and Waste Electrical and Electronic Equipment;
- agreement between Amiat, the City of Turin and Conoe - National Consortium for the collection and treatment of used vegetable and animal oils and fats to promote the **widespread collection of domestic vegetable oils**. The agreement envisages the gradual placement of special bins at various points in the city: public schools, supermarkets, parishes and other places of aggregation, gradually covering the entire municipal territory. To accompany the placement of the collection containers, targeted dissemination actions in the districts involved, with the distribution of information materials on waste oils;
- campaign **"Recycling WEEE is a good story!"**, created from the collaboration between Amiat and Erion WEEE, the Erion System Consortium dedicated to the management of Waste Electrical and Electronic Equipment (WEEE), under the patronage of the City of Turin to raise awareness among the citizens of the Piedmont capital about good practices for the correct disposal of this specific waste fraction. Actions were developed on several fronts: the posting of posters, training activities for students and the involvement of schools ([» SEE PAGE 242](#));
- **clean-up days of paths, beaches and the seabed** in Ligurian territory, organised by several local municipalities in which the Group participated as a technical sponsor;
- **"Captain Steel"** in La Spezia, which saw the staging of and educational and demonstration activities related to steel reuse, organised in cooperation with the Ricrea Consortium;
- communication campaigns relating to the launch of new services, or changes in **methods for collection/disposal** of waste in the municipalities of the province of La Spezia;
- **public meetings with citizens and administrations** as part of the reorganisation of collection services launched by Sei Toscana in about fifteen of municipalities served. Among the municipalities involved in the reorganisation, particular attention was paid to Suvereto (LI), the first municipality in southern Tuscany to introduce the punctual Tari. All activities related to proper waste management were promoted with the slogan **#buttabene**, which, in addition to a specific social campaign, accompanied all actions and information materials;
- anti-abandonment campaign **"Refuse Bad Habits"**, launched throughout Tuscany served with the aim of raising awareness in the community of the personal and collective damage caused by bad habits and non-compliance with the rules, which also have as a direct consequence an increase in service costs;
- **awareness-raising activities** during major sporting events in Tuscany, such as the cycling events **Strade Bianche** (Ride Green) and **L'Eroica** (Eroica for the Environment), with the aim of introducing the issues of correct waste management within the organisation and to all stakeholders (municipalities, suppliers/exhibitors, participants and visitors);
- dissemination, in cooperation with the University of Siena and the University for Foreigners, of information to the student community on sorted waste collection, raising awareness of eco-sustainable behaviour. Activities also took place within the framework of specific events, such as **Bright - the researchers' night**, or **ConversAzioni** promoted by the Alliance for Carbon Neutrality Siena.

Environmental projects

Energy efficiency, artistic and public street lighting

The Heat Garden is the new heat storage plant serving the District heating network in Turin's San Salvario district, inaugurated on 22 May 2023, as part of the study days promoted by the international association Euro Heat & Power, with an acrobatic show by CirKo Vertigo. An architectural project with a strong green imprint that integrates industrial, urban planning and design elements into the urban fabric: the plant houses terraces and roof gardens, covering an area of more than 2,500 m², that create a whole with the storage system itself, effectively representing the "technology+green" combination. Conceived as a place open to the territory to welcome schools, citizens, and events, the "heat garden" was also chosen as the host venue for the Region of Piedmont Fabbriche Aperte initiative, attracting more than 150 visitors in one weekend.

"**Benefits and Opportunities of Energy Communities**" is the title of the meeting held at the Iren headquarters in Reggio Emilia and addressed to the mayors of public administrations in the Reggio Emilia area.

In Vercelli, on the occasion of the launch of the plan to **replace electricity meters** that will involve more than 21,000 households with the changeover from 1G to the new 2G meters, a campaign was spread with outdoor posters and issues in the city's newspapers to inform users about the reasons and benefits of the replacement, new features, and the modalities of the intervention. While in Turin, in continuity with the communication actions carried out for the commissioning of the 2G meter system, a refresh of the "New, easy, useful" campaign was carried out using digital channels.

New recharging station for electric cars in the Maira Valley, in Prazzo (CN), built by Iren Group and the result of an agreement signed with a view to developing the mountain area, to promote new tourist opportunities and infrastructure.

Water

Inauguration of the **wastewater treatment plant** in the district of Borghetto di Noceto (PR) and opening of the **new public water distributor** in Botteghe di Albinea (RE). On the two occasions, information on the conscious use of water was disseminated.

Realisation of several meetings in cooperation with the municipality of Genoa, interviews and TV reports with local broadcasters, on the issues related to the **drought** that affected a large part of Italy in the summer of 2023, and which were an opportunity to raise awareness on topics of **water saving**. Much attention was given in particular to the issue of reuse of treated wastewater, which Iren Group is technically able to manage thanks to the innovative ultra-filtration technologies present in many Ligurian wastewater treatment plants.

"**Drought is not water under the bridge**" campaign to raise awareness of the conscious use of water resources carried out in Vercelli through local newspapers and posters in the city.

Air quality

Placement of two **beehives**, on the occasion of World Bee Day, at the PAD (Purified Water Park) in Mancasale (RE), where about 120,000 bees pollinate about 30 million flowers in the surrounding area every day. Bees are the sentinels of the environment, because from the analysis of their well-being we can deduce the state of health of the ecosystem in which they live. In cooperation with Apicoltura Urbana, a number of hives were also placed at the **drinking water plant in Isoverde** (GE) in an optimal environment for reproduction, which produced over 30 kg of honey in the first few months.

Presentation of the **planting**, carried out by Iren Group as part of the KilometroVerdeParma project, of more than 3,000 trees and shrubs in the municipality of Parma, over an area of 30,000 m², a very short distance from the Integrated Environmental Centre (PAI).

Plant open days

On several occasions, and participating in initiatives such as **Open Enterprises, Open Recycling** as part of Paper Week and **Green Week** - Festival of the Green Economy, through the format "The Factories of Sustainability", Iren plants (Pai in Parma, OFMSW in Reggio Emilia and Pad in Mancasale) and the circular economy model were the protagonists of guided tours for citizens and foreign delegations. The same sites are also the subject of presentations and exploration activities through the Group's social channels, with interviews, video contributions and articles.

Sustainability education

Eduiren is the educational sector of Iren Group, dedicated to spreading the **culture of sustainability and innovation** 360° and for everyone: it proposes a narrative, workshop and inclusive approach to convey educational messages, in line with the Iren model of sustainable territorial growth.

For Iren, educating for sustainability means maintaining a continuous dialogue with different audiences, building networks and innovating methodologies and tools, in a path of research and experimentation.

In 2023, Eduiren launched **“Direction 2030 - Formative proposals for green transition”**, designed to support schools with interdisciplinary and engaging educational opportunities, through workshops and didactic paths differentiated by school order, **virtual and in-presence visits to Iren Group plants**, training courses for educators and teachers, and webinars dedicated to green transition, biodiversity and new citizenship practices. In addition, the national **“Planet Fan”** competition was proposed to schools, with the aim of transforming lower and upper secondary school students into science disseminators and green influencers, and a webinar on environmental communication was organised as a preliminary to the competition activities. The competition saw two winners: the Di Giona ISA 2 school in La Spezia-Portovenere, with the video **“It’s just a bottle”** dedicated to the impact of plastic on ecosystems, and the Liceo Bertolucci of Parma for its communication campaign on Instagram with the motto **“It’s time to be circular”** presented as a case history at Ecomondo.

Eduiren: a narrative, workshop and inclusive approach to contribute to the sustainable territorial growth model



The Eduiren website (www.eduiren.it) contributes to completing the “Direction 2030” proposal, which intends to create a digital ecosystem and

accompany and enrich the educational project with in-depth materials, videos and virtual tours of the technological plants, quizzes and interactive games, news and curiosities.

In 2023, the relationship with **Giffoni Innovation Hub** continued, which produced a third short film dedicated to energy communities: **“The Tribe of Lights”**, presented at the Giffoni Film Festival and awarded at the Wood Film Fest 2 as a “short film that combines the topic of light and shadow between respect for nature and a return to sociality”. The realisation of the script saw the creation of a “creative community” made up of young scriptwriters, Eduiren and Iren Smart Solution.

Collaboration with **Geopop** also continued, resulting in the production of a **video tour** of the Turin **waste-to-energy plant**, to discover the virtuous path of waste that cannot otherwise be sorted and its energy and heat recovery.

Other actions were undertaken to enhance and narrate the processes and **technological plants**, also supporting the communication of the new plants, places where to discover, learn and discuss, such as the **OFMSW biodigester** in Reggio Emilia, where meetings and guided tours for schools and citizens were organised, and the new **Circular Wood**, wood waste recycling plant, with a tour and a corner dedicated to educational initiatives. Plants that can also become places of culture, such as the Arbarello electrical transformation station, which, on the occasion of the **Sottodiciotto Film Festival** in Turin, hosted the screening of the short film “The Tribe of Lights”, with a view to experimenting new tools for the dissemination of sustainable issues and strengthening the role of plants as places for sharing. **Spazio Goccia** in Luzzara (RE) confirmed its vocation as a cultural hub on the topic of water, proposing initiatives in a network with other territories, such as the **“Dialogues on water”** initiative and **“Water as a path in memory”** to narrate the link between water resources and the community of Castelnuovo Scrivia in the province of La Spezia.

The topic of water also interested other areas: in Vercelli, the girls and boys of the summer centres of Alice Castello and Tronzano visited the main plants in the area, while schools in Genoa and the Ligurian hinterland had the opportunity to visit the

Brugneto dam. Meetings were then organised with students and teachers to reflect on the importance of safeguarding water resources and the territory, as part of projects supported by the Genoa Local Committee. The PAD in Mancasale hosted the course for teachers of the Italian National Land Reclamation Association.

Awareness-raising efforts also took the form of initiatives designed to create value in **events and manifestations**, forming alliances in the local areas, and experimenting with different and innovative ways of talking about the environment and sustainability. At the **International Book Fair** in Turin, the comic strip **"We are nature too"** was presented, created with the collaboration of an illustrator and thanks to in-depth studies on the integrated waste cycle, a graphic path dedicated to observing and caring for our environment created by the Ilaria Alpi primary school in Turin.

In Genoa, for **Ocean Race**, Eduiren proposed an interactive itinerary on the integrated water cycle and the protection of the marine environment, a maxi-crossword puzzle on the topic of water designed for children, and two musical shows to raise awareness of environmental issues among children and families. Games and shows as tools for environmental education were also offered in Genoa on the occasion of the **Children's White Night** and, for the **European Parks Week**, to all primary and secondary schools in the Cinque Terre and Levanto. An **ecological theatre** project involved children from the Istituto comprensivo di Deiva Marina (SP) in writing and performing plays on the topic of the circular economy.

The presence of Iren plants in the **Bussento National Park** (SA) was the subject of a focus within Bloc Fest in Salerno, as an example of virtuous integration, and of a collaboration with the **Festival Libro Aperto in Baronissi** that saw a series of workshops on sustainability issues in collaboration with AGESCI. Eduiren emphasised in schools and in the streets the Group's commitment to the circular economy. With the **"Monster Exhibition"**, designed to make people understand the importance of sorting waste correctly, children were invited to imagine and draw "monsters" generated by incorrect waste management. The initiative was proposed in a number of schools in Emilia, Piedmont and Liguria and as part of events such as the **Festival of Sustainable Development** in Parma and **Internazionale Kids** in Reggio Emilia, with the workshop **"La compagnia dei peperattoli"**.

On the subject of virtuous waste management, in Turin, the commitment of Eduiren to the **Eco Barriera Differenziamo senza differenze (Let's differentiate without differences)** project continued, promoted in collaboration with AMIAT, the City of Turin and other

associations and organisations active in the area. Focus also activated on the issue of WEEE (Waste Electrical and Electronic Equipment) collection in Turin. Together with Erion and Amiat, Eduiren took part in the **"Recycling WEEE is a good story"** campaign, involving 11 secondary schools in the city in an educational meeting and a project aimed at correct WEEE disposal involving over 900 students. Similar projects were developed in La Spezia, with the collaboration and involvement of about 7,000 secondary school students, and in Scandiano (RE) with the collaboration of CEAS Terre Reggiane. For the European Week for Waste Reduction, Eduiren proposed several initiatives in the Reggio Emilia area, in Parma and in the province of La Spezia. In collaboration with the Museo dell'Agricoltura e del Mondo Rurale in San Martino in Rio (RE), a thematic itinerary on **"Packaging of Yesterday and Today"** was created and an exhibition was set up with finds from the **Archeoplastica** project. A project was also launched, in collaboration with CEAS Terre Reggiane, Humana Onlus and Istituto Gobetti di Scandiano (RE), on fast fashion and reuse, which ended with a swap party run by the students. In Parma, **meetings were dedicated to the topic of waste**, with in-depth studies on specific product fractions, organised in collaboration with Giocampus Green, ARPAE and the Recycling Consortia, while to raise awareness of the problem of plastic pollution, **the plastic-eating fish Ciruzzo** was donated to the pupils of the Istituto Comprensivo di Riccò del Golfo, the best waste-free municipality in Liguria and in the top ten of the recycling municipalities compiled by Legambiente. In addition, the quiz **"How Eco-friendly are you?"** with questions on the circular economy was created and published online.

Eduiren also collaborated with the University of Modena and Reggio Emilia for the **Research Night** at the Technopole of Reggio Emilia and the **"Let's support each other" training course** for university teachers and students in education sciences.

International engagement also continued, with a view to sustainability and social commitment, with active participation in the **European projects Multipliers and Maispemba**. As part of **Multipliers**, a project aimed at sharing best practices in environmental education and creating open scientific communities for effective actions to raise awareness among citizens, a "blind tasting" and water testing session was organised for canteen patrons at the Reggio Children's Foundation on the occasion of World Water Day and in collaboration with **Pause Atelier dei Sapori** of Reggio Emilia. In addition, peer-to-peer training projects were launched with girls and boys from the Blaise Pascal Secondary School and the Aosta Lower Secondary School in Reggio Emilia.

As part of the **Maispemba** project (» SEE PAGE 136), which aims to promote the integrated urban development of the city of Pemba in Mozambique, a discussion on good sustainability and active citizenship practices was organised, involving Pemba educators in a visit to the urban garden at the Ludovico Ariosto primary school in Reggio Emilia.



Eduiren: 424 sustainability education projects reaching 73,800 people

In 2023, a total of **424** sustainability education projects for citizens and schools were implemented, also in a network with other subjects in the different areas, about **73,800** people participated in meetings, lessons, visits and events, and more than **1,500,000** digital branded content contacts were recorded.

Reducing impacts on communities and local areas

All of the Group's activities are planned and carried out with an awareness of its responsibility towards the communities and local areas: producing wealth while protecting the environment and respecting the expectations of its stakeholders.

For this reason, Iren Group has developed performance monitoring tools such as environmental impact assessments, analytical controls, internal audits and legal compliance checks.

At plants external acoustic emissions are monitored to ensure the absence of any noise pollution to the local population. Even the products and services offered, before being placed on the market, are subjected to quality checks and controls, also to protect the health and safety of customers. In the event of faults, the Group has adopted specific procedures, which allow prompt and effective communication about service outages and disruption caused to residents within the times provided by legislation. For activities within the Electricity, Gas, Water and District heating sectors, the Group also complies with the guidelines specified by ARERA. In addition to managing compliance with legislation, the Group has developed regulations, internal requirements and procedures and adopted initiatives that mitigate impacts on the communities. The activities are carried out through efficient, reliable and secure processes and infrastructures, which is fundamental in the management of essential services for communities.

The main activities of the Group that impact the communities and local areas are described below.



Production of electricity and heat: In its Business Plan, Iren has made a strong commitment to the development of renewable sources and thermal and electrical storage to meet the challenge of decarbonization. The management of energy production activities is formalised by specific procedures and conducted in compliance with the law. Emissions are constantly monitored and controlled. Investments are being made constantly to optimise the energy efficiency of plants. Energy production plants are all equipped with control protocols, in compliance with environmental legislation and authorisation provisions. The combined production of electricity and heat makes it possible to develop the District heating service in a logic of circular use of resources and reduce environmental impacts.



Waste collection and management: the Group manages waste across all stages (collection, selection, transport, treatment and disposal) contributing to the recovery of materials and energy production, thus reducing the use of non-renewable resources. The circular economy is at the heart of the Group's waste management strategy. It is committed to increasing the percentage of sorted waste collection with new technologies for the valorisation of non-recoverable waste, and increasing the recovery of materials and the production of fuels from biodegradable waste at its plants.



Integrated water service: the monitoring of leaks in the aqueduct networks is constant in order to reduce the waste of water resources. For this reason, the Group has defined specific objectives to reduce water withdrawals from the environment and dispersions in the network. Network

control, extension and maintenance interventions are completed with the aim of minimising inconvenience for residents. The high quality of the water supplied is guaranteed by the continuous analytical controls carried out, even beyond the legal requirements, on the entire water process: from the capturing sources to treatment, filtration and disinfection processes, and from accumulation and storage tanks to the various points of the distribution network. In wastewater treatment, the Group undertakes to maintain the high operational standards of its plants and to inform the local community concerning the functioning of the plants. The focus on the sustainable use of resources is central to the Business Plan, which includes major investments to reduce network losses, improve the quality of purified water and its reuse.



Gas distribution: the Group is committed to reducing the number of leaks through the gradual renewal of the network. The proper management of plants and gas networks, the use of appropriate resources and the use of suitable tools, together with continuous monitoring, are the main elements to ensure the safety of citizens, preventing potential impacts and accidents. These elements are subject to constant analysis and improvement measures in order to increase their effectiveness while respecting efficiency. Furthermore, in order to reduce disruption for local communities when sites are opened, residents, economic associations and municipalities are involved in defining appropriate time frames.



Electricity distribution: in the management of electricity networks, one of the main objectives is the constant maintenance of plant service levels in compliance with the laws in force. To reduce the impacts on the territory and communities, the Group takes steps to ensure compliance with electromagnetic field limits through specific measurements on all new stations built.



Site management: when managing construction sites of scheduled activities with the potential to create inconvenience for the public, the Group works by agreeing with stakeholders on the schedules, times and operational means and identifying strategic periods throughout the year (for example, during August), in order to minimise the impact on the public, with particular attention to disadvantaged groups and economic activities. Additionally, all the necessary measures are adopted to guarantee maximum site safety for residents, especially in cases of work carried out on roadside sites.



Public lighting: the most impacting factors are night-time light pollution, resulting from

artificial light shining outside the designated areas (particularly towards the sky), and photobiological risk, linked to the possibility that looking directly at light sources can damage the human eye. These factors are monitored through the inclusion of stringent construction requirements in lighting purchase specifications at the design stage.



Traffic light systems: in the design and construction of traffic light systems, stringent specifications are prepared for the choice of materials, which are binding and also review the critical issues that emerged in previous constructions of similar systems. The impacts on the health and safety of the public are also constantly analysed and monitored.



Realisation of new plants: the construction of new plants is an opportunity for growth for the local area in the medium- and long-term, in addition to being a necessity for the development of Iren Group; thus, dialogue between Iren and its stakeholders is necessary, based on transparency and correctness of information. Before embarking on the authorisation process to build new plants or infrastructures, the Group considers it essential to conduct information meetings with local communities, explaining the project in detail and its impact on the local areas. The Conference of Services is an example of cooperation between public administrations, residents, businesses and local authorities, where dialogue with citizens and institutions is guaranteed. For major projects, the party appointed to issue the authorisation convenes the Conference of Services (made up of the various interested parties), which must give its opinion concerning the feasibility of the project, indicating the necessary conditions to obtain the agreements, opinions, concessions, authorisations, licences, clearances and consents required by the law. For the operation of certain types of production installations, which may generate significant environmental impacts, an IEA (Integrated Environmental Authorisation) is necessary, which verifies that the operation to be authorised has limited environmental impacts, in compliance with the conditions set by the European Union. During the construction of new plants, all executive and management aspects are evaluated, with particular attention to assessing the impacts generated by the presence of construction sites. Audits are carried out on the work of the businesses' personnel for all contracted activities in compliance with the procedures adopted in the context of the Integrated System (Quality, Environment, Safety). In 2023, there were no transfers, not even temporary ones, of people following on from the construction of new plants.

During 2023, there were no accidents with an impact on the local community or significant lawsuits with citizens and the community. On the other hand, 3 penalties were paid referring to previous years, each with a value of more than 10,000 Euro (significance threshold set by the Group).





A smiling male worker in a white hard hat and high-visibility vest holding a clipboard. The hard hat has the 'iren' logo on it. The background is a blurred industrial setting.

iren

Service
quality

7

IN THIS CHAPTER WE TALK ABOUT

our
customers



responsibility



relations and
satisfaction



efficiency
and safety





Customer orientation

[GRI 2-6, 2-23, 2-25, 3-3, 206-1, 406-1, 416-2, 417-2, 417-3, G4-EU3]

Customer orientation, quality, accessibility and transparency of services are priorities that Iren Group has defined in its Sustainability Policy. High levels of quality and innovation of services, to respond to new and emerging customer needs, constitute a solid foundation for the long-term growth of the Group. The corporate strategy is strongly oriented towards the development of new integrated services to anticipate market trends. Technological innovation, resource sustainability, green transition and digitalisation represent some of the levers used by the Group to expand its market, offering high added value services and consultancy that respond to customer needs with broader satisfaction and loyalty prospects.

Agility, smartness, fairness and transparency guide the Group in constantly improving relationships with customers.



Responsibility and quality in service delivery and customer orientation



Risks

- Failure to meet the targets set out in the Business Plan and consequent negative impacts (operational, economic and reputational)
- Loss of customers
- Inefficiency and inadequate quality of services
- Physical and economic inaccessibility of services for citizens, in particular vulnerable citizens
- Errors in service charges and credit management
- Reduction in customer satisfaction levels
- Commercial practices inconsistent with the existing legal/regulatory framework
- Non-compliance with customer protection protocols and regulations
- Failure or improper management of customer relations
- Delays/defaults by suppliers in the execution of outsourced activities
- Disputes with customers, Consumer Associations/Class action suits
- Ineffectiveness of business strategy



Opportunities

- Market share development
- Development of new products/ services that improve the quality of life and sustainable use of resources
- Changing consumption behaviour of customers and communities
- Customer loyalty
- Brand promotion



Management methods

- Planning and monitoring of business plan objectives and targets (economic/financial and ESG)
- MbO and LTI system with ESG objectives
- Sustainability Policy
- Code of Ethics
- Organisational Model 231 and information flows to the Supervisory Bodies
- ARERA Code of Business Conduct
- Service charters and service specifications
- Integrated Certified Management System (risk assessment, containment measures and third-party audits)
- ERM system integrated with ESG topics
- Multi-channel CRM and caring initiatives
- Specific agreements with consumer organisations and constant monitoring of relations
- Protocols and regulations concerning customer protection via specific processes and procedures
- Annual customer satisfaction surveys and identification of improvement actions
- Local Committees
- Procedures: Iren Plus product and service design; Loyalty marketing initiatives; Retail agency management; Contract acquisition; Complaint management; Invoicing; Credit management; Whistleblowing
- Monitoring and definition of corrective actions in case of claims/complaints
- Joint conciliation

Who we work for

	2023	2022	2021
Electricity sales customers (retail)	1,193,138	1,183,620	1,048,648
Gas sales customers (retail)	978,563	1,032,589	954,419
Electricity distribution customers	732,058	729,252	724,658
Gas distribution customers	757,370	738,427	741,536
Residents served by the district heating service	621,983	613,709	595,772
Integrated water service residents	3,076,783	2,930,662	2,748,268
Integrated water service municipalities	266	239	238
Urban waste management services residents	3,849,252	3,804,201	2,978,164
Urban waste management services municipalities	436	418	300

Relations with customers

Iren Group dedicates great attention to the relationship with its customers and to the communication of the products and services offered, promoting timely and transparent information through a plurality of contact channels.

With this in mind, also in 2023, the Group carried out a rich customer care and customer satisfaction activity, aimed at increasing the value of the relationship with the customer and creating a direct line, with the aim of planning actions aimed at specific customer groups, with commercial proposals and communications modulated according to needs. A focus that also translates into initiatives aimed at the inclusion of all customers » [SEE PAGE 85](#).

In relations with customers, in fact, the Group has transformed its role from a simple supplier to an expert in energy-related services, innovative products for the home, solutions for electric mobility and energy efficiency, adopting a relationship model that evolves, adapting to changing lifestyles, offering personalised experiences and services.

In 2023, in the face of a still complex international situation in terms of energy and climate change phenomena, Iren continued its commitment to disseminate the culture of sustainability and information on the strategies of the Business Plan to all stakeholders. To this end, the communication focused on the actions put in place by the Group to pursue the objectives of the Business Plan to 2030, in particular the 'green' investments in the local areas to confirm itself as a leader in the green transition and as an essential partner for the territories, alongside the administrations in responding to citizens' needs.

CUSTOMER INITIATIVES AGAINST HIGH ENERGY PRICES

The year 2023 was marked by a gradual realignment of price levels in the international gas and electricity markets, which had seen extraordinary increases in 2022. However, the initiatives taken by the government to contain both costs and consumption continued throughout the year, as did the attention of Iren to these issues.

The various initiatives launched in 2022 and continued in 2023 include:

- customer awareness-raising and **communication campaigns**;
- policy of **discounts on fixed-price contracts** the fees of which were set at times of peak energy costs and high market uncertainty;
- active role in the **promotion and development of energy communities**;
- **bonus for district heating service** as an invoice discount paid at the company's expense to its customers
» SEE PAGE 280;
- **instalments and instalment plans without interest and without charges** (first half year 2023);
- opening of **new counters** in the area and **extension of call centre hours** to improve service and listening skills;
- **involvement of Local Committees** to investigate and monitor the energy scenario, the actions put in place by the Group and behaviour to reduce energy consumption, a useful tool for containing expenses and a sustainable approach to the use of resources;
- **strengthening dialogue with Consumer Associations** to ensure maximum effectiveness of actions against high energy prices and to identify possible proposals for regulatory interventions.

The Group's communication was developed in a synergic manner online and offline, so as to reach all stakeholders through the creation of institutional, advertising and commercial campaigns, the organisation of public and institutional events, conferences and workshops, the management of digital channels, the development and coordination of environmental education activities, and relations with the media, institutions, trade and voluntary associations.

At the same time, territorial citizenship involvement events were organised with the aim of strengthening brand awareness, consolidating brand loyalty and reaching diversified targets. Of particular impact and interest were the activities organised at large public events such as Iren Loves Energy Genoa Edition:

a certified 100% green event that saw the active involvement of citizens with workshops and street artist activities, with the aim of enhancing the territory through the redevelopment of public areas. Product communication activities (advertising and events) followed the guidelines and objectives set out in the Business Plan to 2030, for commercial development with a focus on quality, loyalty and enhancing the value of the customer as a person; strengthening ties with local areas, thanks to partnerships with local institutions and cultural bodies; positioning the Group as a single supplier of commodities and advanced services for smart home, electric mobility and energy efficiency, with a particular focus on the digitalisation of customer services. To this end, in the last quarter of 2023, a communication campaign was carried out

to reach diversified targets of customers and prospects across the country - through TV, press, radio and digital channels - with the aim of strengthening brand awareness and the positioning of Iren Luce Gas e Servizi as a single supplier of commodities and advanced services (smart home, electric mobility and insurance products).

TOOLS AND CHANNELS FOR DIRECT AND TRANSPARENT RELATIONSHIPS

New lifestyles and purchasing behaviour have brought more and more customers closer to digital channels. To respond to this evolution, Iren Group has strengthened the digital communication and contact channels that complement the classic communication and relationship tools available to customers.

over
3 million
people
spoke to an Iren
operator

Single toll-free number for commercial services: customer behaviour, in line with the evolution of the energy scenario, saw a reduction in incoming calls in 2023, to be linked to the greater stabilisation of the energy market, which eased the climate of uncertainty. Overall, calls decreased by 9% compared to 2022 and more than 3,090,000 people spoke to an operator with an average waiting time of about 48 seconds. With the aim of improving the customer experience, the continuous evolution of the call centre - the main contact channel - continued in 2023, which led to the redesign of the entire toll-free number tree and the adoption of new, more effective technologies for handling telephone contact. In fact, the integration of computer systems has been realised, thanks to which it is possible to recognise the customer and direct them to management teams that have been appropriately trained to respond to specific requests.

+81%
e-mail and web
contacts for
environmental
services

Waste management services Customer Care: the service provides information on waste collection and management services. All incoming contacts - telephone, e-mail and web - are tracked on a specific management system that allows subsequent calculation and statistical re-processing. Reports and requests are automatically transferred to the local waste management services. The number of telephone calls handled in 2023 was over 680,000 (down 17% compared to 2022), while e-mail and web contacts increased by 81% (over 220,000), also thanks to the implementation of the IrenAmbiente app dedicated to supporting citizens in all activities concerning waste collection and disposal services. The calls and contacts highlight the importance of the role of customer care dedicated to waste management services in guiding citizens towards sorted waste collection, collecting their requests and reports, and providing answers quickly and with effective solutions. Of customers (over 587,000), 86% who contacted the service by telephone in 2023, spoke to an operator, with an average waiting time of 52.5 seconds.

Integrated customer relationship management (CRM) system: the CRM system is integrated with many communication channels, allows all information relating to each customer interaction to be collected, recorded and managed. Provides for the sending of proactive multi-channel communications (e-mail, SMS, mail) that allow customers to receive notifications regarding their supplies and updates on the progress of their practices or requests, on an ongoing basis, until they are resolved.

Iren Counters and Spaces: in 2023, work continued on setting up new stores and commercial spaces in the territory or completely renovating existing ones. Six new points were set up in the historical territories and two refurbishments were carried out (stores in Scandiano and Gualtieri in the province of Reggio Emilia) with the aim of providing a better service in terms of both reduced waiting times and greater finalisation of new contracts. The increase in counter visits made it possible to promote to customers the adoption of good practices concerning the dematerialisation and direct debiting of bills. In addition to providing customer support, the counters maintained a strong focus on customer care and loyalty activities, as well as the promotion and sale of services and products ancillary to the commodity: in 2023, the stores were the most effective channel for finalising Luminea insurance offers.

The network of Iren Spaces is growing: 105 physical points for managing requests and providing professional advice to customers



The counters are increasingly becoming the point of reference for customers and citizens for the management of electricity and gas utilities, water services and waste management services. In 2023, the channel recorded a further increase in the number of visits, also in connection with the development of gas and electricity commodity prices, which generated requests to adjust economic conditions.

Help desk activities	2023	2022	2021
Counters (no.)	105	96	92
Customers served (no.)	810,529	693,525	541,513
Average waiting time (min.)	7.2	8.2	5.3

Direct contact channels: consolidation work continued in 2023 to foster interaction with condominium administrators and Consumer Associations to handle requests from their members. In addition to the dedicated e-mail address - which registered a stable number of requests with respect to 2022 - meetings were organised with representatives of Iren Group aimed at providing periodic updates on topics with an impact on customers, such as billing and free market contractualisation methods.

46,600
visitors per
month on
www.gruppoiren.it

Websites: the process of renewing the Group's digital ecosystem, the set of websites that provide information and describe the activities carried out by Iren Group, continued in 2023. An open and integrated system, which presents contact points for stakeholders and aims to provide clear, practical and processed information to meet the criteria of usefulness, timeliness, accuracy, availability and customisation. During the year, the site of the new company for the management of the Reggio Emilia water service was built, while work began on the renovation of the ASM Vercelli site, which will see the light of day at the beginning of 2024. A new version of the irenlucegas.it website was also released, optimised to offer an integrated user experience between offers and products, e-commerce and advanced digital assistance services. Through the use of a data cloud, the site uses real-time data and, with the help of artificial intelligence, is able to propose a customised interface for a more stimulating, engaging and loyalty-enhancing experience. On both the new irenlucegas.it site and the www.gruppoiren.it portal, moreover, in order to make the pages more and more usable, the monitoring of visits and the creation of dedicated texts for increasingly effective SEO (Search Engine Optimisation) positioning continued, as well as audits to comply with the most recent accessibility regulations, with optimisation actions designed to improve the browsing experience of users with various types of deficit. The operation led to the publication of an accessibility declaration, available on both portals. The site averages more than 100,000 views per month from over 46,600 users, with a total of 1,4 million views per year from around 560,000 users. Also with a view to improving the customer experience, in 2023, Iren Group joined the pagoPA platform, thus expanding the range of channels available for the payment of electricity, gas and water bills, with concrete benefits for its customers. In addition to the existing payment channels, there are also the physical and online channels made available by the pagoPA ecosystem: banks, IO apps, post offices and tobacconists.

SmartPod: is the Group's web portal dedicated to electricity distribution that provides registered customers with information on their metering figures and the possibility of sending self-readings. With the start of the mass installation plan for second-generation meters, the customer can view on SmartPod the details of the time slot scheduled for replacement, the company in charge, and the name and photo of the operator. Finally, SmartPod offers a series of reports to MV (medium voltage) customers and the Electricity System Security Emergency Plan outage plan.

more than
5,000
requests per
month on
socials

Social networks: social channels (Facebook, Instagram, Twitter, LinkedIn) allow customers to make caring enquiries, as well as obtain commercial information and, together with WhatsApp, represent a valuable support in the management of requests for information, offer changes, switches, as demonstrated by the number of customers who turned to these channels in 2023, reaching peaks of even 5,000 requests per month. The Group uses social channels also to spread messages about the world of energy, services, regulations and environmental sustainability. The language used is simple and encourages interaction with customers. On these channels, the Group tells its story in a more immediate way, including through videos and photographs. Thanks to the collaboration with different content creators, Iren carried out visibility and outreach to Generation Z also on the social TikTok, through which tests were carried out to assess the effectiveness of dedicated e-commerce discount codes conveyed through the use of influencers.

more than
1.7
million
downloads
of the Apps

Mobile App: the services have been appreciated by customers, who in 2023 recorded more than 1.7 million downloads of the Group's apps (Iren You, Junker, IrenAmbiente, Luce in Città), an increase of 21% compared to 2022.

+70%
of downloads
of IrenYou

IrenYou: in 2023, new features were added to improve the experience and make customers increasingly autonomous and aware of how their requests are handled. New digital payment systems have been enabled for all users (including self-employed persons), the possibility of viewing any credit amounts and being able to request a refund has been introduced, and the possibility of requesting bill instalment plans directly through the app. To support users in the use of the new functions, video tutorials were created and more details on active contracts, including economic conditions and validity period, were included. The increase in weekly downloads of IrenYou was 70% over the previous year, reaching more than 1.6 million users.

IrenAmbiente: through the IrenAmbiente app (also active in Turin to replace the Junker app from 2024), it is possible to access all the waste management services in the municipality. The app provides a tool to help the user to sort household waste, with the possibility of recognising it by scanning the bar code and disposing of it in the correct way according to the indications in the local area. It is also possible to consult the map of collection points throughout the territory and the dedicated counters, always have the collection calendar at hand and receive reminder notifications for garbage placement, book the collection of bulky waste in a few steps and make environmental reports. The app provides access to all the latest news and alerts on any changes in the service.

Luce in città: the app allows users to report any faults or anomalies related to Turin's public lighting service, thus speeding up restoration activities to the benefit of service efficiency and quality. In a few simple steps, the app allows the fault to be reported by taking a photo or sending the code of the malfunctioning light point, automatically geolocalising the affected area. Once the repair work is completed, users who reported the fault or failure receives timely feedback on the resolution of their report.

47,000
recharging
points in Italy

IrenGO: the app, integrated in the IrenYou app, allows users to search for a recharging station, among IrenGO stations and those of other operators with which interoperability agreements exist (more than 47,000 recharging points on Italian territory), to plan routes to understand where and how many times to recharge their car to get to their destination, to check if the recharging station is available and to make the payment, record recharges and payments made.

IrenCollabora.it platform: this is a tool that was created within the context of the Iren Local Committees [» SEE PAGE 123](#), to establish an innovative channel of dialogue, discussion and participatory planning between Iren Group and the local community stakeholders. The platform collects project ideas to support and initiate environmental and social sustainability actions.

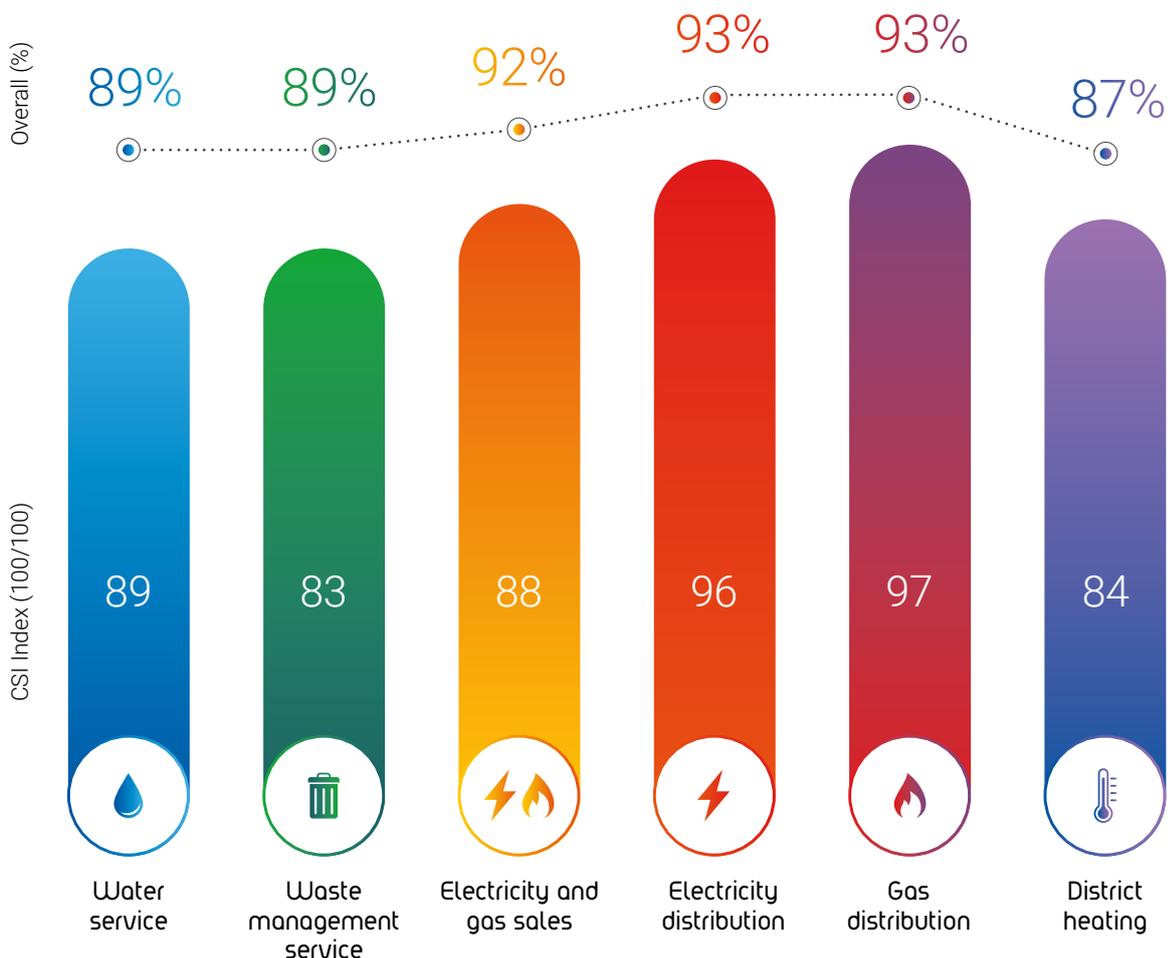
Customer satisfaction

Iren Group has structured an annual monitoring system to evaluate the quality of the services provided, in order to identify operational interventions for continuous improvement and consequent communication actions.

Customer satisfaction surveys are assigned to the Corporate Social Responsibility and Local Committees Department, which deal with various Business Units for the definition of the survey areas and sharing the results achieved. The customer satisfaction survey provides the following for the various sectors:

- an overall indicator (CSI index) that shows customer satisfaction in terms of the difference between perceived service value and expectations in regards various technical and relational aspects, which are weighted together. Here, evaluations are made on a complex of more than 160 factors relating to the intrinsic characteristics of the service, its continuity and reliability, its efficiency and effectiveness, its cost/quality ratio and payment methods, the management of the relationship with the customer through the various channels, including the management of complaints and feedback, and the ability to listen to needs;
- a synthetic overall satisfaction indicator that is monitored by directly asking the customer to highlight the overall perceived satisfaction level. Overall satisfaction shows the percentage of customers who say they are satisfied.

The 2023 survey shows positive results and substantially in line with past surveys.



JOINT CONCILIATION

Conciliation is an out-of-court procedure that allows the customer and the Group to resolve, through dialogue and with certain formalities and timeframes, any disputes that may arise in relation to electricity and gas sales and distribution relations, integrated water service management and district heating sales, which have not been positively resolved in a complaint. As of 2017 in the electricity and gas sectors, and as of 2023 in the water and district heating sectors, conciliation is a compulsory step before possibly going to court. The conciliation attempt can be carried out through the Conciliation Service of ARERA at the Single Buyer, through the Joint Conciliation Body Iren - Associations National Committee of Consumers and Users, recognised by ARERA as an ADR (Alternative Dispute Resolution) Body, or through other recognised ADR Bodies. Iren signed the Conciliation Protocol with 19 National Consumer Associations back in 2017.

Moreover, activities also continued, relating to the service activated by Iren Mercato and dedicated to reports from Consumer Associations, structured through a dedicated email box, a dedicated number and the possibility of setting up meetings at the counters for specific practices; in particular, periodic meetings were held with the local offices of the Associations for the analysis of the reports received.

In 2023, the number of conciliations is up by 46% compared to 2022: conciliations related to energy services are up by 54% and conciliations related to the integrated water service by 16%.

COMPLAINTS AND BREACHES

The monitoring of complaints is not only an obligation in respect of the Regulatory Bodies but is also a fundamental management tool for identifying critical issues and defining and implementing corrective actions.

The number and type of complaints is, therefore, a key focal point for the Group and, at the same time, attests to the heightened awareness of customers and the growing level of their expectations.

On the websites of the Group companies that manage environmental hygiene services, the integrated water service and the sale of electricity, gas and heat, the procedures for filing a complaint are explained and there are forms to simplify filing and sending them. The channels and methods for making a complaint are also set out in the information contained in the bills, where all the

information for its proper handling is indicated, and in the current service charters.

In 2023, Iren Group received a total of 27,644 complaints - of which 20,935 for energy services (gas, electricity and district heating), 7 relating to waste management services, and 6,702 for the integrated water service - with a significantly downwards trend compared to 2022.

The number of complaints related to waste management services is clearly decreasing since, with Resolution 15/2022, ARERA approved the Consolidated Text for the regulation of the quality of the municipal waste management service (TQRIF), which defines a complaint as "any written communication made to the operator, even by telematic means, with which the user expresses complaints about the inconsistency of the service obtained with one or more requirements defined by law or administrative measures, by the service regulation, or about any other aspect relating to the relationship between the operator and the user, with the exception of written requests for rectification of the amounts charged and reports of inefficiencies". In past years, reports, even of individual inefficiencies, were considered and handled, in the absence of legislation, as complaints, whereas from 2023, they will no longer fall into this category.

The number of complaints relating to the sale of electricity and gas is down (-24%) compared to those received in 2022. It is confirmed that the cases with the greatest impact are: billing, market and contracts. There was also a slight increase in written requests for information compared to the previous year, while requests for billing corrections and double billing decreased. With regard to the district heating service, the number of complaints dropped by 37% compared to 2022, which was also due to a significant drop in the cost of energy raw materials, particularly in the second half of 2023. Recurring cases in the areas of tariffs, billing and payments are confirmed.

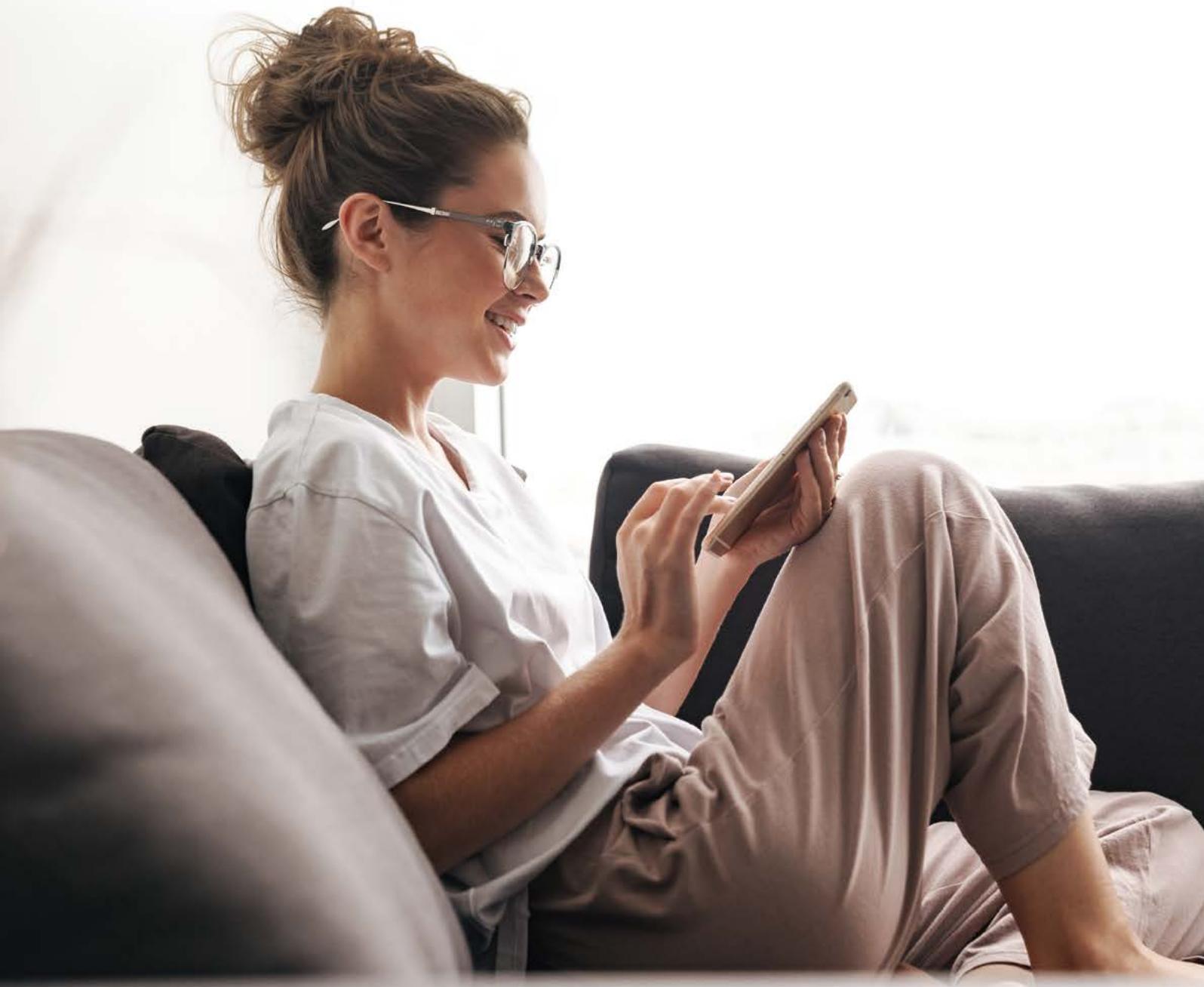
As far as the water service is concerned, there is a slight decrease in complaints compared to 2022 values. The average response time to complaints is up slightly - due to the switch to a new management application that requires a physiological learning and stabilisation curve - but remains within the timeframe required by the regulations. The most recurring topics remain those related to billing, payments, refunds and arrears.

In 2023, Iren Group did not record any violations regarding discriminatory practices towards customers or instances of non-compliance regarding the health and safety of products and services, marketing communications and promotion and sponsorship activities. In 2023, the Council of State definitively rejected the appeal brought by Iren Mercato against the proceedings initiated by the Antitrust

in 2016, for alleged unfair commercial practices regarding the acquisition of some electricity and gas customers. The ruling did not, however, result in the payment of penalties, as these were already incurred in 2017.

The year also saw the conclusion, without infringement, of the proceedings initiated by AGCM (the Italian Competition Authority) in 2022, against Iren Mercato for allegedly violating the temporary ban on new unilateral changes introduced by art. 3 of the so-called Decree Aiuti Bis. AGCM accepted the commitment proposal made by Iren Mercato. On the other hand, the lawsuit brought in 2019 by a competitor against Iren Mercato to obtain compensation for alleged damages arising from alleged anti-competitive conduct is still pending.

In 2023, the Lazio Regional Administrative Court rejected the appeal brought by a sector operator for the annulment of the measure by which AGCM had given clearance to the purchase by Iren Ambiente of I.Blu. The appellant lodged an appeal for which a hearing is pending. Still pending, at the end of 2023, is the appeal brought before the Regional Administrative Court of Lazio by a sector operator for the annulment of the measure by which AGCM did not follow up on the report in which it complained of abusive and competition-restricting behaviour with reference to the way in which sorted urban plastic waste was assigned to screening plants by Iren Ambiente. On the other hand, a further appeal was concluded at the end of 2023, connected to the one still pending before the Regional Administrative Court of Lazio, brought by the same operator against the denial of access to the documents issued by the AGCM in a ruling which the Authority enforced.





Quality, efficiency and safety in services

[GRI 2-6, 2-23, 2-24, 2-25, 3-3, 303-1, 416-1, G4-EU4, G4-EU12, G4-EU27, G4-EU28, G4-EU29]

Efficiency, reliability and safety are relevant both for the quality of services and to ensure proper use of resources and reduction of impacts. Iren Group invests to guarantee security, continuity, health and business sustainability, aware of the responsibility that energy and waste management service management entails, for the present and for the future of people and the environment.

Efficient, reliable and safe management of processes and infrastructure



Risks

- Failure to achieve the objectives and targets (economic-financial and ESG) set out in the Business Plan and consequent negative impacts (operating, economic, financial and reputational)
- Malfunctions or business interruption of plants, networks and services
- Disruption of continuity and quality of service, including due to emergency or crisis events
- Chronic or extreme natural phenomena from climate change that may cause impacts on assets/performance
- Compromising the security of services
- Loss of certifications affecting business continuity
- Damage to third parties (persons and/or property) resulting from activities carried out by the Group, interruption of managed services or reduced reliability of managed infrastructures
- Environmental and social impacts (e.g. accidental spills, odour emissions, noise pollution, electromagnetic fields)
- Cyber risk or inadequacy of the ICT system
- Non-compliance in the processing of personal data
- Legal proceedings brought by consumers



Opportunities

- Improving the environmental impact of services and infrastructure



Management methods

- Planning and monitoring of business plan objectives and targets (economic/financial and ESG)
- Code of Ethics
- Sustainability Policy
- Organisational Model 231 and information flows to the Supervisory Bodies
- ERM system (Operational Risk Policy, Climate Change Risk Policy and Cyber Risk Policy)
- Investment plans and planned maintenance
- Business Continuity Management (BCM) model: organisational and technological safeguards for the continuity of business processes
- Procedures: Management of emergencies
- Service and plant monitoring, remote control for the safety of networks and plants
- Integrated Certified Management System (risk assessment, containment measures and third-party audits)
- Adoption of best available technologies
- Environmental authorisations
- Local Committees
- Insurance plans
- Personal data processing management system

Sale of energy services and innovative products

Iren Group presents its customers with a complete offer portfolio which, starting from historically managed activities, incorporates new solutions and technologies to meet management needs, energy saving and the well-being of residents, companies and Public Administrations.

Despite the uncertain market scenario in 2023, the Group continued to develop innovative product offerings, particularly for home and personal care. Sales activities were consolidated through the already active channels: teleselling and physical agencies where the utmost attention is paid to monitoring and controlling sales partners, through quality call, confirmation call and courtesy call processes carried out on 100% of contractual proposals, in order to guarantee a correct commercial approach that complies with current codes of conduct, procedures and company regulations. Furthermore, the development of the web channel for the sale of offers concerning sustainable mobility products, home and personal services continued, also thanks to the improvement of the chat service and sales. Crucial to the development of the web channel was also the optimisation of SEM (search engine marketing) campaigns, which contributed to a significant increase in the number of contracts compared to 2022.

The capillarity of the sales networks and a level of service characterised by increasingly high-quality standards offer customers assistance and advice from the explanation of tariff matters to the installation of home systems. Iren Group consultants accompany customers by offering advice both through physical channels, such as counters and stores, and through digital channels such as chat and web sales. Thanks to the support of increasingly innovative digital tools, customers can carry out operations such as switching, self-reading or bill payment directly from their device in no time at all.

The Group also offered its customers **clean electricity** from renewable sources, certified with a guarantee of origin, in line with its strategy and defined targets: to reach 3,500 GWh of renewable energy sold by 2030.

In addition, the offer of **offsetting CO₂ emissions from gas supplies** remained active in 2023, allowing customers to promote their environmental commitment.

INNOVATIVE PRODUCTS

The innovative products made available in the Iren Plus and IrenGO offers generate positive impacts, both in terms of customer safety and protection of the quality of the urban environment.

IREN PLUS

Iren Plus is the line that provides customers with all the tools that can make their homes smarter, optimising domestic consumption and minimising waste.

The development of the Iren Plus range of offers continued in 2023, in line with previous years, with the aim of offering top quality solutions capable of simplifying people's lives, with a strong focus on energy efficiency, the rationalisation of consumption and environmental sustainability. New offers were also introduced in the areas of insurance and connectivity. Iren Plus products and services were offered through traditional sales channels (call centres and counters) and physical agencies, comparators, teleselling, e-commerce, as well as a sales network of external agents dedicated to products in the "Iren Green Plus" range.

The offer of **"Iren Green Plus" energy efficiency** products (e.g. photovoltaic systems, condensing boilers, air conditioners, fixtures, heat pumps) was affected in 2023 by the regulatory measures (Decree-Law 16/2/2023 no. 11), adopted in February, which put an end to the instruments of invoice discount and credit assignment previously applicable for energy efficiency measures. Starting in September, Iren launched a dedicated offer for window frames with a 75% invoice discount, as provided for by the Architectural Barriers Bonus, which resulted in the signing of around 100 contracts for the renewal of window frames.

In the field of **home automation**, attention was focused on the integration of latest generation technological devices (Iren Smart Kit) for remote monitoring of the home.

In the area of **home services**, the offer continued of:

- **Luminea** range, Europ Assistance home insurance assistance packages for unforeseen domestic incidents, under which three new insurance products for head of household liability and injuries were launched (Luminea Injuries, Luminea Family and Luminea Family Plus);
- supply of **100% electricity from renewable sources** at a monthly variable one-off energy component price, including grid losses as defined by ARERA. Included in the Iren Revolution Luce Verde Variabile offer is a 30 Euro bonus on the supply of electricity and an assistance policy for minor faults in the home. With the Iren Extra Large Luce Verde Variabile offer, the customer has the opportunity to buy an IrenGo e-bike and save, thanks to the billing bonus, 288 Euro in 48 months on the electricity supply. With the Iren Smart Control Luce Verde Variabile offer, the customer receives a free smart thermostatic head for remote heating control;
- **gas supply** at a monthly indexed raw material price with a free **smart thermostatic head** for remote heating control and a 15% discount on the purchase of subsequent spare parts.

For **internet connection**, the new Iren Connect You offer (FTTH, FTTC and FWA technology) 4G and 5G was launched in 2023, combined with a 5-year fixed price electricity offer. All products and offers are explained in detail on irenlucegas.it.

IRENGO

In 2023, consolidation continued of the business line dedicated to electric mobility IrenGO, which offers not only products and services, but also a complete consultancy to all customers (consumer, business and Public Administration).

Thanks to partnerships throughout the country, a wide range of **recharging infrastructures** for private customers (wall boxes and recharging stations) has been set up, complemented by turnkey design, installation and maintenance services through selected companies operating in the Group's main regions of choice.

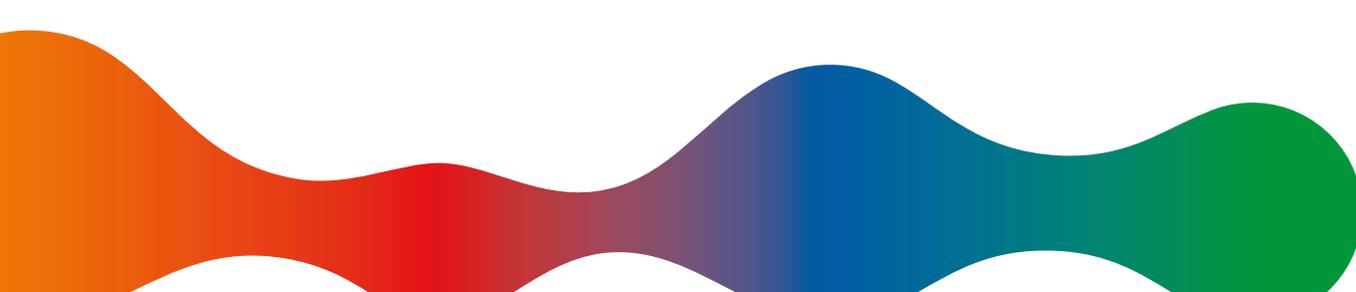
In the public sector, recharging infrastructures have already been built in the cities of Genoa, La Spezia, Parma, Turin and Vercelli, while a network of recharging stations is still under construction in Reggio Emilia, where Iren Group participates in an experimental neighbourhood car sharing project, promoted by the municipality, under which it will install four recharging stations for cars made available and managed by other

project partners.

The energy that powers the electric vehicles and charging systems is 100% certified from renewable sources with guarantees of origin. To strengthen the environmental value of sustainable mobility, formulas have been developed for the supply of electricity from renewable sources that the customer can combine with electric mobility offers with a discount on the invoice.

Light mobility means such as pedal-assist bicycles and electric scooters are also offered to customers of the different targets - private individuals, companies, public administrations.

In 2023, Iren Group participated, as a supplier of recharging infrastructure, in a number of important tenders promoted by public administrations in the historical regions of operation for the conversion of their public transport fleets to electric power. In addition, the needs of customers owning electric fleets (e.g. logistics companies) were investigated in order to propose the implementation of charging hub projects.



BUSINESS CONDUCT

Communications to customers comply with the principles of **clarity** and **transparency** provided by the Code of Ethics and Consumer Code, with the objective of placing the customer in a position to be able to make an informed choice.

During the year, particular attention was paid to the implementation of new management systems, the improvement of commercial quality and the continuous training of operators, especially following the introduction of new products such as insurance policies and connectivity. All sales and marketing activities that take place outside the Group's business premises are carried out in compliance with the rules set out in the Code of Business Conduct formulated by ARERA (Regulatory Authority for Energy, Networks and Environment).

The Group carefully **monitors all the activities of the supplier agencies**, differentiating its controls according to the customer's method of engagement, the type of commercial action requested by the customer, and the way in which the contract is signed and accepted. For each acquisition channel, whether physical or digital, further controls are foreseen. Specifically, in order to constantly check the correct operation of teleseller agencies and web comparators, as foreseen by the mandate, the Group makes telephone calls called courtesy calls or confirmation calls, depending on the different contractual modalities, within a maximum of 48 hours after the contract has been signed and confirmed by the customer. As regards physical channels, already in 2018, instant calls were introduced, a quality call carried out on average within 2 hours of the contract being signed, for more timely and effective control of the sales activity. Systematic monitoring of the agencies' activities is aimed at confirming that contact has been made with the agent, that the contract proposal has been accepted and that the agent is fully aware of the signed offer. In line with its transparency policy and to protect the actual wishes of the customer, Iren Group offers signatories to a contract stipulated over the telephone (verbal order) the possibility of listening to their own telephone recording by accessing a dedicated section of the website with personal credentials.

The company organisation provides for a specific structure dedicated to **analysing complaints** of customers concerning external channels of sales. These complaints can result in the application of penalties and, in more serious cases, the dismissal of the agent or operator, with a ban on working for the Group, even through other companies, up to the possible resolution of the agency mandate. Furthermore, with the aim of verifying that the work of the agencies complies with contractual obligations and, in particular, with the company self-regulation documentation (Code of Ethics, Model 231, operating procedures), visits are periodically carried out at the commercial structures, the results of which are monitored by the managers of the different channels.

In 2023, a new tool was introduced for uploading all business files and usable by all sales channels, both physical and digital: a further step towards complete digitalisation and the adoption of more technologically advanced working tools that offer agencies continuous and immediate feedback on their work. The new tool ensures the possibility of dedicated reporting, the use of more and more advanced integrated preliminary verification tools, the opportunity of different types of digital signatures and increased efficiency of contracting processes.

Commercial and marketing activities are conducted in accordance with principles of fairness and transparency, in full compliance with all regulations on **privacy** and **personal data protection** (EU Regulation 2016/679 - GDPR, Legislative Decree 196/2003):

- the processing of customers' personal data in accordance with freely given and collected consents is guaranteed;
- the processing of personal data on behalf of the Group's sales company is permitted exclusively to persons appointed, in writing, as external data processors;
- commercial or promotional actions are carried out exclusively towards subjects who have expressed informed consent following having read the specific privacy policy.

Moreover, in order to guarantee the exercise of the rights provided for by the GDPR, the Group makes available communication channels and facilities dedicated to the reception and management of requests regarding access, rectification, cancellation, restriction of processing, portability and opposition to the processing of personal data.

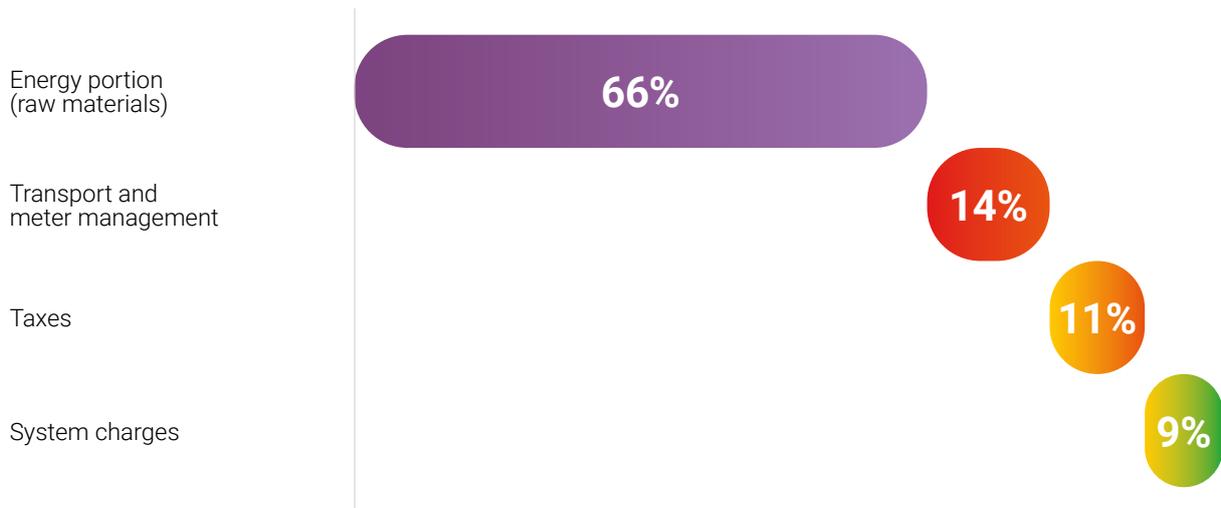
In compliance with the principles of **anti-competitive behaviour**, the Group companies do not conduct any commercial or promotional action towards customers who are part of the protected market, limiting their activities to their customers in the free market or prospective contacts acquired under regulations.

ELECTRICITY TARIFF

Electricity tariffs are made up of the costs associated with the energy raw material and the commercial activities of the distribution companies (procurement and commercialization), the charges associated with transporting electricity on national and local distribution networks, the costs of managing metering activities, general system charges and national taxes.

In the free market, the seller expresses its offer by differentiating itself from competitors in the share of supply and commercialisation costs, as the other components are subject to single national standards and tariffs established by ARERA and the State.

2023 AVERAGE COMPOSITION OF ELECTRICITY TARIFF FOR PROTECTED MARKET



The average composition of the 2023 energy tariff takes into account government interventions on curbing 'high bills' (Decree-Law 130/2021), which reduced general system charges to zero for the first quarter.

In 2023, the annual expenditure per typical family (3 kW meter and annual consumption of 2,700 kWh) served in the protected market amounted to 1,195 Euro (source: ARERA), an increase of about 7% compared to 2022.

In 2023, Iren Group, thanks also to the strengthening of the fruitful dialogue initiated some time ago with the Consumer Associations, maintained the concrete initiatives to support its customers in relation to the increase in electricity prices, such as the possibility of resorting to installments at more favorable conditions, for bills that make payments difficult and the strengthening of direct contact channels with customers through local counters.

ELECTRICITY SOCIAL BONUS

ARERA defines criteria for the recognition of the social bonus on the domestic supply of electricity to citizens/families in conditions of economic hardship. Since 2021 (Decree-Law 124/19), social bonuses have been recognised automatically: it is necessary for those entitled to present an annual Single Substitute Statement (Dichiarazione Sostitutiva Unica - DSU) for access to a subsidised service (e.g. maternity allowance, school canteen, etc.) and obtain an ISEE indicator within the access threshold, or be holders of a citizenship income/pension.

There is also a bonus for physical discomfort in cases where a serious illness requires the use of essential life-sustaining electro-medical equipment; this request must be made to the municipality of residence.

The bonus values that allowed a 31% reduction in the bill in 2023 were:

- 380 Euro for a family of 1 or 2 members;
- 485 Euro for a family of 3 or 4 members;
- 540 Euro for a family of more than 4 members.

Electricity social bonuses disbursed	2023	2022	2021
Number	211,258	172,767	96,098
Amount (Euro)	62,402,255	88,095,526	13,630,730

In 2023, a greater number of electricity social bonuses were disbursed compared to 2022 (+22%) to better help people in economic difficulty to combat the "high bill".

ELECTRICITY SALES SERVICE QUALITY

The commercial quality standards are dictated by ARERA (Res. 413/2016 as amended, Amalgamated Law on the Quality of Sales Services – TIQV) refer to how promptly the seller provides some services requested by customers (replies to written complaints and requests for information, correction of bills, etc.).

The seller must comply with specific standards (beyond which, customers are entitled to automatic compensation) and general standards (for which a certain percentage of performance is required and no automatic compensation is paid). Data relevant to the individual companies are published in order to allow customers to compare the service levels offered.

In 2023, the number of complaints from the electricity sales service decreased by more than 33% compared to 2022. The number of written requests for information remained almost stable while there was a decrease, compared to 2022, for double billing corrections.

The average response time for written complaints, which has decreased since 2022, respects the parameters set by ARERA.

Response to written complaints (days)	2023	2022	2021	ARERA max time
Average time	25.9	33.7	19.8	30

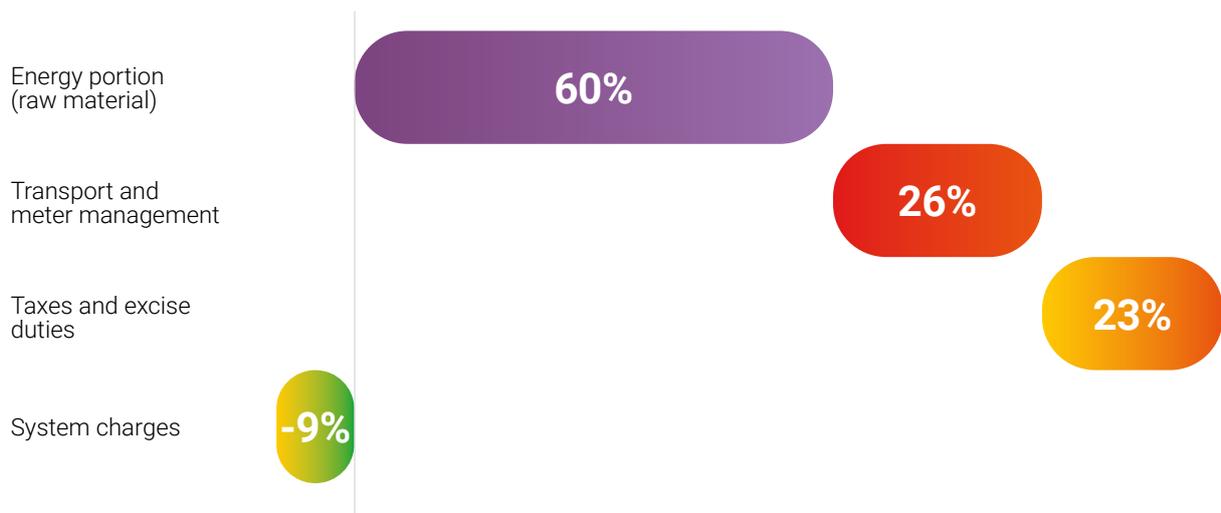
To constantly monitor its commercial quality, the Group considers it strategic to monitor customer satisfaction

» [SEE PAGE 257.](#)

GAS TARIFF

Gas tariffs comply with ARERA regulations (Amalgamated Gas Sale Law – TIVG and the Consolidated Law – TUDG/RTDG), State laws concerning Gas Excise Duties and VAT and Regional laws concerning the additional regional tax (ARISGAM) applied to natural gas. Gas tariffs are made up of the costs related to the energy raw material and commercial activities managed by the sales company (procurement and commercialisation) and the component related to costs for gas transport into national and local distribution networks, which cover the costs of the national transporter and the local network operator. In addition to these, there are national taxes and regional additional taxes as well as general system charges. In the free market, the seller expresses its offer by differentiating itself from competitors in the share of supply and commercialisation costs since the other components are subject to single national standards and tariffs established by ARERA and the State.

2023 AVERAGE COMPOSITION OF GAS TARIFF FOR PROTECTED MARKET



The average composition of the 2023 gas tariff takes into account government interventions on curbing 'high bills' (Decree-Law 130/2021) that reduced the general system charges until April.

In 2023, the annual expenditure per typical family (annual consumption of 1,400 sm³) served with a protection tariff stood at 1,512 Euro (source: ARERA), a decrease of about 11% compared to 2022.

In the sale of gas, also for the first months of 2023, the Group continued to offer instalment payments on more favourable terms for bills that made it difficult for households to pay. The Group strengthened direct contact channels with customers through local counters and further enhanced gas self-reading channels to facilitate the timely recording of actual consumption.

GAS SOCIAL BONUS

ARERA defines criteria for the recognition of the social bonus on the domestic supply of gas to citizens/families in conditions of economic hardship. In order to activate automatic recognition of social bonuses, it is necessary for those entitled to present an annual Single Substitute Statement (Dichiarazione Sostitutiva Unica - DSU) for access to a subsidised service (e.g. maternity allowance, school canteen, etc.) and obtain an ISEE indicator within the access threshold, or be holders of a citizenship income/pension. The automatic recognition of gas social bonuses is valid for direct supplies and for households using condominium supplies (i.e. indirect).

The system recognises only one gas bonus per household. The gas bonus applies to methane gas distributed to the network for home-of-residence consumption.

Gas social bonuses disbursed	2023	2022	2021
Number	135,799	113,618	67,223
Amount (Euro)	28,366,101	67,859,557	6,581,016

In 2023, 83% more social gas bonuses were disbursed than in 2022 to further help people in economic hardship to combat 'high bills'.

GAS SALES SERVICE QUALITY

As for electricity, the quality standards for gas sales are dictated by ARERA (Res. 413/2016 as amended, Amalgamated Law on the Quality of Sales Services – TIQV) and provide for compliance by the seller with specific standards and general standards in the performance of certain services required by the customer.

The number of gas complaints received in 2023 decreased by more than 20% compared to 2022. With regard to written requests for information, the number remains more or less stable, while for double billing corrections there is a decrease compared to the previous year's figures.

The average response time for written complaints, which has decreased since 2022, respects the parameters set by ARERA.

Response to written complaints (days)	2023	2022	2021	ARERA max time
Average time	27.2	35.0	20.2	30



Electricity distribution



Iren Group manages the electricity distribution network plants in the municipalities of Parma, Turin and Vercelli.

Electricity distribution is carried out by the Group in compliance with the rules of functional separation for companies vertically integrated into the sector, in compliance with the principles of cost-effectiveness, profitability and confidentiality of company data with the aim of promoting competition, efficiency and adequate service levels. The size of plants owned by the Group at 31 December 2023 is summarised in the table below.

Distribution network plants	u.m.	Parma	Turin	Vercelli
HV/MV stations	no.	5	11	1
MV/MV primary substations	no.	12	21	1
MV/LV secondary substations	no.	1,205	3,370	189
HV/MV transformers	no.	13	24	2
MV/LV secondary substation transformers	no.	1,443	3,192	308
HV power lines (overhead and non-overhead)	km	-	16.5	11
MV power lines (overhead and non-overhead)	km	945	2,057	208
LV power lines (overhead and non-overhead)	km	1,659	2,654	331
Electronic meters	no.	146,207	622,013	32,448

QUALITY OF ELECTRICAL DISTRIBUTION

The technical quality of electricity distribution and metering services is defined by ARERA in the "Integrated text of the output-based regulation of electricity distribution and metering services (TIQE)" (Res. 566/2019/R/EEL) for the 2020-2023 period and governs the continuity of service, specific and general levels of commercial quality and the selective promotion of investments in distribution networks. Indicators measuring the service levels of Iren Group, which are considered relevant due to the impacts they may have on end customers and the environment, are analysed below.

ARERA conventionally sets standard leaks for the electricity grid, defining a percentage amount of the energy withdrawn in function of voltage, with the aim of encouraging the reduction of network leaks, comparing standard leaks with actual leaks. The Group's **grid losses** decreased compared to 2022, although they remain below the national average of 7% (source: Terna data).

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The Group's grid losses are below the national average of 7%

Electricity network leaks	2023	2022	2021
Iren Group	3.80%	4.20%	2.75%

The **mean number of interruptions per LV (low voltage) customer (N1)** is the indicator relevant to unexpected long (more than 3 minutes) or short-term interruptions (less than 3 minutes but more than 1 second) attributable to the distributor. The **cumulative downtime (D1)** measures the average number of minutes of interruption, per LV customer, of long interruptions without notice, attributable to the distributor. ARERA sets target values for these indicators concerning the size of the areas served: high concentration (municipalities with more than 50,000 inhabitants), medium concentration (municipalities with more than 5,000 inhabitants) and low concentration (municipalities with less than 5,000 inhabitants). If the distributor achieves improvements in the level of the indicators, compared to its targets, it receives a bonus from ARERA, otherwise it pays a penalty.

ARERA raised the level of objectives of duration and number of interruptions if the distributor also considers external causes, i.e. disservice events caused by third parties (e.g. damage to cables following excavation work by third parties who do not operate on behalf of the distributor; disservice caused by faults occurring on private systems underlying the network).

In 2023, there is an increase in the number of interrupted customers for the Vercelli area, due to an increase in cable faults with more users and transformer failures in the primary station.

Average no. of interruptions per LV customer - N1 ⁽¹⁾	2023	2022	Obj. ARERA 2023
Turin high-concentration	2.95	2.91	1.21
Parma high-concentration	1.13	1.26	1.20
Parma low-concentration	4.12	3.87	4.30
Vercelli medium-concentration	1.31	0.65	2.25

⁽¹⁾ 2023 data are estimated. They are subject to verification and are dependent on submission to ARERA on 31/03/2024 for the 2023 financial year. The 2022 data have been restated, the final data reported to ARERA are shown.

Cumulative downtime - D1 (min./user) ⁽¹⁾	2023	2022	Obj. ARERA 2023
Turin high-concentration	69.16	64.00	28.00
Parma high-concentration	24.54	29.60	28.00
Parma low-concentration	73.15	73.38	68.00
Vercelli medium-concentration	34.72	18.10	45.00

⁽¹⁾ 2023 data are estimated. They are subject to verification and are dependent on submission to ARERA on 31/03/2024 for the 2023 financial year. The 2022 data have been restated, the final data reported to ARERA are shown.

In 2023, there was an improvement in the Parma area and an increase in the average duration for the Vercelli and Turin areas, due to an increase in cable faults with more users and faults in the primary station that led to longer resolution times. The cumulative duration is, in fact, conditioned by the number of disruptions that occurred and the complexity of the resolution times.

To improve the quality of electricity distribution service and the resulting negative impacts, the Group has set a target of reducing the frequency of interruptions by 40% by 2030 compared to 2022.

Iren Group, in the context of credit control procedures, monitors the network disconnections of customers due to non-payment of bills, but does not consider it appropriate to report it, considering it as being sensitive data.

SAFETY OF ELECTRICITY DISTRIBUTION

The annual maintenance plan, on the secondary electricity distribution networks, provides for the inspection of medium voltage (MV) stations and overhead power lines with different articulation depending on the areas:

- inspection of electrical stations every two years for Parma, Turin and Vercelli. In 2023, 2,793 out of a total of 4,802 stations were inspected (primary MV/MV stations, secondary MV/LV stations), equal to 58%;
- visual inspection of medium voltage (MV) overhead lines every three years for Parma, every six months for Turin and once a year for Vercelli. The medium voltage overhead electricity network is approximately 318 km long and approximately 65% of it was inspected in 2023.

The inspection plan, fully carried out in 2023, provides for the general inspection of each system, with six-monthly controls, thermographic control of the active parts of the systems, yearly control of electrical equipment containing oil with PCB > 50 ppm and of the state of the asbestos manufactured articles.

ELECTROMAGNETIC FIELDS

Initiatives are implemented to safeguard the health of customers to ensure compliance with the limits of electromagnetic fields at power generation and distribution plants. Electromagnetic field measurements involve:

- primary electricity power plants and stations;
- overhead and underground HV power lines;
- MV/MV and MV/LV electricity stations installed in schools, hospitals, parks, or with specific load characteristics;
- MV/LV electricity stations with a higher capacity.

In the case of building a new electrical station (MV/MV and MV/LV), a series of technical and environmental factors are assessed in advance to identify the location of the station itself and the electrical machinery to be installed in it. The necessary actions are also implemented to limit the environmental impact, both in terms of landscape and acoustics and/or emissions. In 2023, the design and construction of new MV/LV stations continued to reduce the population's exposure to emissions from electromagnetic fields.

ACOUSTIC IMPACT

In the electrical energy transformation plants (stations), we proceed with measurements of the acoustic emissions towards the outside in order to verify the absence of situations of noise pollution towards the population. No noise remediation was necessary in 2023, thanks to compliance with noise emission limits.



Gas distribution



QUALITY OF GAS DISTRIBUTION

The distribution service consists of the withdrawal of natural gas from Snam Rete Gas pipelines, by means of first-stage withdrawal points, and its distribution through local gas networks for delivery to end users. A gas distribution system is typically composed of:

- high-pressure natural gas distribution networks (pressure greater than 5 bar), medium-pressure networks (greater than 0.04 bar up to 5 bar) and low-pressure networks (up to 0.04 bar);
- RE.MI. stations (acronym for Regulation and Measurement) or first-stage substations, where a first reduction in the pressure of the gas taken from the Snam Rete Gas high-pressure pipelines is made. The RE.MI. plant consists of the complex of equipment where the gas undergoes filtration, pre-heating, pressure reduction, measurement and odorisation;
- second-stage reduction units where the last gas pressure reduction takes place before reaching the end users;
- user-derived systems, i.e. the complex of pipes and accessory devices that constitute the installations necessary to supply the gas to the end customer. The user-derived system starts from the gripper (the part of the system used to withdraw the gas from the main pipe by conveying it, through a pipe with a smaller diameter, towards the meter) and extends to the measurement group (meter).

Gas distribution is carried out by the Group in compliance with the rules of functional separation for companies vertically integrated into the sector, in compliance with the principles of cost-effectiveness, profitability and confidentiality of company data with the aim of promoting competition, efficiency and adequate service levels.

The use of innovative technologies for laying and maintaining the networks means that necessary activities can be performed while reducing time frames and costs and keeping disruption to residents to a minimum. Security and continuity are guaranteed via remote control systems of plants, a 24-hour emergency service, the cathodic protection of the steel networks, the use of odorised gas and regular and scheduled inspection of the network.

The Group also manages the distribution of LPG, in particular in the province of Reggio Emilia (14 storage units) and in the province of Genoa (7 storage units), in places not yet reached by the natural gas network. Suppliers deliver the pre-odorised LPG in tanks, the Group distributes it to customers at a maximum pressure of 30 mbar and ensures safety through remote control of the plants. The LPG distribution activity is closely connected to the gradual "methanisation" of the area.

The Group is continuing with the progressive installation of electronic meters which, as well as providing real-time data for billing the relative amounts due and speeding up certain activities (activation or deactivation of a supply, consent, etc.), help to raise residents' awareness about their energy usage, promoting behaviour aimed at reducing and improving gas consumption with subsequent benefits for the environment.

Installed gas meters (no.)	2023	2022	2021
Total gas meters	816,310	813,397	812,940
- of which electronic	733,770	726,491	712,096
% electronic meters	89.9%	89.3%	87.6%

In relation to the commercial quality parameters for gas distribution, ARERA has defined standards which provide for the automatic compensation to customers in the case of non-compliance.

The year 2023 is characterised by an increasing stabilisation of processes with an increasing percentage of performance within the standard.

Commercial quality levels (business days)	2023	2022	ARERA max time
Cost estimate for simple jobs	6.5	8.5	15
Cost estimate for complex jobs	10.5	9.3	30
Execution of simple jobs	5.9	6.7	10
Activating supply	4.5	4.3	10
Deactivating supply	3.8	4.0	5
Reactivation following deactivation due to non-payment	1.1	1.3	2 working days

LEAKS IN THE GAS NETWORK AND INTERRUPTION OF SERVICE

Gas interruptions occur mainly during network renovation works when the user connections are switched from old to new pipelines.

The interruptions are divided into **scheduled outages**, if the works are planned and it is possible to promptly communicate the interruption to the citizen, and **unscheduled outages**, that is, those for which it is not possible to notify all the customers involved, since they are generally caused by a local failure in a part of the network or damage caused by a third party.

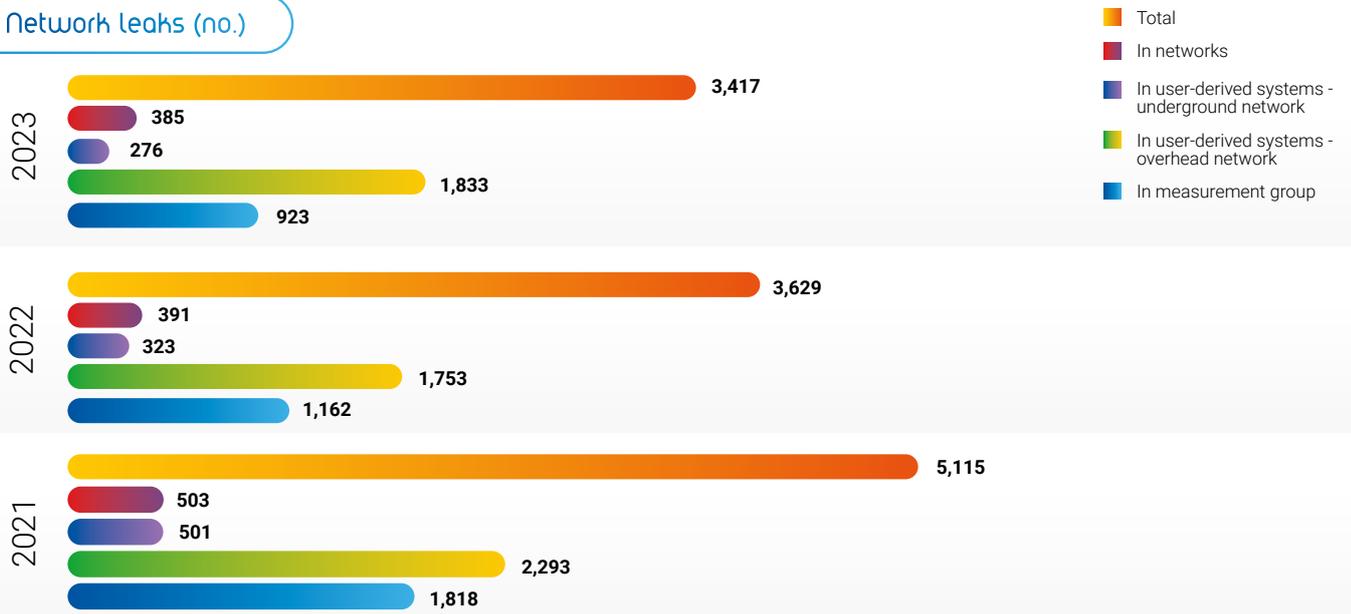
In the case of scheduled outages, to limit the inconvenience to the end customer, the work is carried out with the help of "plugging with by-pass" systems that allow the work to be carried out without suspending the flow of gas. In 2023, as in the previous year, the increase in gas distribution interruptions is mainly due to the numerous requests for suspension by third parties resulting from the implementation of redevelopment interventions in the 110% Superbonus area.

Gas distribution interruptions (no.)	2023	2022	2021
Unscheduled outages	1,688	1,151	781
Scheduled outages	991	1,118	970
TOTAL	2,679	2,269	1,751

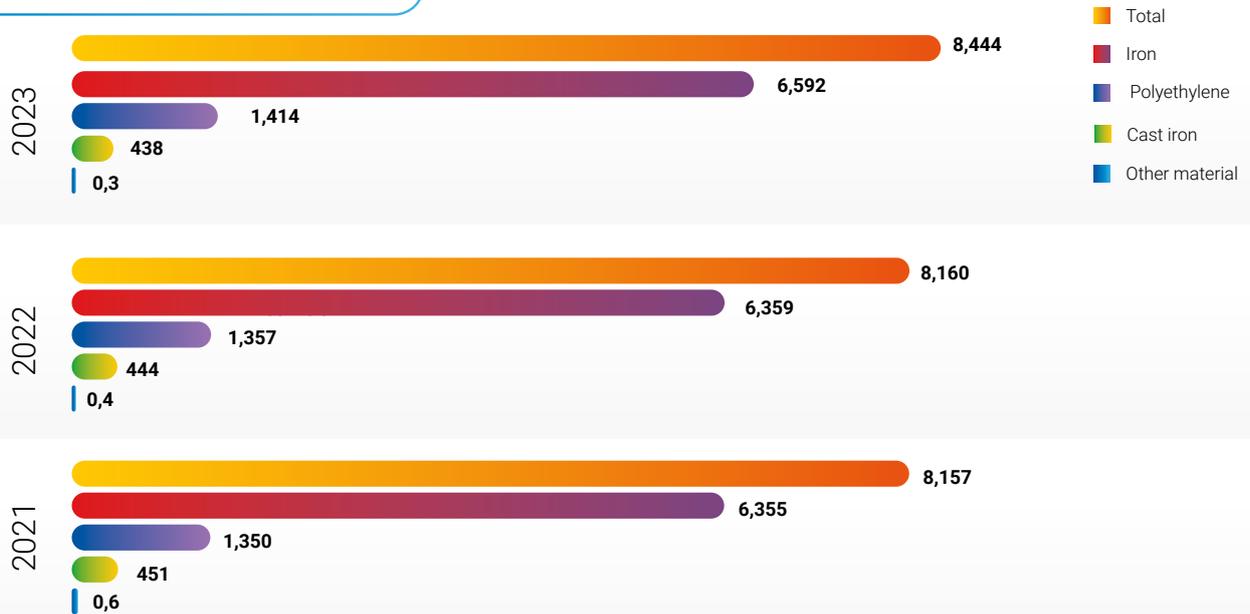
The main initiatives to reduce **leaks in the gas network**, in accordance with the provisions of ARERA, envisage the gradual cathodic protection of the unprotected steel network and the replacement of grey cast iron pipelines with hemp and lead joints. In addition to the search for leaks on the underground network established by ARERA, the systematic search for leaks also continued in 2023 at the measurement groups as well.

In 2023, network losses decreased (-6% compared to 2022), and the numerically most significant ones come from overhead shunt installations.

Network leaks (no.)



Gas network composition (km)



In 2023, the plan to renew sections of the network made of non-compliant material continued, particularly in the Liguria area.

Gas network replaced (km)	2023	2022	2021
Steel pipes	8	20	9
Polyethylene pipes	1	5	28
Cast iron pipes	4	5	5
TOTAL	13	30	42

SAFETY OF THE GAS NETWORK

Personal safety is dominant in gas distribution service. The use of competent and adequately trained resources, together with a continuous monitoring of the network, are factors that contribute decisively to the prevention of accidents and are subject to continuous analysis and improvement, in order to increase their effectiveness with respect to efficiency and to prevent potential negative impacts on customers.

Network inspection, an effective emergency service and an adequate odorant concentration are fundamentally important in the proper operation of a distribution system and for a positive impact on customer service, together with a continuous modernisation of the network.

In compliance with the provisions of the Italian Gas Committee guidelines and ARERA resolutions, inspections are carried out on the high, medium and low-pressure networks with instruments suitable for identifying any dispersions that cannot be perceived by smell, so that they can be rapidly eliminated. The inspection can be carried out:

- using a vehicle equipped with suction probes and suitable instrumentation to detect the presence of gas while driving over the pipeline (in the case of a driveway);
- using a manually moved suction mat (in case of pedestrian streets, mule tracks or historical cobblestones and bricks).

ARERA sets out the obligations for the inspection of gas networks. In 2023, Iren Group inspected 99.7% of the 8,444 km of the gas network managed. The scheduled inspection has also led to a greater control of leaks.

Gas network inspected	2023	2022	2021	ARERA req.
Low pressure network	100%	100%	97.3%	≥ 25%
Medium and high pressure network	99%	100%	99.2%	≥ 33%
Total network inspected	99.7%	100%	98.4%	

In 2023, about 100% of gas networks were inspected: more than triple the number of inspections required by ARERA



In distribution, gas odourisation must be ensured in accordance with the applicable regulations and ARERA and the minimum number of odour checks per thousand end customers served must be defined, to be carried out annually for the safety of the service and the protection of persons and property. In 2023, Iren Group introduced more than 43 mg of odourant (tetrahydrothiophene) into the network per cubic metre of gas distributed in order to make its presence easily noticed in the air for rapid identification of any gas leaks.

The emergency service is also essential to ensure the safety of citizens and places and to collect customer information/reports. Iren Group's performance in this area is significantly better than the minimum levels defined by ARERA. In 2023, the gas Emergency Service handled 7,564 calls, with an average arrival time at the call site that varies in the range shown in the table below, depending on the regions served.

Emergency service	2023	2022	ARERA req.
Average arrival time at the call site (min.)	32.6-34.3	30.9-35.8	60
Compliance with average arrival time at the call site (%)	99.6%	99.1%	90.0%

ACOUSTIC IMPACT

Campaigns to measure the effects of noise produced on the surrounding environment within gas distribution plants in 2023 did not find any criticalities.

INTEGRATED WATER SERVICE



INTEGRATED WATER SERVICE TARIFF

The current tariff method, consistent with European directives, is aimed at determining, for each individual territorial area, tariffs that ensure full coverage of efficient investment and operating costs. In general, the water service tariff consists of:

- a **fixed component of service**, due regardless of consumption;
- a **variable component**, based on the consumption of water and wastewater treatment services.

The tariff structure is determined, at the level of each area, by the Area Governing Body on the basis of the principles of modulation by tariff bands, in order to disincentivise inefficient consumption, and adoption of pro-capita criteria for resident households. The regulation provides for different types of users of the integrated water service: a) domestic, b) industrial, c) artisan and commercial, d) agricultural and livestock, e) public non-disconnectable, f) public disconnectable, g) other uses (residual category).

The following table shows the average tariffs by area, as approved by the competent Area Governing Body, in relation to the integrated water service managed by the Group (drinking water distribution, sewerage and wastewater treatment). The provinces of Savona and Imperia are not reported, where Iren Group only manages the distribution of drinking water.

Average tariff for IWS (Euro/m ³) ⁽¹⁾	2023	2022
Province of Asti	2.55	2.55
Province of Genoa	2.64	2.49
Province of La Spezia	2.30	2.23
Province of Parma ⁽²⁾	2.27 - 2.62	2.14 - 2.54
Province of Piacenza ⁽²⁾	1.96 - 2.53	1.89 - 2.45
Province of Reggio Emilia	2.13	2.17
Province of Vercelli ⁽²⁾	1.88 - 1.99	1.82 - 1.93
Province of Enna	2.83	n.a.

⁽¹⁾ The average tariff is calculated by adding the basic domestic use tariff for the water service, the sewerage tariff and the treatment tariff.

⁽²⁾ Minimum and maximum values of the different tariffs in place across the country.

UNIVERSAL RIGHT TO WATER

Iren Group is committed to guaranteeing **universal access to water**, recognising that all surface water and groundwater, even if not extracted from the subsoil, are public. For the Group, water is a resource that must be protected and used according to criteria of solidarity; any use is carried out safeguarding the expectations and rights of future generations to enjoy an intact environmental heritage.

A subsidised tariff is applied to resident domestic users on a quantity at least equal to the minimum vital quantity; resident domestic users in economically and socially disadvantaged conditions are guaranteed the supply of the minimum vital quantity.

WATER BONUS

ARERA introduced (Resolution 897/2017/R/idr) the social water bonus for customers in financial difficulty. Users with ISEE not exceeding 9,530 Euro (or not exceeding 20,000 Euro if there are at least 4 dependent children) and other specific categories are entitled to request the bonus. The bonus covers the consumption of 50 litres of integrated water service per person per day.

In addition to the bonus provided by ARERA, the Area Governing Bodies can add an additional bonus financed by the tariff of the Area and disbursed according to methods established by the Body itself. ATERSIR (Territorial Agency of Emilia-Romagna for Water and Waste Services) confirmed also for 2023 the supplementary social bonus for users in conditions of economic hardship: 240,000 Euro for Parma area, 160,000 Euro for the province of Piacenza and 350,000 Euro for the province of Reggio Emilia. The Governing Bodies of the Genoa and La Spezia Areas have approved an amount for the two provinces of 1,432,000 Euro and 220,000 Euro, respectively. The Governing Body of the Asti Area approved an amount for the province of 14,138 Euro.

As of 2021, ARERA changed the process of acquiring and applying the water bonus. As a result of the changes introduced, it is not always possible to complete the procedure within the reporting year. In 2023, bonuses that were outstanding in 2021 and 2022 were also acquired and issued, generating a significant increase in bonuses in the year, as shown in the table below.

Water social bonus ⁽¹⁾ ⁽²⁾	2023	2022
Number of bonuses awarded	192,162	36,998
Amount (Euro)	19,460,630	2,015,958

⁽¹⁾ Calculations and amounts include ARERA bonuses and supplementary bonuses from Area Governing Bodies.

⁽²⁾ The figures for 2023 refer to the amounts disbursed in the calendar year 2023. The final data will be sent to ARERA by 31/03/2024 for the financial year 2023.

QUALITY OF THE INTEGRATED WATER SERVICE

Iren Group's integrated water service charters incorporate the indicators and timing defined by ARERA (Resolution 655/2015/R/idr) for the contractual quality of the integrated water service. In 2023, the figures for 2022 were reported, confirming a very high level of compliance with the established time frames, with an average of 90%.

In order to constantly monitor the quality of services, Iren Group also regards customer satisfaction monitoring to be of fundamental importance. The periodic collection of these surveys was included as an integral and essential part of the operators' quality system [» SEE PAGE 257](#).

SERVICE EFFICIENCY

At the end of 2023, the Group manages 953,789 water meters serving the various types of users, 18% of which are electronic. These are new-generation meters that, in addition to providing real-time data for billing amounts due, help make residents more aware of their consumption, encouraging behaviour aimed at reducing and improving the use of water, with subsequent environmental benefits.

The water taken from the different sources is introduced in the distribution network that reaches all the users, after having carried out the necessary controls and verifications of the potability requirements. Control, extension and maintenance activities are carried out on the networks with a view to minimising negative impacts for the public as far as possible. A priority, in fact, is the attention to the protection of the urban environment and the sustainability of everyday life, in particular with regard to the impact on city streets.

In 2023, out of 21,977 km of managed water network, 20,232 km (92% of the total) were checked for leaks: 5.677 km (26%) through the acoustic research technique carried out on-site and 14,554 km (66%) employing night-time flow monitoring, a structural activity that makes it possible to analyse distribution districts and check for any anomalies that may indicate dispersions of water resources.

20,232 km
of managed
water network

In the case of planned service interruptions, i.e. suspensions of the water supply necessary for the execution of planned works, the methods (tracked and documented) of notifying users deemed most effective on a case-by-case basis (e.g. notices in the press and on local television, signs posted in the area concerned) are adopted within the time limits required by the regulation. In 2023, there were a total of 541 planned outages in the managed territories. For emergency interventions, e.g. to repair a burst pipe, all of the necessary measures are implemented in order to restore the water supply in the shortest possible time, in accordance with the provisions of the regulation in force. In 2023, there were a total of 15,765 outages in the network, subject to repairs carried out following the search for leaks or reports received.

The average arrival time at the place of the emergency call for the Group is 65 minutes.

WATER SAFETY

In the supply of water for drinking use, the health and safety of the customer are an absolute priority, guaranteed by Iren Group through constant verification, even beyond legal obligations, of the quality of the water throughout the supply cycle: capture, treatment, disinfection, distribution. The Group has adopted the implementation of **Water Safety Management Plans** (WSP), defined by the World Health Organisation (WHO) and European Directive 2020/2184 to systematically ensure the safety of a drinking water system, the quality of the water supplied and the protection of consumer health [» SEE PAGE 189](#).

In the treatment sector, analytical tests are carried out on the wastewater flowing into and out of the plants, and on the intermediate treatment steps, the sludge produced and the drains from the production user plants into the sewer. The number of samples and the relative analysed parameters derive from sampling plans prepared for all the areas managed. The internal controls, aimed at preventing possible negative impacts, are more numerous than those envisaged by the regulations in force and by the protocols signed with the Area Authorities, ARPA and the Provinces.

Controls on drinking water and wastewater (no.)	2023		2022		2021	
	Samples	Parameters	Samples	Parameters	Samples	Parameters
Emilia-Romagna	36,480	455,446	38,072	455,605	37,365	467,067
Piedmont	4,798	55,920	5,027	52,940	5,087	57,503
Liguria	17,114	465,938	14,807	387,321	13,162	324,700
Sicily ⁽¹⁾	567	23,809	-	-	-	-
TOTAL	58,959	1,001,113	57,906	895,866	56,131	858,093

⁽¹⁾ Since 2023, the Group has acquired control of Acquaenna, which manages the service in the Territorial Area of Enna.



About 59,000 samples and 1,000,000 parameters analysed on drinking and wastewater to ensure residents' safety

ACOUSTIC IMPACT

The subject of reducing the acoustic impact is not particularly relevant for the integrated water service. Despite this, machinery and equipment (compressors, grills, etc.) are replaced during the unscheduled maintenance interventions with models producing lower levels of acoustic impact or greater degree of soundproofing.



Waste management services

TARIFF SYSTEM

The TARI tax is composed of:

- a **fixed part**, determined by the cost of sweeping, general costs, part of the cost of personnel and other essential components of the cost of the service, relating in particular to depreciation and administrative costs;
- a **variable part** related to the quantity of waste conferred, the service provided, and the management costs.

The TARI is applied to utilities, taking account of the surface area occupied and, for domestic utilities, also of the number of family members. With the TARI, Iren Group invoices its service to the municipality and the municipality issues payment notices to the users. In calculating the TARI, the Municipal Authority takes account of the VAT that it has to pay, which is why, in the tax applied to users, the VAT is not expressed but included in the tax itself. Social tariffs are not provided for by the general legislation of the TARI. At a regulatory level, every municipality may include favourable conditions or reduction clauses in favour of certain groups or users.

The average tariff for waste collection and environmental health services in the municipalities of La Spezia, Vercelli, Parma, Piacenza, Reggio Emilia and Turin is in line with previous years. As is the average tariff for the Toscana Sud area, which includes the provinces of Arezzo, Grosseto, Livorno and Siena. The table below provides the average TARI for 2023 for the main municipalities served.

Year 2023		Average TARI by provincial capital				
Type of domestic users	La Spezia	Parma	Piacenza	Reggio Emilia	Turin	Southern Tuscany
	Euro/year	Euro/year	Euro/year	Euro/year	Euro/year	Euro/year
1 member families	149.98	130.85	121.17	179.09	133.66	123.18
2 member families	194.27	215.38	215.50	273.05	251.23	216.38
3 member families	207.09	247.32	269.66	354.69	301.11	270.30
4 member families	218.21	289.28	297.61	406.80	333.36	315.45
5 member families	229.33	340.92	357.36	454.60	389.55	404.47
≥ 6 member families	240.65	398.55	404.97	489.75	442.67	470.61

QUALITY OF WASTE MANAGEMENT SERVICES

With Resolution 15/22, ARERA adopted the Consolidated Text for the regulation of the quality of the municipal waste management service (TQRIF), in force as of 1 January 2023, launching a regulatory path aimed at leading the sector towards a generalised improvement in quality - both commercial and technical - within a framework of common but differentiated rules depending on the starting level. The Competent Territorial Entities have identified the management regulatory scheme, among the four envisaged by ARERA.

For waste management services, Iren Group has adopted and published Service Quality Charters, according to current standards, which contain the main commercial and technical quality profiles. In this area, too, Iren Group considers periodic customer satisfaction surveys to be strategic **»** SEE PAGE 257.

SAFETY OF WASTE MANAGEMENT SERVICES

The Group has developed tools for monitoring performance, also in terms of sustainability and environmental protection, such as the assessment of environmental impacts, analytical controls, internal audits and legislative compliance checks. The continuous evolution of customer expectations and needs, strongly reinforced by market competitiveness, requires flexible organisational models and lean management systems, whose effectiveness in terms of results must be monitored. The organisational and procedural set-up of each activity or project takes into account all aspects that may impact on the health and safety of stakeholders. 100% of products and services in the environment sector undergo health and safety impact assessments.

ACOUSTIC IMPACT

In all the areas managed, sound level checks are periodically carried out on waste collection, street sweeping and collection centres. In particular, in the waste collection sector, the Group is adopting new methods with vehicles with low acoustic impacts, such as electric vehicles. For waste-to-energy plants, periodic acoustic monitoring campaigns are carried out. To date, the results of the investigations conducted show that the limits have been respected.

District heating

Iren Group's district heating service produces and supplies the thermal energy required by customers for heating rooms and producing hot water.

ARERA started regulating the sector as of 2018 on aspects of commercial quality, technical quality, quotation, measurement, transparency and pricing. The Group has taken steps to adapt its technical-administrative processes and update the Service Charter, which constitutes the commitment to satisfy customer needs and to guarantee the reliability of the service, safety when using the service, and fairness and equity in contractual relations.

Iren constantly monitors the quality and efficiency levels of its services, including district heating, with the aim of adapting strategic choices to customer expectations in a logic of continuous improvement » SEE PAGE 257.

DISTRICT HEATING TARIFFS

District heating prices were, for the whole of 2023, predominantly constructed on the principle of "avoided cost", i.e. on the construction of a price, expressed in Euro/MWh, that corresponds to the price the customer would have paid for the unit of heat produced with a methane gas-fired boiler or by adopting the most widespread competing technological solution. The prices were updated on the basis of the increases applied monthly by ARERA to the sum of the tariff components related to the gas raw material for the protected market (supply, sale, infrastructure costs) and the updates of the tax components.

In December 2023, ARERA (Resolution 638/2023/R/tlr1) approved the "District Heating Tariff Method for the transitional period from 1 January to 31 December 2024" and, at the same time, commenced proceedings to define the tariff regulation to be applied from 1 January 2025, the development of which includes data collection activities, the preparation of consultation documents and the performance of in-depth studies.

DISTRICT HEATING BONUS

In consideration of the continuing international energy crisis that has produced a strong increase in the price of raw materials, in 2023, Iren Group renewed and expanded its actions to support its customers in situations of greater difficulty, confirming, inter alia, the District Heating Bonus for the 2022/2023 and 2023/2024 thermal seasons, in consideration of the fact that district heating does not benefit from government subsidies (social bonuses) that are instead applied to other energy sources.

The measure, to be paid for in full by the Group, is a discount on the district heating service granted on the bill to end customers who meet the following requirements:

- **domestic utility** for heating service or mixed heating with individual district heating contract or centralised district heating with split service or centralised district heating;
- **residence** in one of the municipalities where the Group provides district heating service (Beinasco, Collegno, Genoa, Grugliasco, Moncalieri, Nichelino, Parma, Piacenza, Reggio Emilia, Rivoli, Turin);
- **ISEE** not exceeding 25,000 Euro (for the 2022/2023 heating season); by band (less than 9,530 Euro, between 9,530 and 15,000 Euro and not exceeding 20,000 Euro) and household members (for the 2023/2024 heating season).

The Group took an active role in facilitating families to submit applications, with numerous supporting initiatives such as press releases, dissemination of digital content (information video), leaflets and assistance at all counters in the area. In addition, a dedicated section was set up on its website and all municipalities involved in the initiative were directly involved in collecting applications. This allowed customers to apply for the bonus via a method often already used to apply for other benefits. In addition, to ensure the reliability and security of information, access to online forms was made conditional on authentication with a digital signature. The initiative was widely embraced and the bonuses were all disbursed during the year 2023.

DISTRICT HEATING SAFETY

The Department of Environmental, Territorial and Infrastructure Engineering (DIATI) of the Polytechnic University of Turin has carried out, since 2017, some studies on the consequences of the possible environmental benefits, in terms of air quality, of district heating systems in the cities of Turin, Reggio Emilia, Parma and Piacenza. Analyses were conducted by comparing the environmental impacts of a scenario with a district heating system to a past scenario with a heating system based on decentralised stand-alone systems. The results showed a substantial reduction in the environmental impacts on the atmosphere through the extension of district heating networks powered by co-generation plants. The magnitude of this reduction and the average concentrations of pollutants in the atmosphere were also calculated in economic terms, i.e. by estimating the social costs avoided due to the reduction of adverse health effects.

Iren is constantly striving to ensure efficiency and reliability in the management of the district heating network, including through the adoption of advanced technologies and the preventive maintenance of the infrastructure to ensure uninterrupted service, maintaining high standards of reliability and transparency in interactions with users. To prevent negative impacts, regular inspections and maintenance are carried out to identify and promptly resolve any problems or wear on the network; advanced monitoring systems are used to detect anomalies, leaks or inefficiencies in the network in real time (terrestrial and airborne thermography). In addition, detailed contingency plans were drawn up to respond promptly to critical situations, minimising service impacts, and security measures were taken to protect key infrastructure from external threats, vandalism or sabotage. The effectiveness of the actions is evaluated through continuous monitoring of network performance and through analysis of reports of emergencies or service interruptions and their response times.

The district heating network managed by Iren Group in the municipalities of Turin, Nichelino, Beinasco, Grugliasco, Collegno, Rivoli, Moncalieri, Genoa, Reggio Emilia, Piacenza and Parma is 1,134 km long and 52% of its extension was inspected in 2023.

Smart solutions



The Group offers integrated energy efficiency solutions for condominiums, businesses, public administrations.

In addition, it provides products and services that meet the needs of safety and well-being of customers, such as: energy, building, anti-seismic upgrades, implementation and management of public lighting systems that increase the safety of urban areas, lighting upgrades (LED relamping) to improve efficiency and visual comfort, optimised management of thermal systems that make indoor environments more efficient and comfortable, improving heat distribution, design, development and installation of photovoltaic systems.

The proposed solutions are “turnkey”, including consulting services, design, implementation and monitoring, with the possibility of using incentives and customised financial and contractual solutions. For energy upgrades of buildings/plants, in 2023, customers were allowed to use the tax bonuses (superbonus, ecobonus, seismobonus, home bonus) and, limited to the cases provided for in the legislation, to receive the rebate on the invoice or to opt for the assignment of the credit corresponding to the tax deduction.

Thanks to the collaboration with professionals and companies qualified in the Supplier Register, the Group, through Iren Smart Solutions, acts as the only interlocutor towards the customer.

In 2023, 550 energy upgrading sites of private, public and third sector buildings were managed. The number of sites managed during the year related to private contracts was 500, of which 430 with the use of the 110% Superbonus tax bonus. Some sites also saw energy upgrading of centralised heating systems. Furthermore, the plant and building redevelopment project aimed at increasing the **energy efficiency of 800 properties** in the City of Turin continued, including schools, offices, sports facilities, cultural and religious buildings. A set of interventions (thermal coats, insulation systems, thermal solar and photovoltaic systems, renovation of windows and doors, and replacement of existing technological heating equipment) that will be completed in 2030 with a forecast of energy savings of 33% with respect to the historical consumption of electricity and heat, and an annual saving of approximately 7 million Euro, compared to the costs in 2020, for the City of Turin. The project, which envisages an investment of 110 million Euro supported by Iren and recovered through the energy savings achieved, will also have important implications in terms of allied industries and the local economy.

In order to give greater impetus to **Renewable Energy Communities (REC)** » SEE PAGE 181 as a tool to reduce environmental impacts and contain energy costs, the Group created the “Energy Community Project” organisational unit with the aim of implementing virtuous models based on sharing and broadening the target audience of beneficiaries, including also companies and public administration.

SMART SOLUTIONS SAFETY

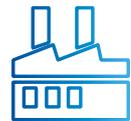
In managing smart solutions activities, the Group works to minimise impacts on the health and safety of customers and communities. Constant controls and checks of potential environmental impacts are envisaged for sites, through the Minimum Environmental Criteria (CAM), i.e. the guiding indications for reducing the environmental impact, from design to construction, intervening on various aspects: consumption of non-renewable raw materials,

consumption and degradation of land, energy and water consumption and waste production, as well as attention to the working conditions of staff. The activation of a work area must also be preceded by a noise impact assessment. In addition, the Group adopts specific measures to minimise the environmental impact of the service, such as the use of environmentally friendly vehicles and the use of accident-prevention work clothes made of environmentally friendly materials.

With regard to processes and monitoring, the configuration and implementation of the Energy Management System (EMS) platform for energy monitoring began in July 2023. In addition, in December 2023, the new Infocad IT platform was activated for the management of the Turin facilities, which automatically generates maintenance schedules with details of the activities to be performed, guaranteeing control over the scheduling of operations and highlighting any interferences in execution times.

Emergency management (disaster/emergency plan, recovery plan, emergency information and training) is understood as the level of service to the customer in the event of faults and repair work: response times are foreseen for each type of instance as well as analysis and evaluation of the level of service. A 24-hour contact line is provided to manage domestic heating systems, with repairs within 3 hours of the report.

Energy production



The management model adopted by Iren Group takes into account the health and safety of people, also evaluating the environmental aspects, risk analysis and measurement, in all phases: from design to maintenance of the plants, up to the choice, storage and disposal of materials and products, for which specific certifications are required.

ACOUSTIC IMPACT

The Group takes steps to monitor, evaluate and mitigate noise emissions throughout the life cycle of its plants and infrastructure, supported by specialist technicians, and dedicates time and resources to limit the acoustic impact of its activities, including through mitigation measures (e.g. soundproofing panels and silencers). To verify compliance with the limit values established by legislation, specific Acoustic Impact Assessments are carried out at each energy production site, which certify the level of noise generated and perceivable outside, either as a preventive measure or on already existing situations in the case of:

- construction, alteration or extension of a building work;
- starting a new business;
- submission of an application for the issuance of permits for the construction of new plants, the infrastructure of productive activities or commercial services;
- request by a public body.

In cases where the prescribed limit values are exceeded, special procedures are used that define the operating methods to be adopted to manage noise emissions, in a manner that complies with the provisions of the regulations and authorisation acts, such as the execution of acoustic remediation interventions on the most significant sources to reduce emissions within the legal limits. Periodic phonometric tests are also carried out at the perimeters of the sites or in proximity of the sensitive receptors; moreover, upon receiving reports or complaints from citizens, we implement appropriate measurements to assess the need for specific mitigation measures.

Emergency management

Iren Group has formalised and implemented a **Business Continuity Management (BCM)** model that allows the valorisation and protection of company assets guaranteeing business continuity, minimising external and internal impacts.

The main objective of the BCM is to ensure business resilience in the face of unforeseen events by ensuring the continuity of business processes deemed critical. To properly manage business continuity processes and ensure the implementation of appropriate organisational and technological measures, the Group has defined a **Business Continuity Plan (BCP)** Procedure. The BCP defines continuity strategies to ensure the rapid resumption of processes in the event of an interruption, procedures for maintaining the BCM model and staff training.

In addition, the Group has adopted a **Crisis Management Plan or Crisis Plan** with the aim, should an emergency or critical event occur, of providing a structured response that supports the corporate figures involved, containing the damage caused, ensuring business continuity is maintained and defining an action plan that identifies further measures and strategies. The Crisis Management Plan is the documented set of rules and procedures for detecting, declaring, counteracting and managing an emergency or crisis situation, and allows for the timely organisation of initial responses and all necessary actions to contain the event and return to normal operations. The Crisis Manager ensures adequate reporting to the Board of Directors of the Parent Company and the Group Company involved, the Control, Risk and Sustainability Committee, the Board of Statutory Auditors, and the Supervisory Board of the Parent Company and the Group Company involved.

In order to respond to potential accidents and alarm situations, which could occur after a natural disaster, explosions or fires and to prevent and mitigate the consequent damage to people and the environment, the companies of Iren Group have procedures and practices that define the organisation and management of information and relations with Entities.

All monitored sites and facilities have specific **emergency plans** covering the most likely emergency scenarios, including those with possible environmental impacts. Emergency personnel have been identified at each site and plant, who are trained and updated periodically. Evacuation tests are carried out annually involving all persons present, including visitors, customers and suppliers; depending on the site, simulations are also carried out regarding the management of additional emergency scenarios (illness, spillage, etc.). The contingency plans of the main corporate districts identify an emergency manager and coordinator for each site. Upon entering the site, visitors are given a specific informative note containing the behavioural procedures to be followed. The company emergency plans are constantly updated in accordance with the guidelines shared by all Group companies.

Emergency situations connected to possible environmental pollution during the operation of plants, or due to mechanical failure of instruments of control or measurement of chemical physical operating parameters, are managed in accordance with criteria of immediate intervention on the fault, by specialised personnel, 24/7 (on some complex plants, such as waste-to-energy plants), via request and call of on-call technicians. The action aimed at fixing the failures occurs in the minimum time needed to carry out works.

To facilitate access to information relative to any weather alerts, the company smartphones – which are provided to all employees – are loaded with an App that provides a direct link to the official weather alert sites in the regions where the Group operates. For employees who operate mainly in the outdoors, specific procedures have been established to define the operating guidelines to be observed in relation to the presence or otherwise of weather alerts.

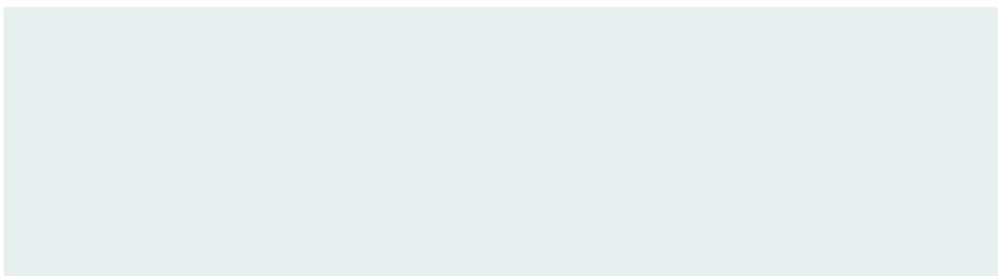
TERRITORIAL EMERGENCY SUPPORT

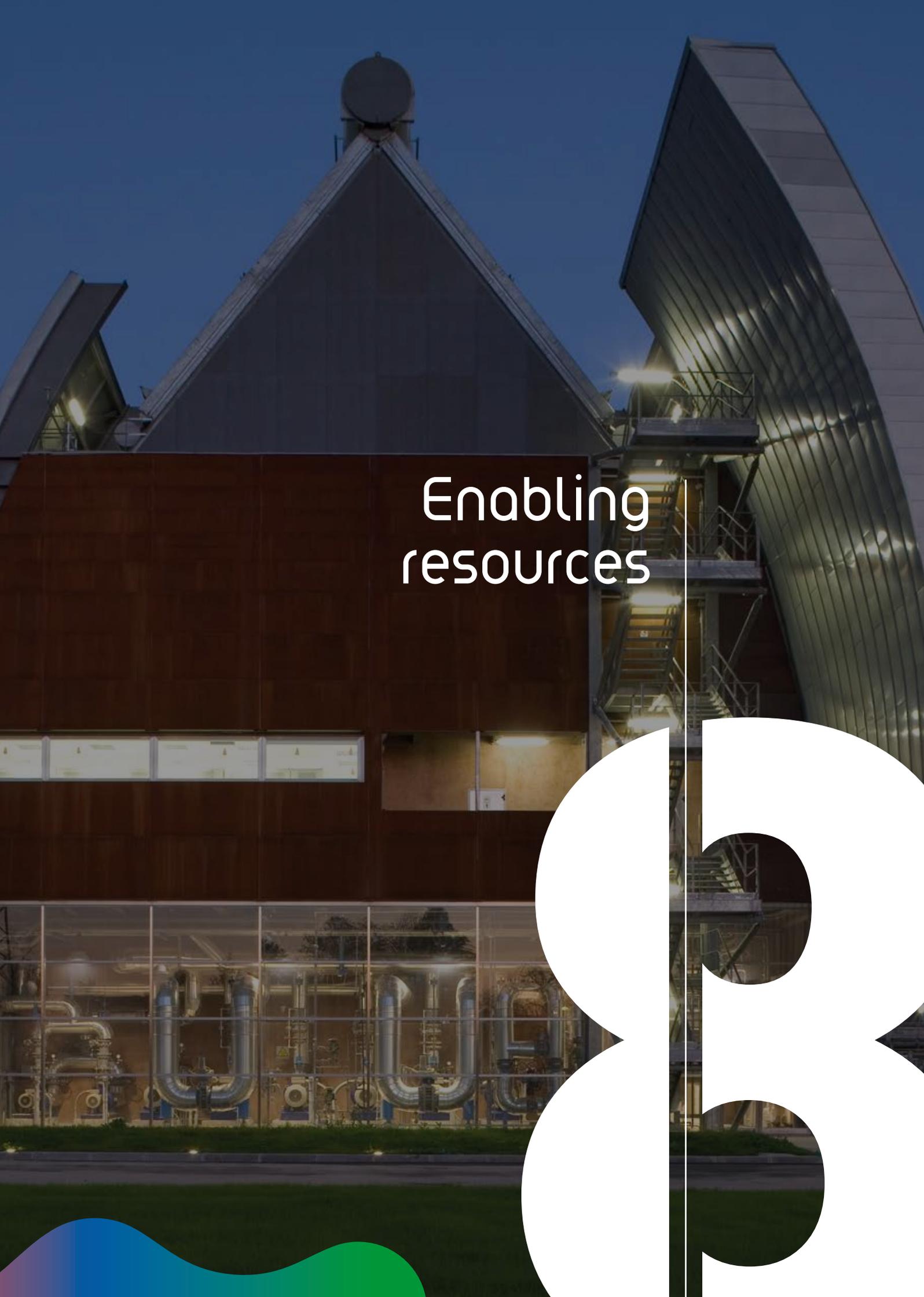
During emergencies and natural disasters, Iren Group works to provide support to affected communities, providing resources and infrastructure for the safety and well-being of residents, working closely with local authorities and relief organisations.

In 2023, Iren Group offered significant help to the people affected by the floods in Emilia-Romagna and Tuscany. In Forlì, Faenza and Cesena, where the consequences of the flood were particularly severe, the Group worked to alleviate the hardships: trucks and special vehicles were sent to remove accumulated rubbish and debris from the roads. The primary objective was to clear transit routes and clean up heavily affected public and private areas. The clean-up operations were complex and required careful coordination with the local authorities to ensure that the affected areas were restored to normal as quickly as possible. A developed commitment, with a strong focus on the need to resolve emergencies in compliance with environmental and safety procedures.

In the areas of Tuscany affected by the floods, Iren Group offered active support in the clean-up operations with 12 men and 7 vehicles made available to remove debris and clean up the areas affected by the natural disaster, in over 500 hours of work.







Enabling resources

IN THIS CHAPTER WE TALK ABOUT

our
people



our
suppliers



innovation
and digital





Our people

[GRI 2-7, 2-23, 3-3, 201-3, 202-2, 401-1, 404-2, 405-1, G4-EU15]

Employment levels, skill coverage and development, workers health and safety, and the quality of employment are central in the Sustainability Policy and for pursuing Group’s strategies, which, also in terms of jobs, support the Global Compact principles. Investment in developing internal skills and enhancing the value of human resources is a fundamental element of the pact between the company and the individual, along with efforts to reconcile life and work needs, improve working conditions and foster a stimulating and constructive work environment. The aim is to become a team, add value to the outcome of individual work and increase a feeling of belonging, creating a shared social, cultural, professional and intellectual terrain.

Employment, development of human resources, welfare



Risks

- Failure to achieve the objectives and targets (economic-financial and ESG) set out in the Business Plan and consequent negative impacts (operating, economic, financial and reputational)
- Loss of key skills/inadequate job profiles
- Loss of talent
- Slowdown/interruption of operations and/or impairment of service quality level due to lack of personnel/workers’ strikes
- Outsourcing policies not adequately managed with respect to business needs
- Labour disputes
- Sanctions and fines for non-compliance with labour laws
- Lack of attention to employees’ well-being
- Poor work-life balance
- Disruption of relations with trade unions and the subsequent negative operational and reputational impact



Opportunities

- Improving the internal climate
- Loyalty of human resources
- Favourable legislative framework for better corporate welfare
- Smart working arrangements for compatible activities



Management methods

- Planning and monitoring of business plan objectives and targets (economic/financial and ESG)
- Code of Ethics
- Sustainability Policy
- Protocol of industrial relations
- Organisational Model 231 and information flows to the Supervisory Bodies
- MbO and LTI system with ESG objectives
- Integrated Certified Management System (risk assessment, containment measures and third-party audits)
- Talent acquisition initiatives
- Compensation & benefits policies
- Performance appraisal system
- Retention programmes
- Company welfare system
- Monitoring of labour law developments and specific audits on regulatory compliance
- Procedures: Personnel recruitment and selection; Training and education; Internal communication; Whistleblowing
- Guidelines: Definition of key resources; Management by objectives; Economic and professional development
- Internal communication
- Studies for the renewal of the reference National Collective Labour Agreements and participation in their work at national level

The growth and enhancement of employees, including with a view to diversity and inclusion and together with health and safety, are fundamental values for Iren Group: pillars that are transposed into the mission and vision of the Strategic Plan [» SEE PAGE 113](#) and in the actions of personnel.

Through actions aimed at increasing professional skills and improving the level of education, not only of employees but also of the workers in the supply chain [» SEE PAGE 340](#), the Group contributes, in a broader way, to the quality of employment in its related industries and in the local areas.

In the current economic context, employment is of extreme social importance and is a crucial factor for the Group that sees fundamental capital for growth in its human resources.

The general objective is to manage individual skills and expertise, within a model that aims to maintain the high quality of human resources, through policies that aim to increase professionalism and guarantee the necessary involvement.

Investments in training and development, meticulous career planning, targeted strategies to enhance talents, tailored benefits, personalised remuneration policies and an innovative corporate culture are some of the elements the Group continues to be focused on.

11,004 employees of Iren Group

At 31 December 2023, the employees working for Iren Group totalled 11,004, up compared to the 10,583 employees at 31 December 2022.

Personnel as a 31/12 by position (no.)	2023	2022	2021
Executives	114	117	104
Junior managers	381	372	345
White collars	4,641	4,474	3,915
Blue collars	5,868	5,620	4,691
TOTAL	11,004	10,583	9,055

The main personnel changes are due to:

- changes in the scope, mainly resulting from the inclusion of the companies Acquaenna (103 resources), AM.TER. (17 resources), ReMat (13 resources), Romeo 2 (8 resources) and Semia Green (9 resources);
- the characteristics of the annual workforce trend of the company San Germano due to the launch/conclusion of contracted services, including those of a seasonal nature;
- continuation of the generational turnover plan;
- substantial number of recruitments related to the Group's development and expansion needs, also aimed at acquiring new skills.



99% of the Group's employees are employed on permanent or apprenticeship contracts

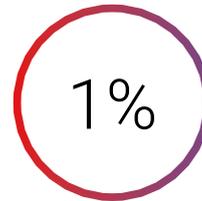
PERSONNEL BY CONTRACT TYPE



Permanent contract



Apprenticeship contract



Fixed-term contract

Of personnel, 99% are employed on permanent or, in the case of young people, apprenticeship contracts. This figure confirms that the Group favours long-term working relationships, also offering opportunities for internships to give young people, in particular, substantial professional experience. In 2023, 55 people were give internships and 40 students took part in School-Work programmes. 40% of the employees fall within the 30 and 50 age group, while the average age is 47.3.

AVERAGE PERSONNEL BY AREA



37%
Piedmont



25%
Emilia-Romagna



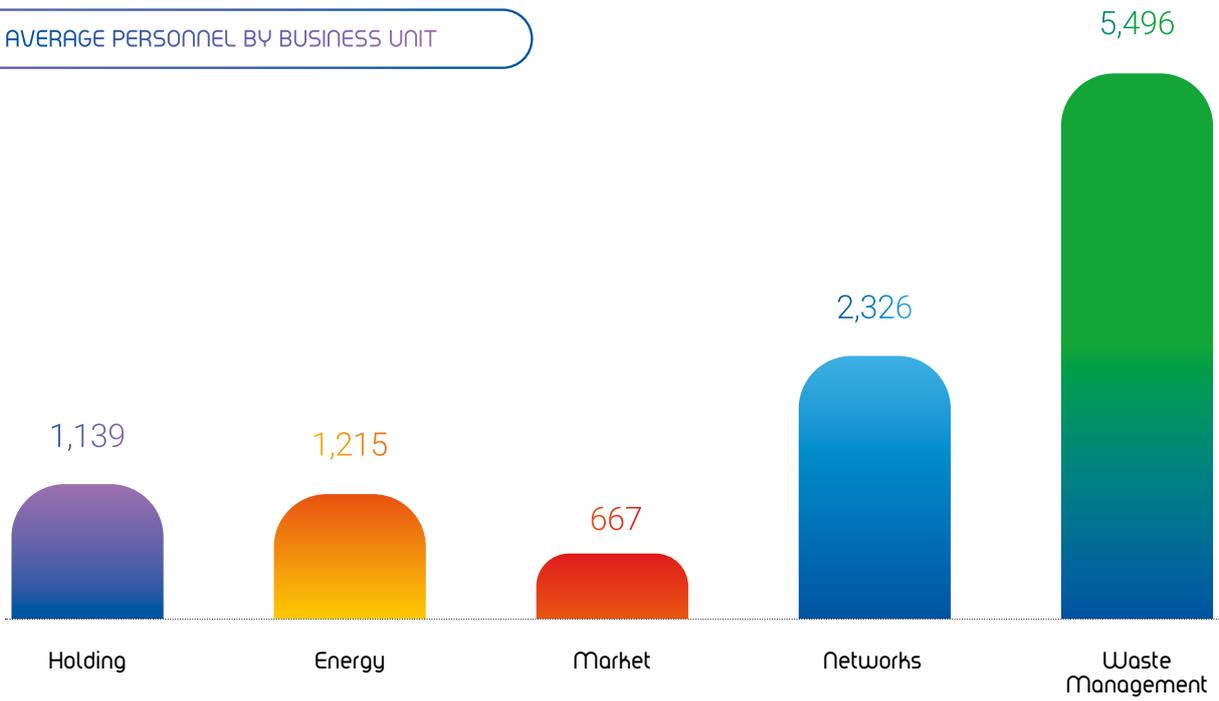
20%
Liguria



10%
Tuscany

8%
Other

AVERAGE PERSONNEL BY BUSINESS UNIT



The Group believes that maintaining long-term relations with its own employees, in combination with lifelong learning programmes, is an essential part of its corporate responsibility and is committed to avoiding any form of collective or unfair dismissal, always in compliance with legal and contractual provisions, in the case of positive economic results or otherwise those in line with Shareholders' expectations.

The management of redundancies, should these occur, prioritises rewarding voluntary redundancy for those eligible to access pension funds, and the reassignment of excess personnel to other activities within or promoted by the Group, with due retraining, and the use of the available social safety nets, promoting forms of internal solidarity and, where necessary, insourcing activities which had previously been outsourced.

Moreover, the Group is committed to protecting, in line with legal and contractual provisions, people belonging to protected categories and/or suffering from long-term illness, avoiding any form of discrimination in their regard.

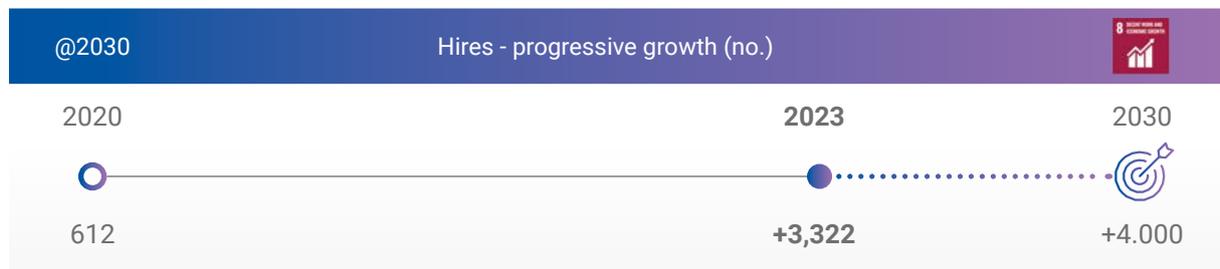


NEW HIRES AND CONTRACT TERMINATIONS

During the year the Group carried out an important recruitment plan, offering employment to a large number of young people.

1,145
new hires
in 2023

While having no specific local recruitment policy, given the specific features of the Italian labour market, a high percentage of Group employees reside in the province where their place of work is located. Furthermore, considering the type of business, the geographical areas of operation, the policies and the procedures adopted to ensure compliance with current legislation, no risk of child labour or forced labour exists for Iren Group. In 2023, there were 1,145 new hires, in line with the targets of the Business Plan to 2030.

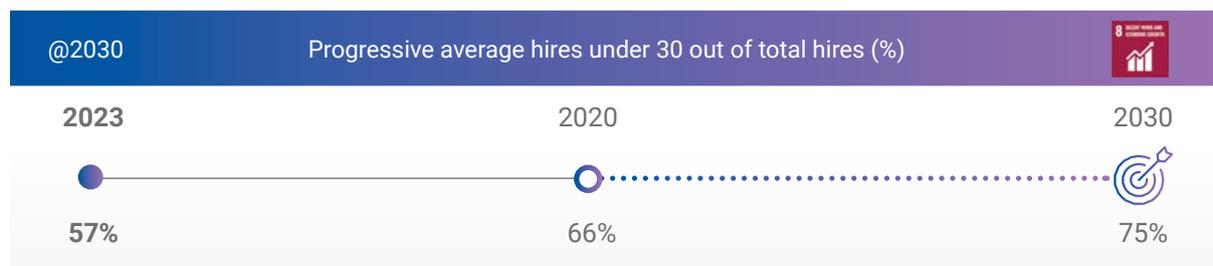


Hires by type of contract (no.)	2023	2022	2021	2020
Permanent contract	662	634	350	177
Fixed-term contract	281	284	268	238
Apprenticeship contract	202	373	268	197
TOTAL	1,145	1,291	886	612

The figure of contractual types is influenced by the characteristics of the San Germano company, which makes use of hiring under fixed-term contracts (223 in 2023) to cope with the start-up of contracted services, including those of a seasonal nature. For the remaining companies, 93% of new hires are on permanent or apprenticeship contracts, while the remaining hires on fixed-term are due to seasonal or replacement needs.

Hires by age and gender (no.)	2023	2022	2021	2020
under 30 years old	386	558	388	308
from 30 to 50 years old	545	562	373	199
over 50 years	214	171	125	105
TOTAL	1,145	1,291	886	612
Men	935	994	717	515
Women	210	297	169	97
TOTAL	1,145	1,291	886	612

Hires under 30 represent 34% of total hires in 2023. In its development plan, Iren has included the commitment to increase the presence of young people in the company, with the aim of gradually reaching, starting in 2020, 75% of new employees under 30 by 2030, considering permanent hires and independent of takeovers in tenders and internalisations, which involve the acquisition of an already established workforce. At the end of 2023, progressive recruitment under 30, for which a specific target is defined in the Business Plan, stands at 57%. Among new hires, the percentage of women represents 18% of the total.



100% confirmed apprenticeship contracts

In line with Group policies, among contracts subject to expiration during the year, 100% of apprenticeship contracts were confirmed; fixed-term contracts were renewed within the limits of replacement needs and seasonal operations.

Employees with contracts expiring during the year (no.)	2023	2022	2021
Fixed-term/apprenticeship contracts up for expiry	327	386	334
of which confirmed on a permanent basis	245	312	256

The main causes of termination are resignations and consensual terminations/retirements. If the latter are the driving force behind the demographic rebalancing plan, the former are to be correlated with the great resignation, a global phenomenon characterised by the progressive increase in the number of workers resigning from their jobs, albeit on a smaller scale than the national trend.

Almost all terminations due to the expiry of fixed-term contracts (144 in 2023) relate to the seasonality of the related employment relationships of the company San Germano.

Outbound employees by reason (no.) and turnover	2023	2022	2021
Resignations	372	282	197
Voluntary termination/retirement	256	256	278
Death	20	11	14
Dismissals	60	62	36
Inability to work	2	1	5
Expiry of fixed-term contract	157	146	133
TOTAL	867	758	663
TURNOVER ⁽¹⁾	7.9 %	7.2 %	7.3 %

⁽¹⁾ Turnover was calculated as ratio of outbound employees to the number of total employees at 31/12.

Turnover is up compared to 2022, due to both the increase in the number of resignations and the generational turnover process and related replacement plans.

In the preparation of the Business Plan, studies and simulations were carried out on the potential redundancies of Group personnel due to achievement of the right over the plan. Consequently, the Group is making preparations to handle these potential redundancies, taking into account possible organisational changes to work and the new skills needed. In the Group there are no specific pension plans, however, all legal and contractual obligations are respected.

HOURS WORKED AND HOURS OF ABSENCE

Over 94% of hours worked are normal working hours.

Hours worked (no.)	2023	2022	2021
Normal working hours	17,236,062	15,159,248	13,917,526
Overtime	982,449	879,497	722,756
TOTAL	18,218,511	16,038,745	14,640,282

Several strikes occurred in 2023, all of which were of a general and/or national nature, called as a result of new legislative provisions and/or political/governmental choices, and thus not arising from company reasons or causes. Maternity events, parental leave and compulsory fathers' leave increased significantly compared to the previous year.

Hours of absence by type (%)	2023	2022	2021
Sick leave	58	65	56
Maternity, paternity and parental leave ⁽¹⁾	8	5	7
Injury	7	7	6
Strike	1	0	2
Trade Union meetings and leave	4	4	4
Other absences (paid and unpaid)	22	19	25
TOTAL	100	100	100

⁽¹⁾ 23% of the hours are used by male employees.

The sickness rate ⁽¹⁾ is 5%, a decrease compared to 2022 (6%), consequently the absenteeism rate of 5% also shows a decrease compared to 2022 (6%)⁽²⁾.

⁽¹⁾ The sickness rate is calculated as the ratio of sick leave hours to hours worked.

⁽²⁾ The absenteeism rate is calculated as the ratio of days away from work due to illness, injuries, strikes and certain other types of absence to working days in the year per employee, excluding Saturdays, Sundays and public holidays, multiplied by the average number of employees.

Human resources management

[GRI 2-21, 2-24, 2-30, 3-3, 202-1, 401-2, 403-5, 404-1, 404-2, 404-3]

SELECTION SYSTEM

Personnel constitute a fundamental resource both for the quality and efficient management of services and for the growth of the Group: ensuring the necessary personnel to meet service requirements, both quantitatively and qualitatively, in terms of skills, is the objective underlying the management and planning of the Group's human resources.

The personnel search and selection process is based on the principles of equity and transparency, which are also declared in the Code of Ethics, and is structured in compliance with the Model 231. Candidates are recruited outside the Group only after it has been verified that there are no potential internal candidates with profiles that are consistent with the position to be filled.

Applications for open positions can be made via the channels on which the active searches are published: the "IrenFutura" portal, the "job" page of the Group's LinkedIn profile, specialist recruitment websites, social media pages and channels using recruiting agencies appointed by Iren following specific tenders. Applicants can select the advertisement that best meets their skills and interests or submit their application, without attaching it to a specific advertisement.

Other candidates may come from the main universities and schools in the local areas, with which the Group has built up solid partnerships over time, from employment centres, temporary employment agencies and training institutions. As far as high schools and technical institutes are concerned, mutual acquaintance between the Group and candidates can also take place through Percorsi per le Competenze Trasversali e l'Orientamento (PCTO, formerly alternating school-work), which allow young girls and boys to experiment closely with forms of daily working life in Group companies, as well as through thematic interventions in the classroom conducted by qualified Group personnel.

All candidates are assessed by professionals with experience in the sector, based on pre-defined, fair

and transparent criteria, which are shared between the Company Departments involved, taking the Group's system of roles and competences as a reference. Every CV is assessed on the basis of how well it matches the requirements of the vacant position. If the profile meets these requirements, it is included in the selection process; otherwise, it may be taken into consideration for other relevant positions. The selection processes may include various types of tests (technical, practical, etc.), as well as structured interviews, so as to gain in-depth knowledge of applicants and to guarantee fairness and transparency. The standard selection process involves a number of pre-defined steps: identifying the most suitable profiles from the submitted CVs; initial interview to find out the candidate's reasons for applying and discuss the experience indicated on the CV in more detail; second interview with representatives from the HR Department and organisational departments where the candidate is to be placed. At the end of the selection process, the applicants always receive feedback on the outcome of the interviews, even in the event of a negative outcome. In the event of a positive outcome, the new employee is integrated into the Company according to a process defined on the basis of the position to be covered.

Also in 2023, the Group joined the Valore D programme, pledging to create a more level playing field for diversity and female employment (» SEE PAGE 307) and actively participated in professional networking with other companies in order to share results and best practices in this area. With the aim of diversifying the selection processes and promoting training in the field of energy and sustainability in the territories where the Group operates, a project group called "Energia per i Giovani" (Energy for Young People) was set up. By involving several companies in the sector, employers' associations and the University of Genoa (Savona Hub), it will promote knowledge of the company's skills with respect to technological innovation towards energy transition, enhancing the results achieved and the research activities in place.

PERSONNEL DEVELOPMENT

In order to implement its strategy, successfully anticipating and facing the complexity and changes of the market, regulations and technologies, Iren Group invests in order to increase the wealth of internal skills and enhance its human resources, adopting specific policies, means and tools. Discovering, developing and promoting personnel skills is a fundamental commitment of the agreement between the Company and the individual.

In order to govern all the processes connected to personnel management and development in a unified and systematic way, faced with the dual necessity of addressing the new challenges of the future and preparing consistent policies, the Group has put in place its own **performance management model**, the Group Job System, which is subject to constant update and refinement.

The Job System is a model to analyse and understand the professional skills present within the Group, transversally across the companies, businesses and departments in which they are found. Their main elements consist of professional areas, professional groups, the sub-groups, standard jobs and organisational roles. It is the logical infrastructure on which the main human resource management processes, including training and skills development, are based. Specifically, each standard job within the Job System is weighed, in relation to the contribution that each organisational role provides in the creation of value, with a shared platform for internal comparison, as well as with the market. Management bands (groupings) are identified on the basis of the weight of the positions,

which were then divided into sections, into which each of the roles present are characterised by the same complexities and responsibilities, managerial skills and management policies. The managerial skills that must be put into effect in order to achieve results in accordance with the means and values that characterise the Group, and which constitute supportive elements in evaluating individual performance, are defined alongside the band system adopted. The expected professional knowledge and skills are also defined for each standard job, being those which are fundamental not only for the performance management system, but also for other human resources management processes (first and foremost, training and internal mobility).

In 2023, the **monitoring and development of competencies** continued, with the updating of the training plan both through discussions with the various Departments and through the **performance management** process. The latter, aimed mainly at executives, junior managers and white-collar workers, is among the central tools of the human resources development system and is integrated with the individual incentive system (MbO). On an annual basis, the performance appraisal system focuses on both technical and result-related aspects as well as on value and behavioural aspects, orienting individual performance towards shared values and results. During the year, the Group launched 14 training initiatives in blended mode, virtual classroom and e-learning, aimed at increasing the level of awareness of the performance management process, which enabled 600 new participants to be trained.

In order to provide people with the right tools for awareness and support as they expand their activities and responsibilities, and to complement the indications provided by the performance management system, in 2023, 107 assessment paths conducted by external bodies were activated, both on growing figures in the operational world and on senior management roles. In addition, in order to broaden the application of this tool and to refine the process of defining succession and development plans, which is already active for executive roles, in 2023, the Personnel and Organisation Department set up a project table with the aim of implementing a transversally applicable model to enhance the value of people to be assigned to development paths, offering them opportunities for growth, and anticipating the need to fill key and critical positions.

The year 2023 was also a year of evolution and transformation for Iren Group, consistent with the challenges outlined in the Business Plan to 2030. The finalisation of important acquisitions and the numerous recruitments required the introduction of new skills and, at the same time, fostered the dissemination and contamination of existing ones. In this context, the projects and actions continued to improve the effectiveness and efficiency

of operational processes, making investments in technology and digitalisation, in order to lead and anticipate the rapid changes underway and meet the new challenges imposed by the market. Therefore, it was necessary to maintain and expand upskilling and reskilling programmes to support people in the various stages of their professional career, supporting the transfer of know-how between generations and enabling everyone to count on the set of skills needed to best cover their role to effectively contribute to the achievement of company results, fostering the expansion of digital, technological and soft skills that are fundamental to support the processes of adaptation to the new organisational and production models. The many initiatives organised for this purpose were often realised by making use of internal resources that collaborated both in terms of planning and teaching.

PERSONNEL TRAINING

Training is a fundamental tool to support the development and enhancement of people and their skills and thus foster the harmonious growth of the Group. The consolidation and development of technical and managerial skills and the sharing of corporate values are at the heart of the Group's commitment to create learning opportunities that enable everyone to keep up with current and future business scenarios.

That is why the 2023 education strategy was inspired by these objectives:

- monitor the know-how present and contributing to its dissemination and evolution, ensuring its exchange between the generations that meet at work;
- stimulate curiosity about new skills and new ways of learning;
- implement reskilling programmes to enhance and improve everyone's skills in the face of new needs, new markets and new scenarios;
- share and disseminate knowledge and tools useful for living life to the full in the Group.

The training offer, diversified by macro-objectives, is developed and periodically updated to align it with the reference context (e.g. global macro-trends, Business Plan, technological and/or regulatory developments). The main areas of intervention concern different types of competencies: managerial and behavioural, technical-specialist, linked to contractual, regulatory and safety requirements, transversal and/or linked to strategic Group projects.

Continuous learning is one of the main levers for professional growth and maintaining professional profiles aligned to needs.

A path that begins immediately, with the **Onboarding** programme dedicated to new hires. The welcome starts from the moment the contract is signed, through the ReadyTolren app which, through various tools, provides new hires with information about the Group and allows them to get to know each other through a structured survey that guides their individual storytelling. The course continues with a welcome webinar, in which useful information is shared to facilitate the induction, and a subsequent moment, at one of the managed plants, to learn more about the organisation and activities of the Group and to encourage networking and relations among the newly inducted. This is followed by individual e-learning, through access to content available in the training Portal on the intranet or on external platforms.

23 editions of Welcome Webinars for new hires

In 2023, 23 editions of the **welcome webinar** were organised (3,055 total hours between in-person training and e-learning content), which was revamped in format and enriched by the organisation of 19 initiatives at plants.

The training sessions extended to all are followed by customised courses based on the level of responsibility and seniority: the **induction courses** are dedicated to new managers and professionals and are useful for introducing new recruits individually to key people for the performance of their activities (in 2023, there were 22 courses for a total of 86 hours).

Learning continues at an individual level, through the company intranet, where it is possible to find informative and disclosing materials, slides and videos of welcome webinars, interviews with management and employees talking about their experience at Iren, virtual tours of the main plants and videos on the Group's values.

Investments in staff reskilling and upskilling are increasingly focused on the development of new skills and the consolidation of existing ones, with a focus on new processes and technologies.

Training is the basis of development and professional growth, and meets the needs of innovation and change



The **training process** starts from an understanding of the reference context (global macro-trends, Business Plan, personnel management strategy) and takes shape, after listening to company management, in the outline of strategic objectives for the current year. For core competences, an analysis of implementation needs is carried out, at the level of role, organisational function and professional family, detected through the performance and competence assessment process >> [SEE PAGE 296](#).

The needs are entered into a **training and development plan** - updated periodically - relating to managerial skills, technical specialisation, compulsory training and training on transversal skills and/or linked to strategic Group projects.

The **management of training** is through a dedicated application (Training Portal), which is updated continuously with employees' personal data and is connected to a platform of e-learning courses accessible to all employees through their own devices (PC, tablet and smartphone). Participation is tracked and helps to enhance employees' training qualifications, which can be consulted by employees, their managers, the Personnel Department and the Prevention and Protection Service Manager. The Portal is continuously being enriched with training features and content. In particular, in the "free use" area, more and more courses are available, selected from those most in demand by employees (e.g. project management or time management), and courses of a mainly compulsory nature. All the training provided is subject to effectiveness evaluation, through the analysis of the satisfaction and learning of the participants and the monitoring of indicators that provide useful elements for improving the training offer; the assessments are also enriched by the results deriving from the biennial assessment of skills.

With the development of new technologies and the digital evolution, training at Iren Group has changed paradigm, moving from traditional classroom training to the use of new learning modes, such as virtual classrooms and live webinars, and specific online training platforms, for example in the IT/cybersecurity area, which offer greater flexibility, usability and customisation, reaching and engaging even people who work remotely, and which have been added to the asynchronous e-learning mode already in use, building a different company-individual training alliance.

In order to foster the growth of **managerial skills**, training activities were continued, aimed in particular at managers, with a focus on decision-making (e.g. with the course "Making decisions under conditions of uncertainty", in which about 400 employees were involved, for more than 4,000 training hours) and on **inclusive culture** (e.g. the course "Diversity as an accelerator for development", in which 95 employees were involved, for almost 250 training hours). During the year, the use of an external training platform on topics of an organisational and management nature was also promoted, involving employees in live events with top-level lecturers and testimonials, and with the opportunity to interact with colleagues from the largest Italian companies. Negotiation, public speaking, lateral thinking are the main topics covered, involving more than 100 employees for more than 500 hours in total. One area of the platform was dedicated, in particular, to employees

in the Personnel and Organisation function who are called upon to monitor ongoing social, economic and organisational changes and to adopt anticipatory and strategic approaches.

In addition, efforts continued to support the development and training of key skills, linked to Group values and translated into behaviours observed in the Performance Management system: during the year, training sessions were organised, managed by the Training and Development department, in which each participant had the opportunity to better contextualise the skill covered by the training module and improve their awareness (about 900 employees involved, for over 2,800 hours of training).

With regard to **technical expertise**, the initiatives related to the update of the Procurement Code, which came into force before the summer of 2023, were of particular relevance. The training involved 460 employees from the legal, engineering and technical areas for a total of 2,700 training hours. Also significant was "HR InForma", the periodic professional refresher course dedicated to all personnel in the Human Resources area, with the dual objective of maintaining the specific skills related to the activities supervised and to learn more about the parallel activities of other colleagues in order to better share internal procedures and also identify potential improvements (over 1,500 hours of training for more than 120 employees).

In 2023, **internal training** of an informal nature was also systematically emphasised, encouraging and supporting all the spontaneous and content-rich initiatives that service managers or internal experts often organise for the benefit of colleagues. In a high-skill group such as Iren, for example, the internal restitution of knowledge acquired by some colleagues in external courses can be enriching for a broader range of employees, just as the sharing of experience by those with greater seniority can serve to oversee homogeneity in operating and behavioural methods, especially in departments where there has been a lot of recruitment. There were many training initiatives organised internally by employees for other colleagues, with the support of Training and Development: the "Management control - Fundamental concepts for non-experts - basic and advanced" courses within the Networks Business Unit (700 hours of internal training and more than 180 employees involved), periodic training on gas/water sector regulations and related materials in use, refresher meetings promoted by the legal area, and, again, meetings to develop technical and professional skills for the surveillance area, which is also evolving thanks to new technologies.

Furthermore, the investment in developing project management skills, which are very useful to support the Group's many projects, continued, especially in the IT area where the complexity of activities has increased in recent years: from the increasingly advanced digital control of plants and networks to the management of cybersecurity aspects (960 training hours and 45 colleagues involved).

For the systematic development and consolidation of technical and professional skills in specific "trades", periodic in-house training activities continued in 2023, dedicated to operational staff in the water sector ("Sewer Networks" and "DepurAzione"), to which the first modules of new training actions were added ("AcqueDotto" and "Wastewater treatment ACAM"), for more than 2,900 hours of training and 312 employees involved.

These experiences arise from the need to oversee professional activities that are critical due to the evolution undergone by the professional field, the entry of young recruits who will have to work with highly experienced colleagues, and also due to the difficulty of finding candidates on the labour market that meet expectations. For these reasons, paths of high internal involvement were set up, with the aim of enhancing existing professionalism, facilitating the exchange of experiences between the almost four generations co-operating in many structures and homogenising upwards the competences within one or more professional families. In other cases, a technical dialogue with experts in the sector was deemed more effective, thus resorting to externally activated training modules, balancing theoretical and experiential components and putting learning into practice both in external laboratories and on Group plants (e.g. the path for maintenance technicians in the thermoelectric area, launched in 2022, with over 280 hours of training dedicated to 10 people, which will continue in 2024). A working group was set up in 2023 to explore this approach and develop training projects of the "school of trades" kind, identifying new critical profiles and more organic and integrated training solutions.

With regard to **skills associated with strategic and transversal projects**, in 2023, the "**Digital Culture**" initiative continued, aimed at all operational staff with the objective of familiarising them with the activities and tools implemented by the Group in terms of digitalisation and promoting their use (900 hours of training for over 600 employees involved). In line with the policies adopted by the Group for **cybersecurity**, [SEE PAGE 355](#) the Security Awareness project continued with the periodic provision of a series of e-learning training modules and optional

in-depth modules to all employees, to increase awareness and knowledge on IT security issues (4,600 hours of training for over 7,000 employees involved). Also of great impact were the various training initiatives for the **new intranet** >> [SEE PAGE 305](#) with the identification of intranet improvement needs in the logic of co-design and the “ambassadors” of change, employees involved in classroom events and in field coaching (over 400 hours of training for 124 employees involved).

Another important initiative was the activation of a specialised course on **Human Rights**, initially dedicated to some figures in the Corporate, Human Resources, Procurement and Corporate Social Responsibility areas, as part of a plan for **training on ESG issues and the 2030 Agenda** that, in 2024, will involve the entire corporate population with the clear objective of impacting not only the corporate culture but also the individual.

THE LEAN PROGRAMME

Furthermore, the **Lean Programme** continued to encourage the promotion of the culture of continuous improvement, simplification and efficiency of company processes, through the elimination of waste and the adoption of performance measurement and analysis tools.

Starting from 2022, the Lean Academy was established, with the aim of involving all levels of the Group in specific coaching, training and certification paths according to internationally recognised standards (Lean Six Sigma). After the certifications obtained in 2022 (8 resources of the staff structures), in 2023, the competences of a further 16 employees (staff and business, for more than 400 hours of training) were certified, thus giving rise to a community of 24 people in the various company areas, whose commitment led not only to the development of their competences, but also to the implementation of significant continuous improvement projects aimed at achieving the Group’s industrial objectives.

Significant, also for 2023, is the Group’s commitment to training on issues related to **anti-corruption**: interventions to disseminate and update knowledge of Model 231 continued systematically in favour of all personnel who joined the Group (new recruits and personnel belonging to companies acquired within the perimeter). A total of 370 employees were involved in about 1,500 hours of training.

For employees with professional apprenticeship contracts (734 people), 48 compulsory training courses were activated, provided by regional accredited bodies, for a total of 14,780 hours, plus 68,000 hours of technical and vocational training (on-the-job/coaching by company tutors, in-person courses, webinars or e-learning). In order to make the relationship between tutors and apprentices more effective, 5 experimental live editions of an awareness course for the role of tutor were delivered, with excellent results in terms of satisfaction and greater appreciation of on-the-job training, which is just as important as formal training; the success of the initiative will lead to the experience being replicated in 2024 for all tutors in all Group companies.

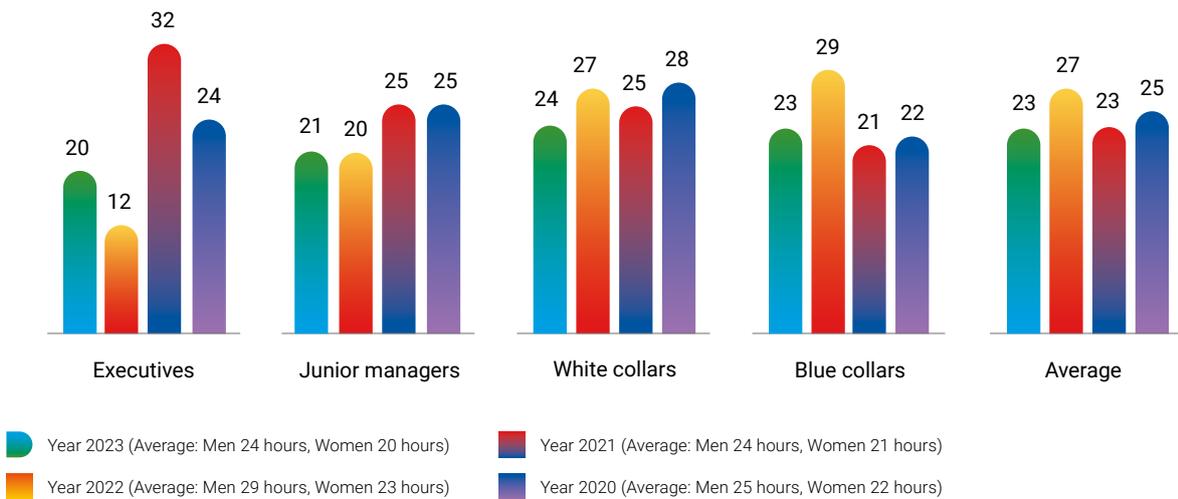
Training hours by position	2023	2022	2021	2020
Executives	2,319	1,364	3,272	2,172
Junior managers	8,109	7,497	8,477	7,846
White collars	108,213	111,334	95,929	98,455
Blue collars	131,548	149,267	95,468	93,616
TOTAL	250,189	269,462	203,146	202,089

The total number of training hours provided by the Group in 2023 - more than 250,000 hours, including apprentices and workers on staff leasing contracts - is substantially in line with 2022. The average number of training hours per capita, amounting to 23, is influenced by the gradual application of Group policies to the

companies acquired during the year, which produced a significant increase in the average number of employees against lower training hours compared to the Group average. A contribution to maintaining training hours - in line with the objectives of the Strategic Plan to 2030 - is also to be attributed to the technology platforms that have made it possible to ensure continuity, enrichment and greater dissemination of the training offer, making it more scalable and effective, building evolved learning experiences and contributing to the consolidation of digital skills at all levels of the organisation, with particular reference to operational staff.



TRAINING HOURS PER CAPITA BY POSITION AND GENDER



10,848
employees
involved in
training

The per capita average of training hours for female staff remained stable (20 hours), accounting for 21% of the total number of hours provided. There were numerous initiatives specifically dedicated to female staff, such as webinars organised by Valore D, mentoring and coaching activities.

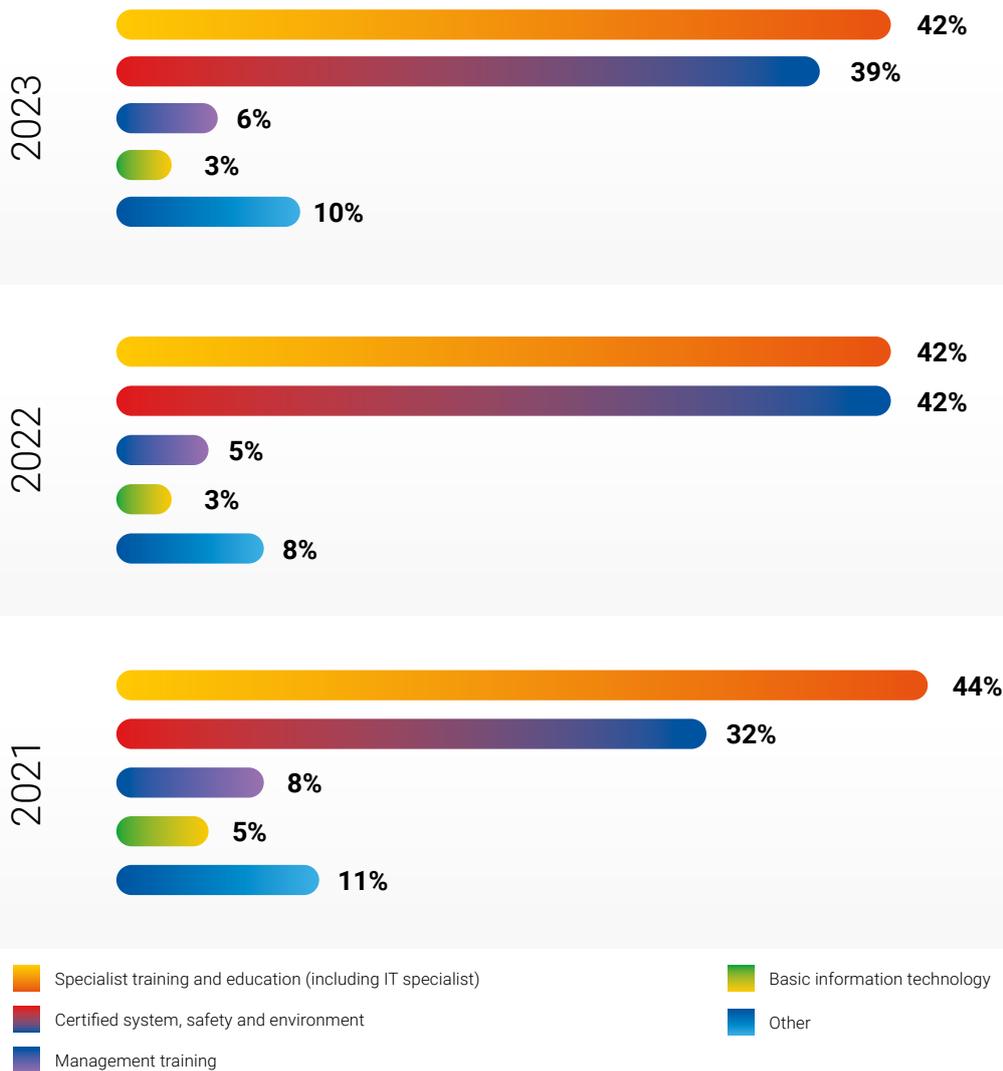
A total of 10,848 employees participated in at least one training initiative, consistent with the Group's strategy. The percentage of trained workers is positive, from 90% in 2022 to 96% in 2023, also thanks to the gradual involvement in distance learning initiatives that produce significant results in terms of participation and learning, with high approval ratings.

Employees involved in training activities (%) ⁽¹⁾	2023	2022	2021	2020
Executives	94	100	100	100
Junior managers	100	100	100	100
White collars	100	100	100	100
Blue collars	96	90	86	73
TOTAL	100	98	94	88

⁽¹⁾ Ratio between number of people involved in at least one training event and the average annual number of employees.

In 2023, specialist training (including specialist IT) was still relevant, reaching an average per capita of about 10 hours, with incidence of 42% of the total hours. This scope also includes training and on-the-job coaching for over 700 apprentices, coaching to supervise the correct application of safe behaviours (over 4,000 hours of coaching), collaborations with entities specialised in technical refresher courses to maintain training credits for engineers, biologists, chemists and experts, with business schools and higher education institutions for participation in master’s degrees and specialised courses, as well as with professional training entities (e.g., for qualification to operate steam generators and for mandatory transversal training for apprentices).

% DISTRIBUTION OF TRAINING HOURS BY TOPIC



The other significant subject area is safety, which accounts for 36.8% of the total number of hours.

Internal training, characterised by the ad hoc design of content and realised with both internal trainers and external consultants, continues to represent the Group's distinctive feature, with 1,353 courses realised in over 4,000 editions (more than 78% of the total number of hours). External training - which covers 22% of the hours provided - is purchased by catalogue with participation in inter-company initiatives or with ad hoc initiatives with external teachers.

The training is also measured through the feedback provided by the participants at the end of the courses: satisfaction reaches 85%, while the learning index, measured through tests and/or checks/qualification tests, was equal to 89%, in line with 2022. In addition to the design of training initiatives based on the needs of internal clients, constant mentoring during delivery, especially during distance learning sessions, also contributes to these results.

1,103,000 Euro invested in training in 2023

The investment in training in 2023 of approximately 1,103,000 Euro reflects the significant interventions made in the area of specialised and safety training.

The Group has also made its expertise available to schools and universities in the areas in which it operates to create work orientation initiatives for students, advanced training courses and for Pathways for Transversal Competencies and Orientation (PCTO, formerly School-Work programmes).

Implementing agreements have been stipulated with the Universities, mainly present in the local areas, aimed at activating collaborations for higher education initiatives, first level masters and research doctorates and for the recruitment of recent graduates and undergraduates. In this area, in 2023, the Group:

- participated in 4 career days with universities in the local areas, during which more than 500 students from engineering, economics and science courses were met by Iren recruiters;
- organised 15 multi-year projects and as many job orientation/recruitment days for students of secondary technical schools and post-diploma;
- activated 12 scholarships for first-level master degrees and university degrees;
- launched 27 curricular traineeships, 15 extra-curricular traineeships, 38 internships in the framework of PCTO projects and 5 doctoral pathways in higher education apprenticeships;
- involved all Italian universities in the Iren ESG Challenge project that led to the awarding of prizes to 10 degree and PhD theses on ESG issues ([» SEE PAGE 128](#)).

REMUNERATION SYSTEM

The Group adopts national collective labour agreements for all its employees (the main national collective labour agreements applied include: “electricity sector employees”, “gas and water sector employees”, “environmental services employees”), which guarantee everyone the application of the contractual salaries and the provisions thereof. Generally, workers with leasing contracts receive the same remuneration as provided for in contracts of Group employees. Furthermore, no differences in benefits for full-time employees, employees with fixed-term contracts or part-time employees exist.

Group employees receive national collective labour agreements and incentive tools in line with company values



The Remuneration Policy, within the context of defined budget guidelines, is always based on evaluation of performance and skills acquired, taking into account, however, the remuneration package of the people holding the evaluated positions. In any case, any form of discrimination based on gender, age, geographic origin and health shall be avoided, and retraining initiatives are performed in the event that personnel are unfit for previous responsibilities.

Variable remuneration linked to performance (for example, on call) and the achievement of Company and individual targets is added to fixed remuneration. In 2023, the ratio of the highest annual basic salary to the median basic salary of all other employees is 19.4, while the ratio of the increase in the highest salary to the median basic salary increase of all other employees is zero (invariance of the highest basic salary). The Group’s average basic salary by gender is 1.44 compared to the average local salary by gender (Source: INPS Observatory on private sector employees 8/11/2023).

The remuneration and merit policy of the Group aims to reward employees that achieve high levels of results in line with Company values, the Group Job System [» SEE PAGE 296](#) and in accordance with adequate levels of quality and productivity. Personnel are required to be flexible in adapting to new working methods and to demonstrate remarkable professional commitment in terms of versatility.

Performance bonuses. In order to involve staff more and direct them towards the achievement of the Group’s objectives, a collective performance bonus is envisaged, according to logic consistent with the strategic and management objectives, which enhances the correlation between remuneration and results obtained. Several factors are taken into account to determine the compensation, which are connected to rewarding productivity, service levels and the achievement of specific profitability objectives. Once again for 2023, specific agreements were signed on the subject with Trade Unions based on which bonuses may be paid in the form of one-off compensation or via welfare instruments to non-management personnel.

One-off compensation. Across all Group companies a one-off incentive can be paid to employees that have achieved particularly positive results through remarkable work commitment, mainly through projects or innovative activities. Individuals to be rewarded are identified following a thorough analysis of individual performance results, carried out by the various managers.

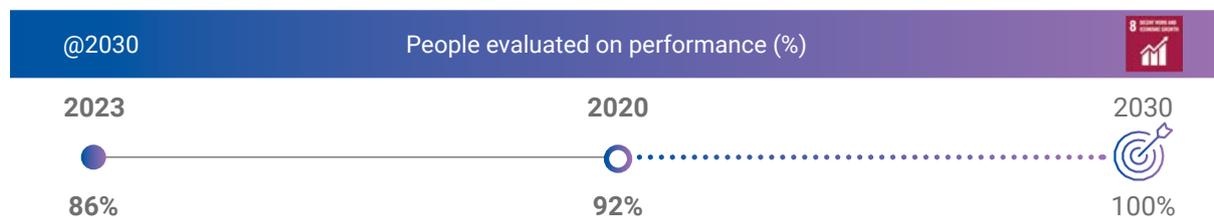
Management by objectives system (MbO). In most Group companies, all executives, junior managers and employees holding important positions are included in the incentive system (pay for results) under which individual targets are assigned that, when achieved, trigger the payment of the amounts that were defined at the time of assignment. The “objective-based system” is based on the measurable indicators (economic-financial, operative, sustainability or relevant to strategic projects), in line with the Business Plan and the Company mission.

The amounts for variable remuneration are shown in the table below.

Variable remuneration (euro/000)	2023	2022	2021
Performance bonuses	10,525	10,777	12,464
MbO ⁽¹⁾	5,477	5,693	4,687
One-off compensation ⁽¹⁾	3,953	2,923	1,645

⁽¹⁾ Amounts allocated.

In 2023, 86% of employees were involved in the **formal evaluation process of results achieved and behaviours** within the performance management system, considering the scope of the eligible population (executives, junior managers and employees in service for more than six months in the year). The figure rises to 91% if we exclude the companies resulting from the acquisitions that took place in the second half of 2022 and in the course of the year and with which a process of progressive alignment with Group policies was initiated.



Internal communication

Internal communication is an indispensable tool for accelerating the development of processes, accompanying and supporting business strategies and organisational changes, developing a common corporate culture, directing efforts towards achieving the Group’s objectives, which become shared and achievable through the contribution of each.

The most challenging activity in 2023 was the implementation of the **new Group Intranet**, which has been available to everyone since October. The design, which started with an in-depth analysis and listening phase of the company’s population, involved a transversal working group: Communication and External Relations, Personnel and Organisation and Information Technology and Systems.

The activities during the year focused on the analysis, reclassification, production of pages and documents: all content was revised by involving a hundred or so employee content owners who collaborated on updating and editing, in order to offer all the Group’s people even clearer, up-to-date information, which can be profiled by company and searched by thematic tags. Drivers for the design of the new tool were in fact the profiling of content by business unit, company, territory and the possibility of customising one’s personal area.

The My page is the section dedicated to individuals and their preferences: it allows quick access to favourite services/applications and the consultation of information of greater interest. The new intranet integrates the different work tools, Office 365 functionalities and the more than 100 applications that employees use to do their work. An important new feature introduced with the new intranet is a Support section dedicated to “how to”, created to collect in a structured way information, answers to frequently asked questions, forms, and support related to the different processes that people have to follow in the company for work and other activities.

NOI IREN
6.8
 million
 pages
 consulted
400
 news

The new intranet is thus a **modern digital workplace**, a single point of access to work tools and information, which can also be accessed by staff working on the move, via tablet or company smartphone. It is confirmed as the main internal communication tool: over 6.8 million views on about 350 pages of content and 400 news items in 2023, articles published directly or through the magazines Iren Informa and Everyday.

Through the **web magazine Iren Informa**, the Group also reported externally, with about 110 articles, on its activities in the various sectors in its local areas. The communication strategy adopted included moving the publications to the Everyday magazine now integrated into the intranet, classifying the articles into headings visible both internally and externally to the company.

Not just news, but documentation, company services, publications of a strategic nature (Business Plan, economic-financial and sustainability results), organisational (press releases, organisational charts, safety documentation and certified systems), regulatory (privacy, Model 231) and corporate (acquisitions, extraordinary operations). The intranet also disseminates job opportunities, welfare initiatives and offers or give-aways for staff on cultural, sports, theatre and music events and initiatives supported by the Group.

The launch of the new intranet was accompanied by a major **communication campaign**, with digital materials (videos, news, tutorials), posters put up in the busiest places, and guerrilla activities with stickers on lift mirrors and themed restaurant placemats. The entire company population was involved, to inform, promote, explain and encourage the adoption of the new tool. In the first weeks after go live, **meetings in 34 company locations** were organised, including many operational sites, to present the intranet, the new features available and support users in configuring and customising their company smartphones. The meetings were also an opportunity to tell about the various benefit opportunities and offers dedicated to the Group's people and to establish a relationship with many operational employees.

Video storytelling activities continued, first-person accounts of expectations, paths, personal and corporate goals, through different sections, which, with different styles and contents, accompany workers and allow them to feel close, share a vision, ensure teamwork:

- **Iren Pill** (Briefs) is the format introduced in 2023 with which the month's news and activities are concisely reported. The vertical format and recording through smartphones make the video a smart tool that can be easily shared even with staff without a PC;
- **Iren people** is the column dedicated to the professions, aimed at sharing the many activities and getting to know the colleagues who deal with them;
- **Il tempo di un caffè (Coffee time)** is a column of interviews with business managers and Directors to engage the corporate population on long-term strategies and goals;
- **Everyday** is the column designed to highlight new activities undertaken, changes in the company and progress towards the goals set out in the Business Plan.

Welcoming new recruits is also central, with 42 meetings in 2023: dedicated spaces where the Group's activities, industrial strategy, values and vision are explained. Meetings are also organised at the company's plants and include a guided tour of them, an opportunity to create engagement and raise awareness of our plant excellence.

Involvement activities took the form of numerous initiatives in the territories, aimed at employees and their families, proposed by enhancing the Group's support for cultural, artistic and sporting events.

Finally, in November, **the "Books in Circulation" initiative** was launched, a project to exchange books among the Group's people, in order to experiment with exchanging and sharing and at the same time, promote and encourage a passion for reading: in the pilot phase, the bookcases were placed in 4 company locations and received a very positive response from employees.

Corporate welfare

[GRI 2-7, 3-3, 401-2, 403-6]

The Group realised a coherent and well-structured welfare system to meet the needs of the different personnel segments and to extend the best practices to the whole Group and is also involving the Trade Unions. The programmes that have already begun are implemented through a series of initiatives focused on the needs of the individual and household.

QUALITY OF LIFE FOR QUALITY OF WORK

Improving the quality of life and promoting work-life balance are among the fundamental objectives of corporate welfare activities: initiatives, actions and services made available to employees and their families for the well-being of people, not only in the workplace but also in private life.

The corporate welfare system offers programmes aimed at increasing people’s awareness of nutrition, exercise, health and prevention, emotional, cognitive and relational well-being. In particular, to support relational well-being, the Group works to create a positive and inclusive working environment, where people are motivated, and which becomes a place where the interests of those who work there converge.

The Group’s management policy supports the correct balance between professional life and private life by providing employees with working methods that allow them to reconcile work commitments and personal needs: flexible working hours, teleworking, smart working, part time, ultra-daily flexibility, additional leave for a maximum of 2 days to be used, even by the hour, within the year of accrual deriving from the replacement of part of the performance bonus, short leave and short paid leave, integration of compulsory maternity benefits.



Smart working: as at 31 December 2023, 3,734 Group employees (1,639 women and 2,095 men) were smart working enabled, and 3,578 people had taken advantage of smart working days during the year (1,639 women and 1,939 men), for a total of more than 221,600 days, with an individual average of around 5 days per month. The company agreement on smart working envisages the possibility of working in this way for up to 8 days per month (extended to 10 for certain special cases) for all employees - with an open-ended, apprenticeship, part-time and fixed-term contract - whose role and activities are not incompatible with working outside the workplace.



Teleworking: Group employees can take advantage, on a voluntary basis, of part-time remote working, which was introduced to the Company with specific agreements. The Group prioritises requests motivated by work-life balance needs (caring for children and the elderly, personal or family member health problems, excessive distance between their home and place of work, etc.). In 2023, 85 employees (65 women and 20 men) teleworked.



Part time: all employees can request part-time hours (horizontally, vertically, or mixed), on a voluntary and always reversible basis, without the exclusion of the benefits provided for employees with full-time contracts.

Part-time contracts (no.)	2023	2022	2021
Women	344	333	284
Men	178	166	141
TOTAL	522	499	425

INITIATIVES FOR EMPLOYEE WELL-BEING

To promote well-being, the Group has chosen to satisfy the needs of its employees with a view to health and conscious consumption in the nine operational company canteens. Particularly high standards are set with regard to the variety of menus, the breadth of choice and quality of products used, the use of regional and organic ingredients, and the seasonality of products in the preparation of meals, guaranteeing uniformity of service in all company locations. Every day, there are vegetarian options and lighter, low-calorie dishes (wellness line), specially designed to ensure a healthy lifestyle and a balanced diet. Gluten-free proposals are also available upon reservation.

Additionally, the Group has implemented a benefit scheme to improve the **quality of life of its employees**: meal vouchers and discounted catering in the local areas, Company cafés offering regulated prices, indoor parking for private cars, and subsidised tariffs or contributions for buying subscriptions to the local public transport network.

All employees are offered, voluntarily and following an agreement with the Trade Unions, the possibility of allocating part of the Performance Bonus to corporate welfare initiatives, benefiting, in this case, from a surcharge of 15%.

Iren Welfare
7,640
registered
employees

2,833,000
Euro managed

Through the **Iren Welfare portal**, employees can obtain, within the limits of the amounts allocated, reimbursements and/or goods and/or services, in the following areas: family (including the possibility of requesting reimbursement of expenses incurred for the assistance of family members that are not self-sufficient), health insurance, mortgages, supplementary pensions, sport, culture, leisure and travel. In 2023, short "Welfare Points" training sessions were offered in addition to the support given by the Welfare structure to all persons requesting clarification on the use of the portal. A feature has also been activated to allow those who have dependent children to apply, as provided for in the legislation for the year 2023 only, for the tax threshold for fringe benefits to be raised to 3,000 Euro, with the simultaneous possibility of applying for reimbursement of household expenses. About 7,640 employees are already registered on the Portal, which managed around 2,833,000 Euro in 2023. The portal also allows for access to a discount area to which over 3,630 employees are enrolled.

In agreement with a wellness provider, the Group has activated a pathway aimed at promoting **people's physical and emotional well-being**, through a platform offering access to thousands of sports centres and online video training courses, as well as nutritional advice. Monthly appointments dedicated to the area of personal well-being, such as mindfulness, mental health, sustainable nutrition and psychological well-being, were also offered throughout the year. The agreement guarantees employees preferential rates and discounted subscription plans of up to 60% compared to the market cost, and the service is also linked to the Iren Welfare portal, thus allowing the purchase of subscriptions also using the individual welfare budget.

As part of **mobility management** activities, in 2023, the Group proceeded with the annual drafting of the Home-to-Work Travel Plans (PSCL), required by law, relating to the main company offices in Genoa, La Spezia, Parma, Piacenza, Reggio Emilia, Turin and Vercelli. The calculations, prepared on the basis of the results of a questionnaire submitted to employees, constitute the Group's "Home-work mobility plan", a tool for analysing and developing useful measures for rationalising staff home-work travel in order to improve mobility. In order to facilitate the daily sustainable mobility of employees, in the main company offices, special covered racks have been installed for the shelter and parking of bicycles and motorcycles. The Group also offers all staff discounts for the purchase of sustainable mobility products from Iren Mercato, such as electric scooters and e-bikes. In 2023, the Group joined the **"Bike to Work" project** proposed by the municipality of Piacenza to encourage cycling in home-work journeys, which provides for the payment of a contribution based on the kilometres travelled.

Employees can, through a specific IT tool, book or purchase travel tickets in real-time, in complete autonomy and compliance with Company policies, doing a comparative search between the various travel services customarily required to manage a trip (flights, trains, hotels and car rentals).

Finally, specific union agreements for certain areas provide for the awarding of 'loyalty bonuses' in recognition of length of service in the Group.

PREVENTION PROGRAMMES

Iren Group promotes the health of its employees by facilitating access to a series of services and specific initiatives as part of a broader health and prevention programme.

In this context, the **telemedicine project** continued, in collaboration with Generali Welion, which offers all employees a 24-hour family doctor and paediatric teleconsultation support.

574
participants to
the project
"AL CUORE
DELLA SALUTE"

The initiative, which aims to provide additional health coverage for all Group personnel, also offers access at subsidised rates to a vast network of affiliated health facilities throughout Italy, without the need to take out an insurance policy.

Thanks to its adhesion to the "**Al cuore della salute**" (**At the heart of health**) project, dedicated to personnel with Gas Water National Collective Labour Agreement in the Genoa and Savona area, the Group offers the possibility of undergoing an optional preventive two-year health checkup, through a number of different laboratory tests based on age and gender, which are assessed by the Occupational Health Physician. The project involved 574 employees, whose individual contribution, equal to 10 Euro, was totally donated to the Gaslini Institute of Genoa.

Iren Group has obtained, for the two-year period 2023-2024, the **Stamp Health Friendly Company** (HFC) issued by Fondazione Onda (national observatory on women's and gender health), which recognises and values the commitment to protecting the health and well-being of its people. Obtaining the HFC Stamp not only allows Iren to join a network of companies committed to health in order to share experiences and approaches, but also gives all personnel the opportunity to access a dedicated two-year training course, consisting of webinars, video briefs and information materials on various aspects related to personal health and well-being.

The event "Gender, health and work: comparing opinions", organised in collaboration with Medlavitalia, was also dedicated to the topic of health, from a gender perspective, as part of the Group's participation in **4 Weeks 4 Inclusion 2023**, an initiative of meetings dedicated to inclusion and valuing diversity. The discussion between Iren Personnel Management and an Occupational Health Physician was an opportunity to explore the objectives and specificities of gender medicine, addressing the issue of gender differences in health and the effects that these can also have on the workplace.

SUPPLEMENTARY PENSION COVERAGE

8,938
employees
joined
contractual
supplementary
pension funds

Since the legislation reforming the supplementary pension system came into force, employees have been able to decide how to use their post-employment benefits. They can either leave it with the company or put it in one of the pension funds provided for by law, which that another pension supplements the compulsory government-managed pension and thus ensures a higher coverage. Due to the number of participants, the ones that stand out are the pension funds established by collective bargaining, which can be joined by workers applicable for certain collective agreements. The main funds for Iren Group employees are as follows: Pegaso (CCNL electricity or gas-water), Previambiente (CCNL environment), Fon.Te (CCNL Commerce and Services), Fondo Gomma Plastica (CCNL Plastic Rubber) and Previndai for executives. As part of the process of unification and harmonisation of economic-regulatory treatments, in order to develop the value of complementary pensions also among young people and to encourage registration in the related funds, paid annually to personnel hired on permanent contracts or in apprenticeship, is an additional payment to the supplementary pension to which they are registered. As of 31 December 2023, 8,938 employees have joined the contractual supplementary pension funds to which the Group has paid a total of around 5.4 million Euro, as its own contribution. Employees can also make use of a pension support and advice service.

INSURANCE COVERAGE FOR PERSONNEL

Almost all employees in junior management, white collar and blue collar positions are insured by a policy stipulated by the Group for death or total or partial permanent invalidity due to work-related injuries and injuries outside of work. Furthermore, special insurance policies are taken out in the event of death and/or total permanent invalidity resulting from non-occupational illness for electricity, gas-water and environment sector employees, in accordance with the provisions of the respective National Collective Labour

Agreements. Insurance coverage in the case of injuries (even ones which occurred outside of work and in the case of occupational illness) and life insurance are provided for all executives, as per the provisions of the Confservizi National Collective Labour Agreements for Executives. A policy is also taken out to cover damages involuntarily caused to third parties by the executive or his/her family members in the performance of activities relating to private life (insurance cover for "head of household" liability).

SUPPLEMENTARY HEALTHCARE

Through membership of supplementary health care funds, employees are provided with health coverage in relation to the National Collective Labour Agreement to which they belong (FASIE for personnel with gas-water contracts, FASDA for personnel with environmental contracts, Utilitalia and Fise Assoambiente, Metasalute for metalworkers' contracts, EST for trade contracts and FAS G&P for plastic rubber contracts). The National Collective Labour Agreement for the electricity sector provides for the payment of contributions to CRAL associations for healthcare activities. Specially constituted funds manage the payment of healthcare

benefits that ordinary members (employees) and their dependants can benefit from. On the other hand, the FISDE fund is envisaged for the workers of Atena Trading and ASM Vercelli with CCNL Electricity. In Parma, members of the Cral Arta can join a prevention programme that includes specific health checks.

All executives, for whom primary healthcare coverage is provided by their membership to Fasi, are provided with supplementary health insurance (ASSIDAI) which refunds additional healthcare costs that are not reimbursed by Fasi.



ADVANCE ON EMPLOYEE SEVERANCE PAY

Employees may benefit from better conditions than those provided by the legislation in force by applying for an advance of their post-employment benefits (TFR) more than once to pay for healthcare, to buy their first house, renovate a property, restructure or modify buildings in order to remove architectural barriers and in other specific cases.

PENSION BENEFITS

Retired employees, and their dependants, can remain members of Group leisure, cultural and sports associations and thus take advantage of a significant part of the offered services. Retired executives, whose last working relationship elapsed while holding the position of executive, which lasted not less than one year, can keep their subscription to the ASSIDAI supplementary healthcare fund and make use of the benefits provided. The healthcare also covers dependants and, in the case of their death, those who hold survivors' pensions.

The electricity sector National Collective Labour Agreement provides for additional monthly payments to the post-employment benefits for employees who leave service with 40 years of contributions or are 60 years of age.

LEISURE, CULTURAL AND SPORTING ACTIVITIES

Company recreational clubs offer employees recreational, leisure, sports and cultural activities. Aiming to increase sociability, the following are available: the Employees' Recreational and Cultural Club in Genoa, Adaem and CRAL AMIAT in Turin, the Quercioli Club in Reggio Emilia, CRAL AMPS and CRAL ARTA in Parma, CRAL ENÌA in Piacenza, the CRAL ADAM in Vercelli and the CRAL ACAM in La Spezia. Some associations contribute to the educational expenses of employees' children, as well as allowing school books and stationary to be purchased at discounted prices. The clubs also enter into commercial agreements in the area to allow employees to purchase products and services at discounted prices. The clubs are almost entirely funded by the Group, which also makes the spaces and equipment required to carry out the activities available to them through a special free loan.

The regulation of CRAL is an issue that is being discussed with the trade unions.

Contribution paid (Euro)	2023	2022	2021
Leisure activities	972,758	927,504	900,153
Healthcare activities	3,586,617	2,631,324	2,394,082
TOTAL	4,559,375	3,558,828	3,294,235

Diversity and inclusion

[GRI 2-23, 3-3, 401-3, 405-1, 405-2, 406-1]

Diversity and inclusion are among the key objectives to support the Group’s growth strategy. The diversity of people, together with a culture of inclusion, brings a wealth of contributions and ideas that can strengthen decision-making processes, efficiency and collaboration. Diversity and inclusion are an integral part of the Group’s Code of Ethics and a determining factor for its growth model.

Diversity and inclusion






Risks

- Failure to meet the targets set out in the Business Plan and consequent negative impacts (operational, economic and reputational)
- Collective/individual policies/behaviours that disregard the values of diversity and inclusion
- Advertising content perceived as discriminatory



Opportunities

- Technological and process innovations that make operations safer
- Equal professional and salary opportunities for less represented categories



Management methods

- Planning and monitoring of business plan objectives and targets (economic/financial and ESG)
- Code of Ethics
- Sustainability Policy
- Organisational Model 231 and information flows to the Supervisory Bodies
- MbO and LTI system with ESG objectives
- Policy on Diversity and Inclusion
- Policy on Dealing with Violence, Harassment and Bullying in the Workplace
- Diversity management programmes and initiatives
- Training on inclusive culture
- Hiring of disadvantaged personnel
- Procedures: Personnel recruitment and selection; Training and education; Internal communication; Whistleblowing
- Collaboration with Associations/Foundation active on diversity and inclusion

Iren Group is committed, as evidenced by the Sustainability Policy and the Business Plan, to enhancing and including the diversity present within the Company, providing a healthy work-life balance and improving the quality of the working environment.

The Group guarantees the absence of discrimination in selection, hiring, training, management, development and remuneration of personnel. In fact, the values and rules defined in the Code of Ethics, together with the policies pursued and the codes of conduct adopted,

guarantee careful and punctual protection against discriminatory practices. The Group had no cases of violations in 2023.

For years, the Group has activated a series of articulated diversity programmes for the organic oversight of which the **Welfare and Diversity** organisational unit was established. It is a path of application of inclusion policies that recognises and values differences, actively managing them and leveraging them to increase the competitiveness of the Group. The main issues of focus are gender, age, disability and nationality differences, all areas in which the Group has implemented various programmes and initiatives.

The Director of the Personnel and Organisation function, who reports directly to the Executive Deputy Chairperson, is responsible for the implementation of all diversity and inclusion initiatives and programmes with the support of the executive of the specific Welfare and Diversity function.

In confirmation of the importance attributed by the Group to the enhancement of diversity and the inclusion of all the resources present in the company, the Group adopted the **Policy on Diversity and Inclusion** and the **Policy on Dealing with Violence, Harassment and Bullying in the Workplace** (published on the website www.gruppouren.it to which reference should be made for further details). The two Policies (➤ [SEE PAGE 81](#)) are directly linked to the principles of the Sustainability Policy and the Code of Ethics and formalise the Group's commitments to the development of an inclusive working environment, respectful of all forms of diversity, inspired by the principles of fairness and dignity in professional relations. Diversity and inclusion policies address non-discriminatory culture and behaviour in selection, skills enhancement, promotion of managerial skills, and training through specific programmes aimed at raising the level of awareness on diversity issues, and also take the form of adopting flexible working arrangements to reconcile life and work. To allow the dissemination of the pillars of corporate culture on the issues of diversity and inclusion and to implement the commitments undertaken in company policies, the training course on inclusive culture entitled **Diversity as an accelerator of development** started in 2022, was concluded in 2023, aimed at all staff who hold roles of responsibility within the Group, with the aim of making managers acquire greater awareness of the actions and behaviours to adopt to encourage inclusion and enhance the differences and uniqueness of people. At the end of the course, a shared system of actions was developed.

Within the framework of diversity and inclusion policies and initiatives, the Group's commitment is confirmed by its adhesion to the UN **Global Compact**, with its support for the seven WEP (**Women's Empowerment**

Principles) for women's empowerment, and the **Utilitalia Pact - Diversity makes the difference**, a programme of principles to be translated into concrete actions through seven commitments to be included in the Group's organisation. In 2023, Iren also signed a **Memorandum of Understanding between companies and bodies in the Genoa area for the promotion of equal opportunities and gender equality at work**, which provides for the establishment of a public-private city network for the promotion of good practices, the exchange of experiences and mutual cooperation and the development of actions and initiatives.

The commitment to implementing policies on **gender diversity** is demonstrated by an important recognition: also in 2023, Iren Group has been included in the **Bloomberg Gender-Equality Index (GEI)**, which guarantees transparency in the gender practices and policies implemented by companies listed on the stock exchange, exploring and expanding the environmental, social and governance (ESG) data available to investors and the financial community. The index measures gender equality based on five pillars: female leadership and talent pipeline, equal pay and gender pay equity, inclusive culture, anti-harassment policies and advocacy towards women. The inclusion in the GEI reflects a high level of transparency and overall performance consistent with the five pillars of the framework.

To compare with best practices, also in terms of monitoring the actions undertaken in the field of diversity and inclusion, in 2023, Iren participated in other dedicated indices: the **Valore D Inclusion Impact Index** and the **Equileap Gender Equality Evaluation** as an example of transparency and performance regarding the gender pay gap. During the year, Utilitalia also presented the report "**Recognition of inclusive policies in utilities**", which collects the results of the survey focused on diversity and inclusion issues, in which Iren Group participated.

In 2023, the Group also carried out an internal analysis and started an assessment with the certifying body Bureau Veritas to assess the possibility of applying for Gender Equality Certification, as required by UNI/PdR 125:2022.

Aware of the fact that the path to achieving **gender equality** also passes through an adequate presence of women in all sectors that will offer the most outstanding professional and career opportunities in the future, the Group participates in different collaboration programmes with external actors. Significant in this context is the continuous collaboration, already started in 2018, with **Valore D** – an association of companies that promotes diversity, talent and female leadership for the growth of companies and the country –, which has prepared a **Manifesto for female employment**, signed by Iren Group. The document consists of nine points

through which the Company undertakes, gradually and compatibly with its sector and size specificities, to adopt clear and measurable objectives, with performance indicators monitored periodically, to be shared internally. Awareness-raising activities, mentorship and training courses to develop inclusive leadership, inter-company workshops to facilitate the sharing of best practices, and cross-company mentoring to enhance and engage people in order to increase their level of motivation and sense of belonging to the company were implemented throughout the year. Finally, participation was promoted in the **Valore D Talks**, a series of appointments open to all employees, included in the online training available on the company intranet, which encourage discussion and reflection with experts on diversity and inclusion issues. In collaboration with Valore D, the **"InspirinGirls"** project was also launched, aimed at encouraging boys and girls to follow their passions and aspirations, without being conditioned by fears and prejudices, starting with the choice of their study path. Nine Role Model women from Iren Group took part in the project, holding meetings with students in secondary schools, sharing their own experiences and dedicating particular attention to raising the awareness of female students towards STEM subjects (science, technology, engineering and mathematics), with the aim of helping them to be aware of their talents and to overcome gender stereotypes that can hinder their ambitions. As part of the project, two awareness-raising meetings were also held for the sons and daughters of employees.

The Group continued its collaboration with **Fondazione Libellula** - an organisation that raises awareness of all forms of violence and discrimination and supports the development of an inclusive culture in organisations. In addition to the planned monthly in-depth studies, Iren took part in the **MentorSHE** inter-company mentoring programme, a training and discussion path focused on the topic of female empowerment in which six employees participated, two as mentors and four as mentees.

On the subject of women's empowerment, Iren contributed to the launch of **Women Plus**, a platform usable via app as part of the alliance of 300 companies created through participation in **4 Weeks 4 Inclusion**. The app is mainly aimed at female job seekers, students and already employed women interested in improving their status and aims to support female employment by providing access to training content, inspirational talks, mentorship and dedicated job advertisements. As part of the collaboration in the realisation of the **Master's Degree Course "HumanAlze: the humanities and social sciences for artificial intelligence"**, set up by the Polytechnic of Turin and the University of Turin, on the initiative of STEM by Women, during 2023, two

female students undertook the internship envisaged by the Master's course in Iren Group. The aim of the Master, aimed at female humanities graduates, is to train hybrid professional figures, the result of combining humanities and digital skills, and is designed to help overcome the gender gap and foster equal opportunities in STEM professional roles. The Group also contributed to the **"Io Scelgo STEM"** project, which collects and disseminates significant testimonies of female role models in the STEM area, with whom young female students can identify. Two Group employees took part in the project. They spoke about their studies and work in predominantly male environments, recounting their experiences and offering advice to the younger generation.

The workplace is a space where culture and prevention can take place, which is why, on the occasion of the **International day against violence against women**, 25 November, it was decided to set up, as part of the **"Books in Circulation"** project, launched in some company premises, a section of **books dedicated to gender culture** and related issues.

In December 2023, the Group was confirmed on the list of those eligible for funding under the two-year **Tender #RiParto**, which aims to facilitate mothers' return to work, encouraging birth rates and work-life balance. The Iren proposal envisages the launch of dedicated initiatives and is articulated along three main lines to support the assumption of the new parental role: support services including psychological and health support, economic incentives to encourage birth rates and training to accompany the return to work. Reforms in labour laws and pension systems, which prolong people's tenure, have had a significant effect: for the first time, there are at least four generations working side by side, bringing with them a different perception of work, roles and relationships. **The diversity and coexistence of different generations** offer opportunities for enrichment and openness to change, to address technological revolutions and drive innovation, leveraging the breadth of experience and knowledge. Facilitating cooperation and integration between seniors and juniors requires understanding each generation's strengths, limitations, and values toward their work and creating a company culture that actively demonstrates respect and inclusion. The Group's initiatives in support of generational integration and training are the tool par excellence for promoting communication and the exchange of experiences between generations, stimulating productive confrontation and the transfer of knowledge and skills to ensure that differences are recognised and valued. In order to deepen knowledge of the issue of disability at work, in 2023 Iren confirmed its participation in the

Disability Lab, network of companies promoted by Wise Growth, which provides for periodic inter-company meetings to stimulate dialogue on experiences and best practices. Participation in these opportunities for discussion was preparatory to the planning of an initiative on disability management within the Group, which will be aimed at enhancing the capabilities of each individual and preventing any discrimination, including involuntary discrimination, through activities to raise awareness and actively listen to the needs of

people in distress and caregivers, in order to promote their real inclusion and improve their work situation. Furthermore, in the realisation of the new corporate intranet, particular attention was paid to the issue of **digital accessibility** in order to create a tool that is as usable and accessible to all as possible, as was already the case for the Group’s website. Iren Group guarantees the conditions for the best job placement for personnel with disabilities, operating in compliance with current legislation on the subject.

Personnel belonging to protected categories	2023	2022	2021
Number of employees	422	430	379

FEMALE PERSONNEL

The average 2,727 women in the Group during the year represents 25.1% of the average number of employees, a slight increase compared to the 2022 figure (24.9%).

Average personnel by position and gender	2023		
	Total no.	No. of women	% Women
Executives	116	23	19 %
Junior managers	382	102	27 %
White collars	4,563	1,809	40 %
Blue collars	5,782	793	14 %
TOTAL AVERAGE	10,843	2,727	25 %

The policies implemented in the selection phase and in the enhancement of skills, the drive towards female management and the development of work-life balance tools have increased the Group’s attractiveness for female personnel, even within professional families characterised by a strong technical component historically “reserved” for a purely male population. The recent hires of young female graduates, even into strictly technical sectors such as waste or site & network engineering, is evidence of this.

71%
of women are
managers,
junior
managers and
white-collars

The majority of female personnel (71%) are executives, junior managers and white-collar workers (overall constituting 47% of total employees, compared to the 53% of blue-collar workers). The analysis, also in consideration of the mainly technical characteristics of the managed activities, revealed a non-discriminatory situation for the average female component, who represent around 39% in the group of executives, junior managers and white-collar workers. In Iren Group, a total of 1,006 people hold STEM degrees, 37% of whom are women.

The issue of female presence is taken up among the objectives of the Business Plan to 2030 in which it is foreseen to increase the number of women in managerial positions in the Group.



Equal remuneration between men and women is ensured by the application of the National Collective Labour Agreements in which minimum salaries for each employment category are defined. The average basic salary per the qualification of women (details in the section “Iren People: the numbers” [» SEE PAGE 326](#)) is, however, slightly lower than that of men, due to two types of factors: a higher percentage of women working part-time (13% of women compared to 2% of men), high incidence of qualified technical roles that historically come from the world of education predominantly male. Through selection policies relating to the topic and the introduction of a reward system with homogeneous policies for the entire company population, the Group has set itself the objective of rebalancing this situation as far as possible, in view of the reference labour market, also through specific interventions on selection policies, in order to increase the presence of women and develop a pool of female talent, also in technical-operational roles. The gender pay gap in 2023 is -0.53.

In line with the provisions of the Articles of Association and regulations on equal access to the administration and control bodies of listed companies, a gender balance is ensured with a female presence of at least 40% of the members: in the Iren Board of Directors, the majority of the members are currently female (8 out of 15) and in the Board of Statutory Auditors, the female component represents 40%. On the whole, on the Boards of Directors for Group companies there are 60 women, amounting to approximately 26% of total members (229 people of which 38% in the 30 to 50 age group and 62% over 50).

In 2023, 528 employees (223 women and 305 men) took mandatory and optional maternity, parental, paternity and breastfeeding leave. Employees were also able to take advantage of the various forms of flexible working that the Group makes available, above all smart working, which was granted, where possible, by recognising additional remote working days on a monthly basis to employees who are parents of children under three years of age and to pregnant employees regularly on duty.

Upon their return to work, all employees were able to resume the job they had filled before their period of absence or a job with equal professional content in cases where organisational changes occurred in the meantime that meant they could not return to the same position.



Occupational health and safety

[GRI 2-23, 3-3, 403-1, 403-2, 403-3, 403-4, 403-5, 403-7, 403-8, 403-9, 403-10]

The Group considers the dedication of human, professional, organisational, technological and economic resources to occupational health and safety as an investment, as it believes it to be fundamentally important to protect workers and includes among its objectives not only compliance with the provisions laid down by the law, but also measures taken with a view to continuously improving working conditions. A stringent conception of safety entails total engagement on the behalf of employees who, according to the activity performed and the respective skills and responsibilities, are required to play an active role in prevention. As such, particular attention is given to providing training and information to employees and conducting continuous monitoring, including the analysis of individual injuries, near-misses, and planned supervisory surveys.

Occupational health and safety



Risks

- Failure to meet the targets set out in the Business Plan and consequent negative impacts (operational, economic and reputational)
- Injuries and occupational illnesses of employees and third-party workers
- Epidemic events affecting workers' health
- Civil and/or criminal liability of persons covered by Legislative Decree 81/08
- Loss of ISO 45001 certification and the subsequent loss of the INAIL award
- Non-compliance with health and safety standards
- Negative operational, economic and reputational impact related to the failure to protect the health and safety of workers



Opportunities

- Technological innovations that make operations safer
- Spreading of the culture of prevention



Management methods

- Planning and monitoring of business plan objectives and targets (economic/financial and ESG)
- Code of Ethics
- Sustainability Policy
- Organisational Model 231 and information flows to the Supervisory Bodies
- MbO and LTI system with ESG objectives
- Prevention and protection service
- Specific personnel training
- ERM system integrated with ESG topics
- Integrated Certified Management System (risk assessment, containment measures and third-party audits)
- Guidelines for Risk Assessment and drafting of Risk Assessment Documents
- Procedures: Management of occupational health and safety controls; PPE management; Injury management, near-misses, company accidents; Management of tender safety obligations; Protection of the health and safety of pregnant workers, women who have recently given birth and who are breastfeeding; Whistleblowing
- Health monitoring plans
- Emergency management planning
- "Near miss" analysis and subsequent actions
- Insurance plans

The main companies of Iren Group have certified systems according to the UNI ISO 45001 international standard to guarantee the systematic control of the aspects relating to the safety and health of workers, which cover 100% of the personnel employed in the certified companies (equal to 97% of the overall Group personnel, i.e. 10,719 employees). Health and safety requirements are managed by the Group with the support of the GAMMA application, certified to manage the requirements of UNI ISO 45001.

In connection with the management of Covid-19, the Group General protocol of measures to combat and contain the spread of the virus in the workplace was maintained until November 2023.

SAFETY MANAGEMENT

The Group's safety management system is supervised by a single Safety Service within the Parent Company, which guarantees the standardisation of risk assessment methods, the identification of organisational, procedural and technical measures, and the training needs of personnel in the field. Specific codified and systematic audit procedures allow for the monitoring and the continuous improvement of this system to be pursued.

Responsibility for occupational health and safety lies with the hierarchical line Employers, Executives, Supervisors, on the basis of the specific company organisation as well as of the delegations conferred, and is reflected in the company organisation charts and safety organisation charts, published on the company intranet. Workers, according to their activity and their respective competencies and responsibilities, are involved and called upon to play an active role in prevention. In order to prevent or mitigate potential negative impacts, actions are envisaged, including the prevention and protection measures set out in the risk assessment documents prepared pursuant to Legislative Decree 81/2008; the actions can essentially be classified as information and training, health surveillance, use of Personal Protective Equipment (PPE) and application of safe work instructions. Monitoring and control activities contribute as preventive actions, including:

- checks by the Supervisors on employees and by the Works Management in the case of third-party activities;
- establishment of specific corporate committees on the subject of health and safety management;
- audits (e.g. in the area of Certified Management Systems, Internal Audit and Procurement Audit);
- supervisory inspections of the Prevention and Protection Service (PPS) planned annually;
- visits by Occupational Health Physicians to workplaces;
- discussions with Workers' Health and Safety Representatives (HSR);
- management of reports received (e.g. of near misses);
- simulation of emergency situations.

Operational control activities are regulated by a specific Group procedure. In the case of actual negative impacts, such as in the case of injuries and real emergency situations, a systematic analysis is planned, with the aim of defining causes and treatment. In proactive terms, in the case of potential and actual negative impacts, if critical issues are detected, corrective actions are defined to ensure improvement action. To monitor the effectiveness of actions, data on the following indicators relating to the Security process are usually analysed:

- rates of frequency, severity, injury incidence;
- number of company accidents;
- number of near-misses;
- number of PPS inspections planned/performed;
- number of Occupational Health Physician inspections planned/performed;
- number of medical examinations planned/performed.

for which the following Group targets are also defined:

Indicator	Target
Severity rate	< previous year
Frequency rate	< previous year
Number of annual PPS inspections performed/planned	>90%
Number of annual Occupational Health Physician inspections performed/planned	>90%
Number of annual emergency simulations performed/planned	>90%
Number of annual medical examinations performed/planned	100 %

There are also general welfare and prevention initiatives and programmes, both at the level of the national collective labour agreements applied and through the company welfare system (» SEE PAGE 307).

Specific improvement objectives concern the progressive computerisation of the management of the Security System (through the GAMMA application, which guarantees the uniformity of the approach and the related monitoring), the unification of the management of transversal issues (also through the issue of Group procedures on the subject of PPE, health surveillance, emergencies, injuries), the containment of the injury incidence rate and the progressive integration of the companies which, following acquisitions, become part of the Group.

Each Group Company organises at least one annual meeting on corporate security (art. 35 of Legislative Decree 81/2008), and, as a rule, one or two other meetings per year for discussion and updating attended by the Workers' Health and Safety Representatives (HSR). Surveys and specific meetings are also carried out at the request of the HSRs and/or workers. The HSRs are also invited to take part in the visits to the workplace with the Occupational Health Physician (art. 25 of Legislative Decree 81/2008) and are involved in audits of certified systems.

The **reporting and management of injuries and near-misses** takes place through hierarchical channels and subject to supervision by the Prevention and Protection Service according to specific procedures regulating the process, which may be computerised and are accessible to all workers. A detailed analysis of the event is carried out, aimed at identifying the causes of unwanted events, and the necessary actions and skills to prevent them. A specific app (Safety App) on the Company smartphones provided to all employees enables near-misses to be reported, promoting employee participation and facilitating the introduction of any corrective actions.

The Safety System documentation (procedures,

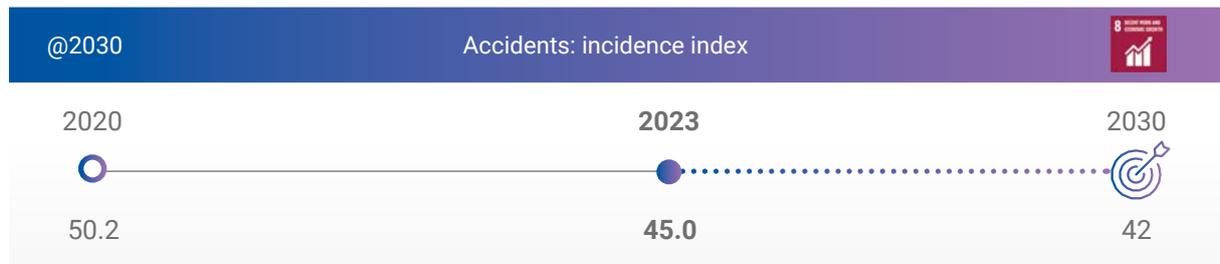
emergency plans, operating instructions, guidelines for safe working, etc.) establishes the cases and situations where workers are required to distance themselves from potentially hazardous or unexpected situations, and/or to avoid certain activities requiring specific training for which they are not qualified. In this regard, the Group companies adopted procedures to regulate particular situations and risks (works in confined spaces or in case of suspected pollution, sites in the outdoors in the case of weather alerts or employees operating alone, etc.).

The **risk identification and assessment process** is regulated by procedures and by software that guarantees a standardised approach. For each working activity, the risks and the appropriate prevention and protection measures, personal protective equipment (PPE) necessary to conduct said activities, proper conduct and any organisational measures or other requirements are identified and evaluated. Furthermore, workplaces are analysed to identify and evaluate the risks present, taking instrumental measurements where necessary. The assignment to each employee, directly or through groups (safety certifications) of the results of the assessments conducted on working activities and workplaces completes the risk profile of each worker, identifying the consequent general protection measures that include, for example, the provision of necessary PPE, the need or otherwise for health checks, and the results of these, where applicable. These structured evaluation process is conducted and coordinated by the Prevention and Protection Service (PPS) of each Company, with the indispensable involvement of the operating units. The PPS also carries out periodic controls to check the correct implementation of the provisions.

For Group companies with ISO 45001 certification, periodic audits are also planned by certified external independent auditors to verify the correct management of occupational health and safety. The results of these audits are brought to the attention of the Management to enable the relative action to be taken.

In the Group Industrial Relations Protocol, there are specific points regulating the election of Workers' Safety Representatives, in compliance with Legislative Decree 81/2008, as well as the establishment of a special Bilateral Environment and Safety Committee; over the years, specific agreements have been signed regulating particular contents (e.g. travel, working hours, etc.).

Attention to the injury phenomenon is also demonstrated by the provision, in the Business Plan and in the MbO system, of specific objectives, assigned to the managers of the operating structures most exposed to these risks.



MAIN INDICATORS OF SAFETY

Injuries and frequency rate ⁽¹⁾ other indices	u.m.	2023
Total number of injuries	no.	488
of which high-consequence injuries – non-fatal ⁽²⁾	no.	5
of which high-consequence injuries – fatal	no.	0
Frequency rate	no.	18,218,511
Indice di frequenza		
(total number of injuries/hours worked x 1,000,000)		26.79
(total number of injuries/hours worked x 200,000)		5.36
Days away from work due to injury	no.	14,983
Severity rate (days away from work due to injuries/hours worked x 1,000)		0.82
Average injury duration (days away from work due to injuries/total no. injuries)	days	30.70

⁽¹⁾ Commuting injuries and those not recognised by INAIL are excluded.

⁽²⁾ Injuries lasting longer than 6 months.

Near-misses ⁽¹⁾ by region and gender (no.)	2023
Piedmont	357
Emilia-Romagna	33
Liguria	21
Tuscany	43
Other areas	14
TOTAL	468
Women	96
Men	372
TOTAL	468

⁽¹⁾ Near-misses pursuant to standard ISO 45001:2018.

In 2023, there was a significant reduction in the injury frequency (-8%) and injury incidence (-5%) rates, compared to the previous year, despite the fact that the perimeter increased as a result of the acquisition of companies with a significant operational footprint. The severity rate and average duration remained almost constant.

The “Iren people: the numbers” section shows the breakdown of the work-related injury rates for the last three years.

INJURIES BY GEOGRAPHICAL AREA (NO.)



252
Piedmont



61
Emilia-Romagna



49
Liguria



96
Tuscany

30
Other areas

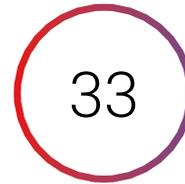
INJURIES BY TYPE ⁽¹⁾ (NO.)



Professional injuries



Incidental injuries



Road injuries

⁽¹⁾ The internal classification distinguishes between:

- professional injuries: occurring as a result of activities closely related to the work task;
- road injuries : occurring during work-related travel in company vehicles;
- incidental injuries: occurring as a result of activities not strictly related to the work task.

HEALTH CHECKS

The health surveillance of Iren Group employees, according to the tasks assigned, is organised centrally by the Safety Services function which avails itself of a specialised external company for the planning and execution of diagnostic tests.

Pursuant to current law, the medical examinations are carried out (over 9,000 in 2023) by external Occupational Health Physicians, appointed by the Employers of each Group company. A specific Group procedure defines the shared approach, including the standardisation of health protocols. The correct planning and monitoring of health checks for all workers is guaranteed by the GAMMA app, where data is uploaded which includes workers’ risk profiles according to the possible professional exposure level indicated in the risk assessment documents, the obligatory nature of the health checks, the date of any assessments, the fit-to-work certificate and any provisions/limitations. To respect personal privacy, information contained on the GAMMA app is made available to employees, executives, senior executives, medical professionals and the PPS only when relevant. Newly acquired companies are gradually being integrated into management.

As far as **occupational illnesses** are concerned, the risk assessment document (DVR), which is constantly updated, objectively establishes the presence of a potential occupational risk. This probability is minimal both upstream and downstream of the control chain implemented by the Group. Upstream, the results of the risk assessment documents of Group companies are drawn up in collaboration with the RSPP and the Occupational Health Physicians and meetings are called to discuss the outcome of the various surveys of working environments, during which, where necessary, any critical situations may be reported by the competent parties within their area of expertise, providing indications or suggestions aimed at improving working conditions. Downstream, the Occupational Health Physicians identify the residual risks and draw up a health check protocol shared at Group level, which aims to protect the mental and physical health of workers and to identify any potentially or effectively hypersensitive persons, correlating the working risk with specific diagnostic checks and enable the correct identification of any personal limitations or provisions. The Occupational Health Physician is however required by law to report any suspected occupational ill-health to the competent bodies. In 2023, there were 7 cases of occupational illness recognised as such by INAIL that did not result in death during the period of employment. The main, numerically speaking, types of occupational illness are herniated discs and pleural plaques.

Following the 2022 edition of Call4Ideas ([SEE PAGE 346](#)), experimentation is underway, in collaboration with the Department of Public Health and Paediatric Sciences of the University of Turin, on the use of industrial exoskeletons to balance physical exertion in waste collection and bin handling and logistics activities, in order to reduce possible injury/health issues.

Group companies periodically carry out **work-related stress risk assessments; the assessments**, most of which were updated in 2022 and carried out using the methodology proposed by the Joint Committee "Rubes Triva", generally showed a low level of associated risk.

HEALTH AND SAFETY TRAINING

Iren Group has always been committed to developing and promoting a solid safety culture, with the aim of constantly involving and raising the awareness of all employees through training actions with a proactive approach, aimed at improving behaviour and empowerment.

In 2023, 92,032 hours of health and safety training were provided, involving 6,348 people in at least one initiative. Workers accounted for 67% of the total number of hours. The initiatives implemented through face-to-face meetings, live webinars or distance learning were:

- **basic training and updates** for executives, managers and workers, emergency and first aid officers, on specific risks (confined environments, electrical environment, asbestos, isolated work, biological risk from legionella), on the use of category three personal protective equipment (work at height, respiratory system, confined environments);
- **qualification and refresher courses for safety officers** (RSPP/ASPP, HSR, site safety coordinators, fire prevention officers, executives and staff responsible for asbestos removal, disposal and remediation);
- **training and refresher courses on the use of equipment** (fork lifts, earth-moving machinery, lifting platforms, cranes on trucks, tractors, etc.);
- **equipment training** (cranes, portable ladders, trolleys for the transport of goods and people and/or lifts/cable cars, waste collection machinery and compactors, environmental health equipment, manholes);
- **specific internal procedures** (production of advanced works plans covering electricity risk, management of work permits, emergency management, etc.).

In 2023, particular attention was paid to raising awareness, preventing and reducing risks related to road safety, e.g. the training intervention aimed at operational employees of the hydroelectric nucleus, carried out on the track at the Susa Motor Sports Centre, with the objective of having them acquire behavioural techniques and correct reaction skills while driving company vehicles on mountain routes, through the illustration of the main critical situations that can arise while driving and the performance of a specific practical module on the track and off-road (66 employees involved for a total of 564 hours of training).

Particularly appreciated was the annual update initiative addressed to the Group's RSPP and ASPP, which represented an aggregating and involving moment, thanks to the use of virtual reality through which risk situations were simulated in the workplace, aimed at increasing awareness and prevention of risky behaviours (36 employees involved for a total of 288 hours of training).

The year also saw the launch of the five-yearly refresher training initiative on safety, aimed at Iren Group workers, developed in cooperation with the RSPP, who also provided their contribution with the production of video-interventions on the Group's safety philosophy and the various items into which it is organised. The main focus was on the use of active methodologies (gamification, role-playing games, serious games, etc.), aimed at creating immersive and interactive experiences, realised through practical exercises, simulations of real and/or potentially dangerous situations. In the second half of the year, the first 7 editions were held, with cross-functional and inter-company participation to encourage interaction and discussion among participants (124 employees involved for a total of 759 training hours). The initiative will continue in 2024 to reach over 1,000 employees.

The Training Portal is integrated with the GAMMA app for safety management, in order to allow for training needs to be constantly updated in relation to the risks to employees and the security responsibilities assigned to them, as well as to monitor the expiry dates of the relative updates. It is essential to measure the effectiveness of safety training, assessed through the administration of learning tests and/or evaluations of practical training exercises, where required by legislation.



Trade union and industrial relations

[GRI 2-23, 2-27, 3-3, 402-1]

Trade union and industrial relations contribute to create the best conditions for guaranteeing Iren Group the development of a business model that aims to involve and enhance human resources, in order to increase efficiency, quality of services and capacity to address market challenges with innovative solutions.

Iren Group has always focused heavily on proper industrial relations, based on legislation and company and national collective labour bargaining, in compliance with the National Collective Labour Agreements of reference and the principles of the Code of Ethics, with particular reference to the ILO conventions [» SEE NOTE ON PAGE 80.](#)

Iren and the Trade Unions have signed a Group **Industrial Relations Protocol**, which dictates the rules that govern relations between the Parties. This has led to a model being put in place based on the sharing of business decisions, which aims to optimise individual workers who, in order to enable healthy development, must be involved and grow in step with the entire organisation. The shared decisions lead to a sense of belonging and, at the same time, place the employee centre stage. The Protocol sets out the methods for approaching industrial relations based on three pillars: bargaining, participation and rules.

Industrial relations are divided into three levels:

- *Group level*, on topics of general interest and/or transversal to businesses and areas and the trend and development of business sectors, or industrial policies, guidelines on organisational structures, the economic results of the Group and the business segments, the harmonisation processes for company agreements and the coordination of reference National Collective Labour Agreements and company integration;
- *company level*, on topics regarding individual companies or a cluster of companies, for which a Unitary Union Representative Body (RSU) is established;
- *regional level*, on topics regarding the single production unit, downstream of the company level, or on topics that concern several companies located in the same area.

Furthermore, procedures are defined for developing relations based on information sent to the Trade Unions, discussion and consultation (exchange of information and evaluations, acquisition of opinions, requests or indications from Trade Unions, verification of phenomena on matters specifically identified to seek possible points of convergence), and negotiation (discussion between the Parties aimed at reaching agreements that are binding on them).

The Industrial Relations Protocol also establishes two participatory bodies: the RSU National Coordination and the RSU Executive Committees, while bilateral Committees (environment and safety, training and development, equal opportunities and welfare) are envisaged for analysing specific issues.

At Group level, the agreement relating to the 2023 Performance Bonus was signed with the trade unions on 17 July 2023, a fundamental tool for the redistribution of company profitability and one of the main levers for stimulating involvement of workers on the progress and improvement of the Group's performance.

Again with a view to fostering dialogue between the Company and the trade unions and contributing to an improvement in staff working conditions, an agreement was signed - on 30 and 31 October 2023 for the gas/water and electricity sectors and on 4 December 2023 for the environment sector - which provides for the increase in the nominal value of meal vouchers with a gradual step starting from 1 January 2024 (increase to 9 Euro) to reach 11 Euro from 1 July 2026.

In 2023, the Group continued to focus on how the processes of flexibilisation and digitalisation define and determine new forms of work organisation, placing people training as a central element, and also involving the trade unions in this process. In this framework, a trade union agreement on training was signed on 14 December 2023, which envisages the activation of individual and collective managerial initiatives aimed at managers, coordinators and various professional figures in the Group, and technical-professional courses aimed at obtaining professional training credits for the various company figures, as well as training on safety and health at work.

Consolidated practices provide that, in the event of significant organisational changes (establishment of new business units or changes to the organisation of work), Company management informs the Trade Unions in order to seek shared solutions, where possible. Therefore, employees are notified of these

changes through service orders or notifications issued and distributed via the Group Intranet and/or e-mail and posted to Company notice boards. For changes to working hours, the National Collective Labour Agreements require that Management inform the Trade Unions and convene a consultation meeting for the purposes of a joint review. The time frames for the conclusion of discussions on the topic may vary from 10 to 30 days, after which the Parties can take the action they deem most appropriate. The contracts also cover transfers, providing for at least 30 days' notice in the event of an employee being transferred to another municipality, with the Trade Unions being informed with

adequate notice in the event of collective transfers, which are usually followed by a meeting between the Group and the Trade Unions.

The membership rate of Group employees in trade unions in 2023 is 44.3%.

With regard to the year 2023, the Group has definitively lost 4 cases relating to employees and former employees (1 relating to the year 2023 and 3 relating to previous years), of which 3 for an amount exceeding 10,000 Euro (significance threshold set by the Group).

In addition, 7 penalties were paid for health and safety violations, none of which exceeded 10,000 Euro individually.



Iren people: the numbers

[GRI 2-7, 2-8, 401-1, 403-9, 405-1, 405-2]

Unless otherwise specified, figures refer to the number of persons as at 31/12 of each year.

Staff by qualification	2023		2022		2021	
	Total	%	Total	%	Total	%
Executives	114	1.0 %	117	1.1 %	104	1.2 %
Junior managers	381	3.5 %	372	3.5 %	345	3.8 %
White collars	4,641	42.2 %	4,474	42.3 %	3,915	43.2 %
Blue collars	5,868	53.3 %	5,620	53.1 %	4,691	51.8 %
TOTAL	11,004	100 %	10,583	100 %	9,055	100 %

Personnel by position and gender	2023			2022			2021		
	Total	Women	%	Total	Women	%	Total	Women	%
Executives	114	22	19.3 %	117	22	18.8 %	104	20	19.2 %
Junior managers	381	103	27.0 %	372	98	26.3 %	345	80	23.2 %
White collars	4,641	1,860	40.1 %	4,474	1,753	39.2 %	3,915	1,518	38.8 %
Blue collars	5,868	802	13.7 %	5,620	796	14.2 %	4,691	651	13.9 %
TOTAL	11,004	2,787	25.3 %	10,583	2,669	25.2 %	9,055	2,269	25.1 %

Average staff	Total	Women	%	Total	Women	%	Total	Women	%
Executives	116	23	19.5 %	112	20	17.9 %	102	20	19.6 %
Junior managers	382	102	26.6 %	367	92	25.04 %	337	78	23.1 %
White collars	4,563	1,809	39.6 %	4,192	1,622	38.7 %	3,825	1,448	37.9 %
Blue collars	5,782	793	13.7 %	5,196	727	14.0 %	4,580	649	14.2 %
TOTAL AVERAGE	10,843	2,727	25.1 %	9,867	2,461	24.9 %	8,844	2,195	24.8 %

Non-employees (no.)	2023	2022	2021
Temporary workers	118	17	41

Staff by geographical area	2023		2022		2021	
Province of Genoa	1,235	11.2 %	1,226	11.6 %	1,089	12.0 %
Province of Parma	822	7.5 %	794	7.5 %	762	8.4 %
Province of Piacenza	590	5.4 %	578	5.5 %	557	6.2 %
Province of Reggio Emilia	1,287	11.7 %	1,219	11.5 %	1,117	12.3 %
Province of La Spezia	773	7.0 %	759	7.2 %	738	8.1 %
Province of Turin	3,535	32.1 %	3,439	32.5 %	3,204	35.4 %
Province of Vercelli	309	2.8 %	297	2.8 %	234	2.6 %
Provinces of Tuscany	1,169	10.6 %	1,147	10.8 %	n.a.	n.a.
Other provinces	1,284	11.7 %	1,124	10.6 %	1,354	15.0 %
TOTAL	11,004	100 %	10,583	100 %	9,055	100 %

Staff by contract, geographical area and gender ^{(1) (2)}	2023				2022				2021	
	Women	Men	Total	%	Women	Men	Total	%	Total	%
Employees with permanent contracts	2,562	7,567	10,129	92.0 %	2,434	7,255	9,689	91.6 %	8,254	91.1 %
Province of Genoa	291	879	1,170		268	880	1,148			
Province of Parma	212	540	752		203	524	727			
Province of Piacenza	122	424	546		117	414	531			
Province of Reggio Emilia	365	834	1,199		350	769	1,119			
Province of La Spezia	155	575	730		151	564	715			
Province of Turin	944	2,133	3,077		906	2,081	2,987			
Province of Vercelli	52	238	290		53	226	279			
Provinces of Tuscany	227	919	1,146		224	900	1,124			
Other provinces	194	1,025	1,219		162	897	1,059			
Employees with fixed-term contracts	21	120	141	1.3 %	29	121	150	1.4 %	150	1.7 %
Province of Genoa	-	3	3		3	3	6			
Province of Parma	1	7	8		1	11	12			
Province of Piacenza	-	-	-		-	3	3			
Province of Reggio Emilia	-	20	20		3	26	29			
Province of La Spezia	3	14	17		3	15	18			
Province of Turin	11	27	38		12	26	38			
Province of Vercelli	-	6	6		-	11	11			
Provinces of Tuscany	3	4	7		2	4	6			
Other provinces	3	39	42		5	22	27			
Apprenticeship/in-house training contract	204	530	734	6.7 %	206	538	744	7.0 %	651	7.2 %
Province of Genoa	16	46	62		18	54	72			
Province of Parma	14	48	62		16	39	55			
Province of Piacenza	8	36	44		10	34	44			
Province of Reggio Emilia	30	38	68		31	40	71			
Province of La Spezia	5	21	26		4	22	26			
Province of Turin	123	297	420		118	296	414			
Province of Vercelli	4	9	13		3	4	7			
Provinces of Tuscany	1	15	16		3	14	17			
Other provinces	3	20	23		3	35	38			
TOTAL	2,787	8,217	11,004	100 %	2,669	7,914	10,583	100 %	9,055	100 %

⁽¹⁾ There are no employees with non-guaranteed hours.

⁽²⁾ As of 2022, the breakdown of employees by geographical area required by the new GRI standard has been adopted; therefore, it is not possible to provide 2021 detail figures.

Staff by full-time and part-time contract by gender and geographical area ⁽¹⁾	2023			2022			2021
	Women	Men	Total	Women	Men	Total	Total
Workers with full-time contract	2,443	8,039	10,482	2,336	7,748	10,084	8,630
Province of Genoa	266	921	1,187	248	930	1,178	
Province of Parma	192	580	772	189	548	737	
Province of Piacenza	100	456	556	99	447	546	
Province of Reggio Emilia	317	888	1,205	304	828	1,132	
Province of La Spezia	128	538	666	126	550	676	
Province of Turin	1,014	2,420	3,434	974	2,363	3,337	
Province of Vercelli	53	252	305	53	239	292	
Provinces of Tuscany	207	926	1,133	203	906	1,109	
Other provinces	166	1,058	1,224	140	937	1,077	
Workers with part-time contract	344	178	522	333	166	499	425
Province of Genoa	41	7	48	41	7	48	
Province of Parma	35	15	50	31	26	57	
Province of Piacenza	30	4	34	28	4	32	
Province of Reggio Emilia	78	4	82	80	7	87	
Province of La Spezia	35	72	107	32	51	83	
Province of Turin	64	37	101	62	40	102	
Province of Vercelli	3	1	4	3	2	5	
Provinces of Tuscany	24	12	36	26	12	38	
Other provinces	34	26	60	30	17	47	
TOTAL	2,787	8,217	11,004	2,669	7,914	10,583	9,055

⁽¹⁾ As of 2022, the breakdown of employees by geographical area required by the new GRI standard has been adopted; therefore, it is not possible to provide 2021 detail figures.

Average personnel age by position (years)	2023	2022	2021
Executives	54	54	54
Junior managers	53	52	52
White collars	47	47	48
Blue collars	47	47	47
OVERALL AVERAGE	47	47	48

Staff by age	2023		2022		2021	
	Total	%	Total	%	Total	%
under 30 years old	1,165	11 %	1,136	11 %	922	10%
Executives	0		0		0	
Junior managers	0		0		0	
White collars	473		459		355	
Blue collars	692		677		567	
from 30 to 50 years old	4,426	40 %	4,230	40 %	3,561	39%
Executives	32		36		32	
Junior managers	137		140		126	
White collars	1,968		1,890		1,556	
Blue collars	2,289		2,164		1,847	
over 50 years	5,413	49 %	5,217	49 %	4,572	51%
Executives	82		81		72	
Junior managers	244		232		219	
White collars	2,200		2,125		2,004	
Blue collars	2,887		2,779		2,277	
TOTAL	11,004	100 %	10,583	100 %	9,055	100%

Personnel by qualification (%)	2023	2022	2021
Compulsory education	36	37	37
Professional institutions	8	8	8
Diploma	38	37	37
Degree	18	18	18
TOTAL	100	100	100

Average personnel by Business Unit	2023		2022		2021	
Holding	1,139	11 %	1,106	11 %	1,065	12 %
Energy BU	1,215	11 %	1,135	11 %	918	10 %
Market BU	667	6 %	589	6 %	543	6 %
Networks BU	2,326	21 %	2,223	23 %	2,166	25 %
Waste Management BU	5,496	51 %	4,814	49 %	4,152	47 %
OVERALL AVERAGE	10,843	100 %	9,867	100 %	8,844	100 %

Average Company service of departing personnel by age and gender (years)	2023	2022	2021
Age			
under 30 years old	2	1	1
from 30 to 50 years old	4	4	4
over 50 years	22	22	23
Gender			
Men	13	13	15
Women	11	17	19
OVERALL AVERAGE	13	14	15

Personnel turnover by gender, province and age ⁽¹⁾	2023	2022	2021
Gender			
Men	9.1 %	8.1 %	8.3 %
Women	4.4 %	4.3 %	4.5 %
Province			
Province of Genoa	6.2 %	4.1 %	4.1 %
Province of Parma	7.5 %	7.1 %	7.3 %
Province of Piacenza	5.1 %	6.7 %	5.6 %
Province of Reggio Emilia	7.7 %	7.0 %	6.2 %
Province of La Spezia	8.4 %	8.0 %	4.6 %
Province of Turin	6.1 %	5.8 %	6.4 %
Province of Vercelli	6.8 %	7.7 %	9.4 %
Provinces of Tuscany	7.4 %	2.4 %	n.a.
Other provinces	16.5 %	19.4 %	14.9 %
Age			
Under 30 years old	11.3 %	10.9 %	8.8 %
From 30 to 50 years old	6.6 %	5.4 %	4.8 %
Over 50 years	8.2 %	7.8 %	9.0 %
TOTAL	7.9 %	7.2 %	7.3 %

⁽¹⁾ Turnover was calculated as ratio of outbound employees to the number of total employees at 31/12.

Hires during the year by gender, province and position (no.)	2023	2022	2021	2020
Gender				
Men	935	994	717	515
Women	210	297	169	97
Province				
Province of Genoa	68	163	74	55
Province of Parma	84	89	71	41
Province of Piacenza	40	55	34	15
Province of Reggio Emilia	172	191	119	62
Province of La Spezia	77	81	50	23
Province of Turin	308	429	263	197
Province of Vercelli	36	84	14	14
Provinces of Tuscany	96	23	n.a.	n.a.
Other provinces	264	176	261	205
Position				
Executives	5	5	4	5
Junior managers	7	13	9	9
White collars	334	507	248	178
Blue collars	799	766	625	420
TOTAL	1,145	1,291	886	612

Ratio of basic average salary by gender and position (%)	2023	2022	2021
	% Men/Women		
Executives	87.2	92.7	90.1
Junior managers	99.1	98.4	98.3
White collars	92.3	91.9	91.2
Blue collars	94.1	94.6	95.1

Ratio of basic average salary by gender and geographical area (%)	2023			
	% Men/Women			
	Executives	Junior managers	White collars	Blue collars
Piedmont	100.6	99.9	93.2	97.5
Emilia-Romagna	86.3	102.1	94.5	79.8
Liguria	80.0	98.9	91.4	94.8
Tuscany	n.a.	94.7	90.0	96.5
Other areas	64.8	91.4	85.0	77.9

Injuries and work-related injury rates ⁽¹⁾	u.m.	2023	2022	2021
Total number of injuries	no.	488	468	385
of which high-consequence work-related injuries - non-fatal ⁽²⁾	no.	5	2	3
of which high-consequence work-related injuries - fatal	no.	0	0	0
Injuries by type ⁽³⁾	no.	488	468	385
of which professional inj.	no.	396	361	203
of which road inj.	no.	33	40	38
of which incidental inj.	no.	59	67	144
Frequency rate (total number of injuries/hours worked x 1,000,000)	-	26,79	29,18	26,30
(total number of injuries/hours worked x 200,000)	-	5,36	5,84	5,26
Frequency rate of high-consequence work-related injuries - non-fatal (no. of non-fatal high-consequence work-related injuries/hours worked x 1,000,000)	-	0,27	0,13	0,21
Frequency rate of high-consequence work-related injuries - fatal (no. of fatal high-consequence work-related injuries/hours worked x 1,000,000)	-	-	-	-
Giorni di assenza per infortunio	days	14,983	14,343	12,836
Severity rate (days away from work due to injuries/hours worked x 1,000)	-	0,82	0,89	0,88
Incidence rate ⁽⁴⁾ (total no. injuries/total no. employees x 1,000)	-	45,01	47,43	43,53
Average injury duration (days away from work due to injuries/total no. injuries)	days	30,70	30,65	33,34
Medical treatments	no.	32	24	18
Commuting injuries	no.	68	76	47
of which non-fatal	no.	67	76	47
of which fatal	no.	1	0	0

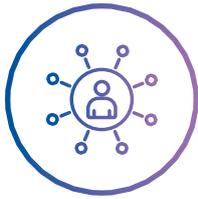
⁽¹⁾ Commuting injuries and injuries not recognised by INAIL are excluded from work-related injury rates.

⁽²⁾ Injuries lasting longer than 6 months.

⁽³⁾ The internal classification distinguishes between: professional injuries: occurring during activities closely related to the work task; road injuries: occurring during work-related travel in company vehicles; incidental injuries: occurring during activities not closely related to the work task.

⁽⁴⁾ The incidence rate is calculated considering the average number of employees.

Injuries by gender (no.)	2023	2022	2021
Men	384	349	297
Women	104	119	88
TOTAL	488	468	385



Our suppliers

[GRI 2-6, 2-23, 2-24, 3-3, 204-1, 308-1, 308-2, 403-1, 403-2, 403-3, 403-5, 403-7, 403-8, 403-9, 407-1, 408-1, 409-1, 414-1, 414-2, G4-EU17, EU18]

The integration of sustainability in the Group's development strategy is expressed, as defined in the Sustainability Policy, also through the management of the supply chain where the Group promotes the adoption of sustainability commitments in line with those defined internally, including also through the adoption of environmental and social criteria and standards in the supplier selection and evaluation system. By managing and improving its environmental, social and economic impacts and ensuring good supply chain governance, the Group acts not only to achieve its strategic objectives and to generate a positive reflection on its resilience and competitiveness, but also in the interest of stakeholders and society at large, with the aim of creating value over time.

Sustainable supply chain management



Risks

- Qualification in the Register of a supplier not complying with the Group's quality/sustainability standards
- Professional injuries and work-related illness of employees of third-party companies
- Non-compliance with health and safety regulations by suppliers
- Violation of the Code of Ethics and current regulations by suppliers with relative reputational impacts
- Behaviour of suppliers that does not comply with human rights standards and the values of diversity and inclusion
- Supplier behaviours that do not comply with the Group's environmental regulations and policies



Opportunities

- Integration of ESG factors in the supplier qualification process
- Contribution to the improvement of ESG profiles of SME suppliers



Management methods

- Vendor management system with ESG criteria
- Code of Ethics
- Organisational Model 231 and information flows to the Supervisory Bodies
- Compliance with social standards for the supply chain
- Monitoring of potentially sensitive contracts concerning environmental protection and health and safety at work
- Supply chain monitoring on workers' rights and human rights
- Procurement audits
- Contracts that enhance the work of disadvantaged personnel
- Legality protocols with the Prefectures for the prevention of attempts by organised crime to infiltrate public works contracts and concessions
- Procedures: Group Procurement Consolidation Act; Management of procurement safety obligations; Management of injuries, near misses, company accidents; Methods for implementing suspension and/or exclusion from the Supplier Register; Whistleblowing

Iren Group recognises the importance and value of governing the environmental, social and economic dimensions along its supply chain, in line with national, European and international guidelines to foster a sustainable economy.

Attention to the identification and management of the positive and negative impacts produced by business activities and the supply chain on an environmental, social and governance level is the focus of the Group's attention which, in this direction, continued in 2023, a growth project in the sustainable management of the supply chain (**ESG Supply Chain Project**) to take on an increasingly leading role in its own supply chain with a view to sustainable and resilient development, accompanying its suppliers along the way and enhancing the capacity of the territory and of local companies. The project led to the adjustment of the supply chain assessment with respect to ESG parameters and principles, the upgrading of the Supplier Register by expanding, in the qualification process, the information required from suppliers on their sustainability profiles, and the joining of an external platform for the direct involvement of the Group's qualified suppliers, which will be fully operational from 2024.

Management of the supply chain is the responsibility of the Procurement structure, within the Procurement, Logistics and Services Department, which operates for all Group companies. The Business Units that mainly contribute to the order volumes are Networks, Energy and Waste Management and the majority of the order volume is attributable to a limited part of the supplier base, in which there is a high incidence of small-medium sized companies.

To pursue its growth strategy, guided by the Sustainability Policy and the Code of Ethics, as well as aimed at contributing to the achievement of the Sustainable Development Goals of the UN 2030 Agenda, the Group adopts a structured procurement process consistent with the principles of free competition, equal treatment, non-discrimination, transparency, proportionality and publicity, in the cases provided for by the law, as well as inspired by respect for human and workers' rights, health and safety, and environmental protection, which is given the utmost importance. The process - based on the IT traceability of information, on the rotation of suppliers to guarantee the best competitive dynamics aimed at effectiveness and efficiency, and on the segregation of

tasks - is structured into the following phases:

- vendor management: aimed at the qualification and management of suppliers to support the procurement process, through the Supplier Register;
- analysis and planning developed, as a rule, at the strategic planning and budget stages;
- purchasing through private and public procedures, carried out through the Group's Procurement Portal, in the manner set out in the Public Contracts Code (Legislative Decree 50/2016);
- post-allocation contract management through support and possible training to the contract manager in the application phase, where required or necessary;
- vendor rating for the evaluation of supplier performance.

The Group's online Procurement Portal, through which public procedures and procedures for invitation to tender are managed, and the Supplier Register, divided into product categories which are functional to business needs, allow for better monitoring of the supply chain, which is a strategic aspect in the management of the Group's business activities.



The Group has adopted various tools to broaden supplier involvement in the sustainable development approach

The Procurement Portal constitutes an important opportunity for economic operators interested in becoming suppliers of the Group, increasing opportunities for involvement. To guarantee absolute transparency concerning engagement rules, the rules for admission to the Supplier Register, the participation rules for managed negotiation events and the general conditions of use for the platform are published on the Portal. A technical assistance service for the use of the portal is also provided for economic operators who request it.

All parties involved in any capacity in the procurement process are required, each within the scope of their jurisdiction, to scrupulously comply with the provisions

of the law, the Group's Code of Ethics and Model 231, as well as company procedures, particularly concerning the transparency and traceability of transactions and the confidentiality of any information they become aware.

Qualification, selection and monitoring of suppliers

The supplier qualification system aims to guarantee that products, services and works are able to ensure quality and reliability.

The supplier selection and management process is based on the principles of transparency, clarity, integrity and non-discrimination. The qualification process considers qualitative aspects and those related to sustainability, with particular emphasis on social and environmental issues and compliance with the principles and values of the Code of Ethics, which must be accepted by all bidders, without the possibility of making exceptions or changes.

Within the scope of contracts subject to the Public Contracts Code, art. 30 "Principles for the award and execution of contracts and concessions" requires economic operators to comply, when executing them, with environmental, social and labour obligations established by European and national legislation, collective agreements or international provisions listed in Annex X, including: ILO Conventions 87 (freedom of association and protection of the right to organise), ILO 98 (right to organise and collective bargaining), ILO 100 (equal pay), ILO 111 (discrimination in the field of labour and employment) ILO 29 (forced labour), ILO 105 (abolition of forced labour), ILO 138 (minimum age) and ILO 182 (worst forms of child labour), the Vienna Convention (protection of the ozone layer) and the Montreal Protocol (ozone-depleting substances). Explicit declaration of compliance may be requested in tender documents.

All Group contracts require that suppliers certify that they meet the general requirements and that, consequently, they have not been convicted of, among other things, offences involving the exploitation of child labour and other forms of human trafficking as defined in Legislative Decree 24/2014 will not apply. In the case of public tenders, any finding of non-compliance is grounds for contract termination and reporting to ANAC (National Anti-Corruption Authority).

Within public contracts for amounts of community interest, supplier selection is carried out, for each tender, by indicating the requirements of economic-financial and technical capacity in the calls, which are directly linked to the activity to which the call refers. These requirements must be proportional and such as to ensure competitiveness, according to the regulations in force. Furthermore, it is also possible to establish qualification systems for the tender notice by publishing a community notice. After the selection has been made using the qualification systems, negotiated procedures can be carried out, in accordance with the protocol defined by the founding regulations of the system.

In the context of public procurement procedures, the lack of criminal convictions is also verified (by indirectly consulting their Criminal Record and Record of offence related administrative sanctions) which, by nature and severity, entail the exclusion from contracts and sub-contracts (including offences related to safety, the use of child labour, etc.).

Together with the Prefectures of Reggio Emilia, Parma, Piacenza, Genoa and Turin, Iren Group has also executed "Legality Protocols" that aim to expand monitoring of enterprises in terms of the anti-Mafia laws, even beyond the cases envisaged by regulations. Based on these Protocols, contractors and subcontractors are monitored and, if they do not comply with the prefectural notices, they are excluded from contracts.



For more extensive monitoring of supplier companies, the Group has signed Legality Protocols with the Prefectures

With reference to assignments attributable to excluded contracts (so-called "below the threshold")

or unrelated to the procurement and concession code, Iren Group uses supplier qualification procedures that provide for the compilation of a specific questionnaire divided into chapters relating to the company profile (with attestation of information relating to turnover, certifications, etc.), information on economic-financial capacity (financial statements ratios), information on operational-organisational capacity and insights into environmental, health and safety and corporate social responsibility aspects. More specifically, for this last section, the supplier is required to declare:

- if, in line with UNI ISO 26000 guidelines on corporate responsibility, company initiatives to develop a socially responsible approach to business planning and management have been identified and, if so, to describe the initiatives adopted;
- if the supplier publishes its Sustainability Report and, if so, to indicate where it can be found, or to attach a copy or excerpt of the significant sections;
- if the supplier is willing to carry out a CSR Audit, in the instance it were to sign one or more contracts with the Group, and if it is willing to take part in the Iren annual CSR survey [» SEE PAGE 337](#).

Also required is a declaration of lack of serious violations, definitively ascertained, with respect to obligations relating to the payment of taxes, or social security contributions, according to Italian law or that of the State of establishment and serious violations, duly established, to the rules on health and safety at work.

Supplier social and environmental responsibility profiles are evaluated through the certification process



To be qualified for the Supplier Register, the verification of being in possession of valid certifications, issued by independent bodies (i.e.: ISO certifications, SOA certifications, etc.), as well as the possession of economic eligibility requirements of the tender, is required. Furthermore, certain budgetary

indicators are acquired via companies specialising in commercial information (both for corporations and partnerships), which contribute to determining the supplier's score for qualification purposes. The current provisions provide for the invitation of at least 5 suppliers among those included in the Suppliers' Register for "below the thresholds", in order to guarantee competitiveness.

From the point of view of environmental protection, during qualification all potential suppliers of the Group are required to provide evidence of:

- possession of ISO 14001 Certification (issued by a recognised accreditation body);
- possession of EMAS Certification;
- possession of an Environmental Product Declaration – EPD;
- possession of energy management systems in compliance with the ISO 50001 standard;
- possession of one or more environmental labels (EU Ecolabel, FSC, PEFC, Plastica Seconda Vita, ANAB– ICEA, Natureplus® Certification, CIC Compostability);
- the use of products from one or more of the labels mentioned above in the production process or service rendered, or of another label that highlights a focus on lowering the environmental impact;
- the use of suppliers holding ISO 14001 and/or EMAS Certification in the production process or service rendered;
- the use of work instructions that govern the management of waste, including hazardous waste, packaging and packaging waste in the production process or service rendered, from their temporary storage to their disposal within the contract;
- the use, with reference to the categories of products indicated by the supplier, of recycled or recyclable material, with low emissions and low energy consumption;
- the adoption, with reference to the categories of products indicated by the supplier, of specific procedures for the storage and collection of recyclable materials in order to guarantee recycling;

- the availability, with reference to the categories of products indicated by the supplier, to recover or retain packaging after delivery to be reused and to decommission products to be replaced with proof of their disposal through the recovery of the material;
- evidence of enrolment in the National Register of Environmental Managers.

From the 1,075 qualified suppliers in 2023, about 70% (747 suppliers) reported possession of at least one of the above environmental profiles. In addition,

specific questionnaires were administered to suppliers in the product categories for which compliance with minimum environmental criteria, defined by the Ministry of the Environment and Energy Security, is required. During 2023, 92 suppliers were analysed under these environmental profiles.

As part of the ESG Supply Chain project, additional supplier evaluation requirements, initially rewarding a large number of product categories, will become “blocking” over a three-year period, i.e. suppliers will have to prove that they meet these environmental requirements in order to qualify.

CSR SUPPLIER SURVEY (2023 EDITION)

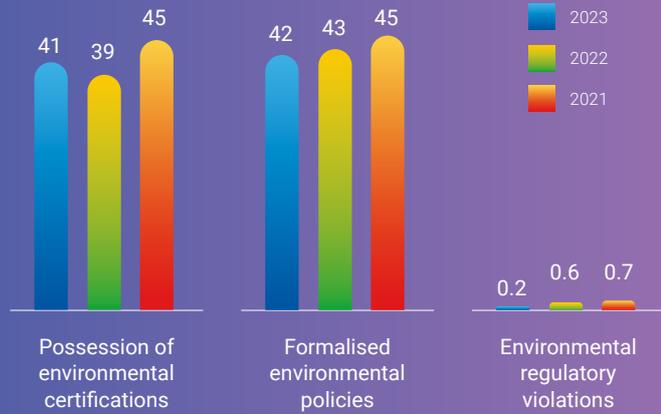
Iren Group directly involves its suppliers in sustainability management processes to achieve mutual growth, intending to improve performance. In 2023, the Group carried out the sixth corporate social responsibility survey of 3,506 suppliers, through a questionnaire that explores how environmental, social and governance (ESG) policies are managed. In this new edition, the questionnaire has been expanded in order to capture in a more timely precise manner the results produced by the ESG policies adopted by the supply chain. Furthermore, the survey saw greater involvement of suppliers belonging to the category of micro-enterprises with fewer than 15 employees (50% of the total respondents) and a turnover of less than 1 million Euro (33% of the total respondents). The different composition of the responding company base and the new features introduced by the questionnaire are reflected in the results summarised in the following graphs.

Of the **1,101 suppliers** that took part in the survey (31% of the total, up from 29% in 2022), **25% defined priority ESG topics**, of which the 5 most recurring were worker **health and safety**, human resources **training and development**, **energy efficiency and saving**, **decarbonization** and **diversity and inclusion**.



ENVIRONMENTAL ASPECTS (% ON TOTAL)

42% of respondents have a **formalised environmental policy** with commitments regarding: **waste management** (31%), **energy consumption** (28%), **water management** (18%) and **emissions** (15%). Moreover, 27% of respondents have a policy that engages their suppliers on environmental sustainability issues.



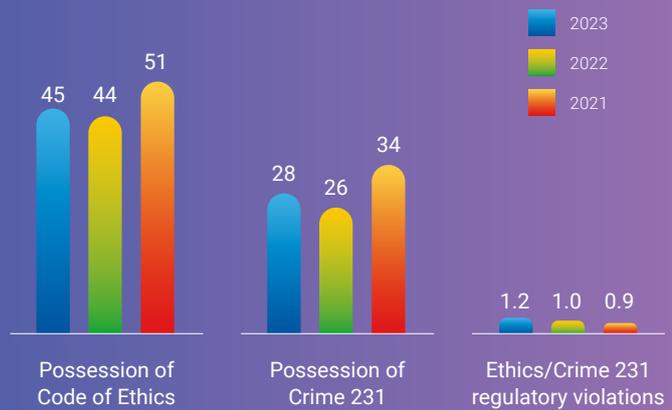
SOCIAL ASPECTS (% ON TOTAL)

64% of respondents have **formalised human resources management policies** related in particular to: **employee health and safety** (60%), **working conditions** (33%), **recruitment management, training and career development** (28%), **diversity and inclusion** (18%). 35% adopt formalised **human rights** policies and 20% state that they have identified a person officially responsible for human rights issues (➤ SEE PAGE 83).



GOVERNANCE ASPECTS (% ON TOTAL)

45% of the respondents have adopted a **code of ethics** and/or conduct, which in 61% of cases is referred to in the contracts concluded by the company, while 28% adopt an **organisational model in accordance with Legislative Decree 231/2001**. 20% are included in the list of companies with a **legality rating** published by the Antitrust Authority.



Finally, responding suppliers report the adoption of formalised policies on: **customer privacy** (44%), **information security** (33%), **anti-bribery and corruption** (29%), **conflict of interest** (18%) and **anti-money laundering** (19%).

To improve supply chain management, the Group has implemented automated systems for the acquisition, during qualification, of general and fiscal data, chamber of commerce records, turnover and the number of employees of potential suppliers.

Being part of Iren Group's Supplier Register means sharing the reputational and sustainability values that are the founding elements of the Group's policy, sharing for which the willingness of suppliers to report on CSR profiles is required, with a view to rewarding the willingness shown, and which entails the development of a partnership path that may envisage, over time, the identification of binding qualification profiles, with a view to continuous improvement.

Being part of the Supplier Register means starting a path of partnership with Iren Group



Many contracts provide for the attribution of technical scores based on the lower environmental impact in carrying out the order, for example by rewarding the adoption of measures to contain environmental impact (e.g. dust, noise, traffic), decarbonization (e.g. less polluting vehicles), waste management, air and water protection, energy efficiency.

Compliance with the provisions related to the environment from contractors and subcontractors is required in the specifications. Furthermore, in regards regarding the products, the Group promotes the selection of recyclable, renewable materials that minimise waste production and favour production systems with a low environmental impact. Some technical specifications also provide for the purchase of fair trade products. Goods are tracked when the specifications require that they are sourced from a specific location.

If, in carrying out the activities that are the object of the contract, the contractor should generate situations of pollution, Iren Group asks to implement all the necessary interventions for the safety, reclamation and environmental restoration of the area. In case of non-compliance with the environmental obligations, Iren can order the immediate suspension of the activities until the safeguard measures have been adjusted, without this resulting in requests for compensation for the interruption of the services (site stoppage, lack of profit and any other charge connected directly or indirectly) nor constituting grounds for any extension of the contractual terms. This is without prejudice to Iren's right to terminate the contract, without prejudice to the right to bring the consequent actions for compensation and damages.

The contractual documentation expressly prescribes that the supplies and services subject to the contract are carried out in compliance with the **minimum social standards in terms of human rights and working conditions** along the supply chain as defined by the fundamental Conventions of the ILO (International Labour Organisation) and the United Nations General Assembly - on health and safety in the workplace, definition of minimum wage, working hours, social security, human rights, child labour, forced labour, discrimination, trade union freedom and the right to collective bargaining - and by the national legislation in force in the countries where the stages of the supply chain are carried out ([SEE PAGE 83](#)). Said contractual commitment, already undertaken during the tender through the signing of a special declaration, involves, in case of violations, the application of a penalty, without prejudice to the right to terminate the contract.

The contractual clauses on the environment, health and safety, human rights and workers' rights are in addition to the express acceptance of the principles of Organisational Model 231 and of Iren Group's Code of Ethics, which is a condition for admission to tenders and for the effectiveness of contracts. Violation of the provisions of the Code of Ethics results in exclusion from the tender or, if the violation is discovered at a later stage, revocation of the award or termination of the contract attributable to supplier misconduct. Depending on the seriousness, it may also lead to disqualification for one year from participating in tenders called by Iren Group.

The monitoring and verification of compliance with the provisions of the contracts, in terms of environmental and social and safety aspects, during the execution of the works, are under the control of the Group's Works Management. Control occurs on two levels:

- the first is documentary and involves checking the consistency and existence of all the documents declared in the contract;
- the second is, on the other hand, the monitoring directly on the site of execution of the work, by the Directors of Works of the Business Units and by the site assistants, of the compliance with the contractual conditions and rules in force by the contract workers operating within the site.

Qualified suppliers that have been awarded a tender are assessed by the internal departments that manage contracts and directly monitor the conduct of the supplier when carrying out the contracted works. This assessment generates a score, which is added to the qualification score. Any continuous negative outcome or serious failure in the execution of the work, which the Procurement, Logistics and Services Department is notified, will lead to the suspension and subsequent exclusion from the Supplier Register for a set period.

During 2023, a total of 1,175 suppliers were verified, of which 1,075 successfully qualified.

Employment in supplier companies

Iren Group, aware of the importance of work for the social development of the context in which it operates, contributes to maintaining the employment level not of its employees, as illustrated above, but also by promoting the development of the companies to which services, interventions and works are contracted, requiring adequate guarantees from them in terms of personnel and safety policies, through the application of some of its own standards; moreover, the Group often offers employees of supplier companies the opportunity to use certain company services and to participate in training/information initiatives managed by the Group.

Particular attention is paid during the assessment stage to compliance with the regulations relevant to the correct application of the employment contracts and the payment of the relevant mandatory insurance and social security contributions; the specifications provide for the obligation of the supplier to comply with the laws concerning the protection of the workers and the National Collective Labour Agreements in force and applicable to the sector of reference. These obligations are controlled through the regular acquisition of DURC (statement of correct fulfilment of welfare contribution obligations) and the documents provided by occupational safety legislation (OSP – Operational Safety Plan, and DUVRI – Interference Risk Assessment Document). In the case of non-compliance with remuneration and social security contributions, the laws of alternative means are

applied, meaning employees and social security funds are paid directly and these amounts are deducted from the amount paid to the contractors. Subcontracts are also authorised and monitored in compliance with the law. As well as fully implementing the regulations for employee health and safety, in many contracts the score attributed by the Group focuses on the commitment of the contractor to ensure, in line with the provisions established by the collective labour agreement (social clause) and with the organisation it intends to implement, occupational safety through the hiring of the personnel of the outgoing contractor (the latter may be scored for the maintenance of the resources used). Furthermore, in with regard to Contact Centre services, the awarding tenders state that the personnel costs cannot be lowered.

In order to participate in the public tenders of Iren Group, companies must comply with the obligations provided by Law 68/1999 on the recruitment of disabled workers. All the Group's specifications include clauses designed to control the problem of undeclared employment, with regard to tendering and subcontracting.

During qualification procedures for the Register, and concerning information on operational and organisational capacity, companies are requested to indicate the number of employees on permanent and fixed-term contracts and to specify the ratio of permanent employees to the total number of employees, a ratio that increases the score in a directly

proportional manner.

For tenders, Group contracts state that the contractor is responsible for complying with current sector legislation. As the contract is characterised by the assumption of the responsibility to achieve a result, the contractor is entrusted to organise the means and workforce needed to attain said result. In the context

of public tenders, the bidder is required to specify the applicable National Collective Labour Agreement and the number of hours estimated for the performance of the contract. If an obvious anomaly were to become apparent when verifying the sustainability, the cost of the workforce employed to carry out the tender would also be investigated.

TRAINING AND INFORMATION ACTIVITIES

831
hours of
training to
third-party
companies

In 2023, the Group provided a total of 831 hours of training to third-party companies, including on occupational health and safety, with the involvement of 112 employees of the companies themselves. The main initiatives concerned the illustration of safety procedures, technical/operational instructions related to the types of electricity and water distribution systems, technical training for external sales and call centre staff.

Supplier health and safety

Attention to occupational health and safety aspects is extended to contractors and self-employed workers through prior qualification of suppliers, contractual provisions, safety documentation and on-site monitoring. During qualification in the Supplier Register, the following aspects are investigated through the evaluation questionnaire:

- the existence of a Prevention and Protection Service, either within or outside of the company;
- the appointment of a Safety Contact that deals with individual contracts/orders;
- monitoring of data relating to the number of injuries that the company has recorded in the last three years and any criminal proceedings for breach of health and safety regulations;
- benefit, at least once in the last 3 years, of the INAIL rate reduction (ref. OT24 FORM);
- availability of an Occupational Health and Safety Management System certified pursuant to art. 30 of Legislative Decree 81/08 (of the 1,075 new suppliers that qualified during 2023, 188 declared to have such a tool; the total number of suppliers with a health and safety management system thus amounts to 2,180 out of a total of 9,055 qualified suppliers);
- any pending criminal proceedings for violations of security regulations;
- existence of a training programme on the subject and systematic verification of the degree of learning achieved by each worker after each training event;
- the integration of Italian language courses within foreign workers' training.

In day-to-day management, specific measures for the protection of health, safety and hygiene at work are required in contracts.

In fact, tender and contractual documentation must include the Safety and Coordination Plan (SCP) and the Interference Risk Assessment Document (DUVRI). Further obligations of occupational health and safety to be implemented in the operational management phase of the contracts are defined by specific procedures.

In contract situations or, more generally, where third parties operate at the Group sites, the relevant documentation required to identify and communicate information on workplace risks and prevention measures,

as well as any interference risks relating to the performance of activities by third-parties in those sites, is prepared. This documentation is prepared according to procedures specific to each Business Unit, in order to make the process as appropriate as possible to the characteristics of the individual contracted activities.

The ISO 45001 certified systems adopted by the Group companies are defined, documented and implemented in order to guarantee systematic control of aspects relating to the health and safety of both employees and workers of third-party companies operating on behalf of the Group, also thanks to procedures for controlling the operating methods adopted by contract workers in relation to compliance with safety requirements.

Furthermore, the Group carries out monitoring and control inspections on the activity carried out by the personnel of third-party companies working on construction sites and in plants, related to aspects of safety and hygiene at work. The monitoring of activities is guaranteed by internal supervisory inspections by the Works Management (pursuant to art. 26 of Legislative Decree 81/2008) or by the Coordinator during the execution phase (on temporary and mobile construction sites pursuant to Title IV of Legislative Decree 81/2008).

The Group procedure for the management of injuries provides for a specific injury reporting form for the personnel of third-party companies, through which these companies are required to inform the Group of any injuries occurring as part of the activities carried out on behalf of and /or in environments of which the Group has legal availability. The compilation of the form requires the involvement of the supplier company and the Works Management; information regarding the situations resulting in injury are collected in a database and subjected to in-depth analysis by the Prevention and Protection Service, also in collaboration with the Works Management.

In 2023, 93 third-party injuries were recorded, up from 2022, as a result of both the expansion of the Group's perimeter, which entailed a greater number of contracted activities, and the constant outreach to contractors to report all injuries of their workers.

Third-party injuries ⁽¹⁾	u.m.	2023	2022	2021
Total number of injuries	no.	93	73	47
of which high-consequence injuries – non-fatal ⁽²⁾	no.	0	0	0
of which high-consequence injuries – fatal	no.	0	1	0

⁽¹⁾ Commuting injuries and those not recognised by INAIL are excluded.

⁽²⁾ Injuries lasting longer than 6 months.

Supplier portfolio and purchase volumes

5,481
suppliers

In 2023, purchase orders were issued to 5,481 suppliers for about 1,270 million Euro (52% of purchase volumes related to services, 28% to works and 20% to supplies).

1,270
million Euro
purchase
orders

Orders have a continuous evolution from year to year, justified by various aspects such as, for example, changes in requirements determined by changes in the company perimeter, the incidence of investments and multi-year contracts and the strategic choices of the purchasing functions.

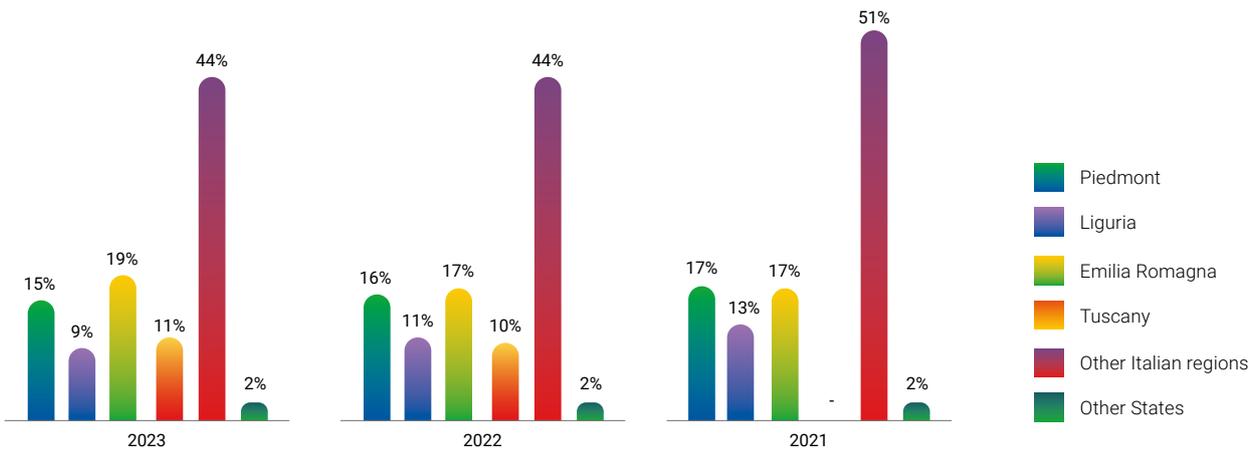
IMPACTS ON THE LOCAL AREAS

Sourcing of suppliers in the local areas of reference is well-established, both in terms of the number of active suppliers (54%), as well as the economic value of the orders (57%). These figures highlight the importance of the effects of Iren Group on the local areas of reference.

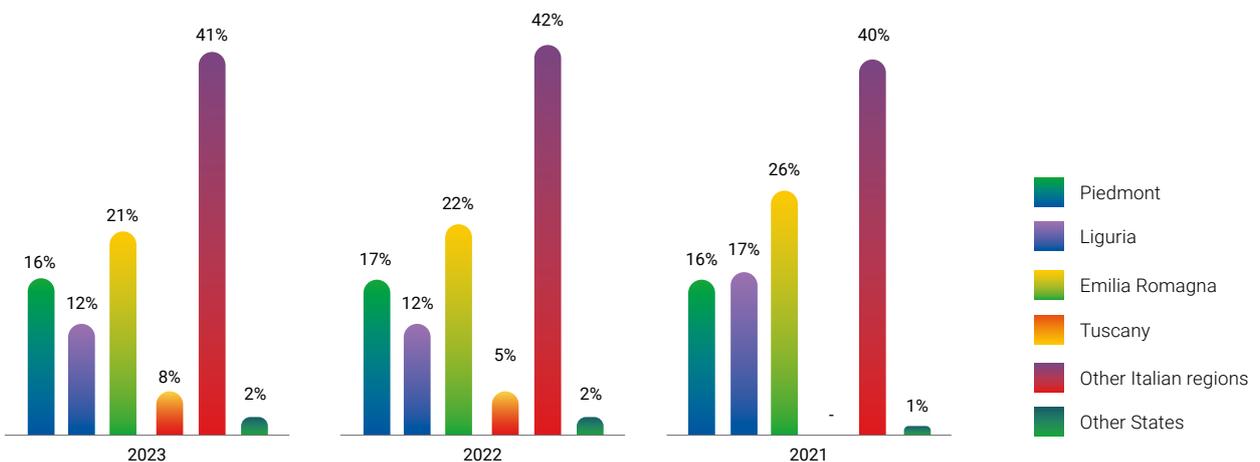
Within the context of public tender procedures, in compliance with current legislation and Community principles which require that all companies can compete, no matter their location, the Group does not select suppliers by geographical origin, but on quality and economic criteria, favouring the best value for money as the determining factor. In order to guarantee an adequate level of competition, where feasible, the Group arranges the tender into functional lots, so as to allow separate awards and greater participation by economic operators, including those that are small and medium enterprises. Nonetheless, with reference to the instrumental tenders, which are carried out via invitation, or irrelevant to the Contracts and Concessions Law, Iren Group reserves a 50% share for local economic operators with suitable qualifications that are present in the Register when identifying the panel of qualified suppliers to invite to the tender. This measure aims to favour local development and, consequently, social cohesion.

The local economic impacts generally occur due to subcontracting to local companies – within the limits allowed by law – that are able to work on a portion of the activities and apply more competitive prices given that they are already present in loco and guarantee efficient services due to their knowledge of the area. The large number of suppliers by geographical area and the relevant volumes ordered are shown below and refer to all purchases with exclusion of contracts for the supply of raw materials.

SUPPLIERS BY GEOGRAPHICAL AREA (% OF NUMBER)



SUPPLIERS BY GEOGRAPHICAL AREA (% OF EURO)



SOCIAL COOPERATIVES

The Group supports social cooperatives whose main aim is to ensure the incorporation of disadvantaged people within the world of work.

Social cooperatives are mostly active in particular in waste collection and environmental hygiene services. Within the general qualification questionnaire, suppliers are asked if the company's main purpose is the social and professional integration of disadvantaged people or those with disabilities (pursuant to art. 4, paragraph 1, Law 381/1999 "Social Cooperatives Regulation").

In the Procurement Portal, the number of social cooperatives for 2023 amounts to 44; of these, 31 worked with the Group companies during the year.

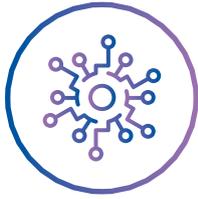
The overall order amount to social cooperatives was about 30 million Euro, representing 2.2% of the total value of Group orders.

The order trends can vary significantly from one year to the next in relation to the signing of multi-year contracts, including ones for significant sums.

Social Coop.	2023	2022	2021
Suppliers (no.)	31	32	35
Orders (Euro)	28,317,246	40,443,440	20,944,620

DISPUTES

In 2023, two lawsuits brought in previous years by employees of a supplier against their employer, in which Iren Group was held liable under the joint and several liability of principal and contractor, were definitively settled. However, there are no monetary disbursements relating to these cases in 2023 because the amounts, which had already been paid in previous years within the time limit set forth in the immediately enforceable injunction order, were offset against the accounting items, at that time, open with the supplier.



Innovation and digitalisation

[GRI 2-23, 3-3]

Iren Group, as declared in the Sustainability Policy, considers innovation as a strategic element to face future challenges and to meet the needs and expectations of its main stakeholders. The aim of the Group's approach to innovation is to improve service quality, building relationships between material infrastructures and human capital, both intellectual and social, thanks to the use of new technologies, in order to improve quality of life and meet the needs of residents, companies and institutions, also for the development of smart cities (» SEE PAGE 281). Through innovation, the Group strives for continuous improvement in managing potential environmental and social impacts in order to reduce risks and seize business opportunities.

Innovation, digital transformation and smart cities



Risks

- Failure to achieve the objectives and targets (economic-financial and ESG) set out in the Business Plan and consequent negative impacts (operating, economic, financial and reputational)
- Delay in technological change with effects on performance and competitive ability
- Loss of business opportunities



Opportunities

- Accelerating digital transformation
- Business opportunities related to technological evolution in the field of green transition (e.g. electric mobility)
- Partnerships with innovative start-ups, universities and research centres
- Participation in territorial systems for smart cities
- Reducing environmental impacts on the local area



Management methods

- Planning and monitoring of business plan objectives and targets (economic/financial and ESG)
- Code of Ethics
- Sustainability Policy
- Group innovation plan and related investments
- Iren UP Cleantech Venture programme
- Iren Innovation Lab to drive internal open innovation initiatives

Iren innovation model

Innovation in Iren Group is central to the strategic choices and the definition of the products and services offered. The Business Plan to 2030 includes significant investments in new technologies and digitalisation, in the development of all operating sectors, with the aim of making the Group an example of excellence in the sector. In line with the pillars on which the Business Plan is based - decarbonization, circular economy, safeguarding of water resources and resilient cities - the main innovation actions undertaken by the Group are aimed at **researching and adopting technologies and processes to support the sustainable development** of its reference businesses.

Iren Group manages innovation processes through an **open innovation** model and, consistently, has launched profitable collaborations with Universities, Research Centres, Innovation Hubs and Start-ups. It also actively participates in working groups and associations on specific research and development topics and promotes events such as conferences, workshops and hackathons, recognising the importance of stakeholder involvement and participation in innovation processes.

The Group's **first Call4Ideas**, which started in 2022, was concluded in 2023 and started in 2022. The initiative involved 86 colleagues who, divided into 20 teams, dedicated time and resources to the development of their projects, with the training support of coaches and mentors. In January 2023, an initial event was held in which with the 8 finalist groups were selected which, on 5 April, presented their work to a jury composed of the Group's top management during the first **Iren Innovation Day**. At the end of the event, held in Turin at the Museo Nazionale del Risorgimento, prizes were awarded to the four best projects that continued development work over the following months. The winners also participated in an educational prize trip to continue developing skills for the development of innovative projects. Following the success of the first edition, the second edition of Call4Ideas was launched in October 2023, to once again give all employees the opportunity to submit their innovation ideas to strengthen the Group's positioning, launch new businesses and improve existing processes or ways of working. The initiative collected 130 spontaneous applications from which the 15 most relevant to the objectives of Call4Ideas were selected. The selected ideas, as in the previous edition, embarked on a development and pre-acceleration programme that will continue throughout 2024.

In July 2023, **Iren Innovation Lab** organised and held the first corporate event, entirely dedicated to artificial intelligence and its applications, which involved more than 80 colleagues in a training and project-building opportunity. Thanks to the intervention of start-ups and industry experts, the event enabled participants to gain a comprehensive overview of the importance of artificial intelligence, its impacts and benefits. It was also an opportunity to share real use cases and projects that Iren Group has already initiated started. The final part of the day was dedicated to working tables, where participants were engaged in understanding the potential benefits and challenges associated with the development of the technologies presented, as well as identifying possible areas for action.

Internal initiatives also include the completion of the development of the **platform supporting open innovation**, which can be accessed to collect innovation challenges and projects, and the **innovation newsletter**, which reaches more than 500 company managers with updates on the main trends of their interest. The platform was also used for the new edition of the Iren ESG Challenge Prize, aimed at the 10 best theses on sustainability issues and ESG challenges, receiving nominations from around 140 undergraduate and doctoral theses ([» SEE PAGE 128](#)).

On the **external initiatives** front, the collaboration continued with Wazoku, the largest crowdsourcing innovation platform, made up of over 600 thousand innovators (students, researchers, technology experts and enthusiasts, scientists, startups and SMEs) ready to accept the challenges launched from the most important global companies. In the context of the collaboration, the Group has launched challenges, defined in collaboration with the Business Units, which are associated with a cash prize that is paid only to those who are able to propose a solution deemed valid and significant.

2023 was also characterised by the continuation of technical activities related to the Group's various co-financed projects and by the development, in partnership with innovative companies and Start-ups, of internal technological projects on the basis of planning which, starting from an analysis of the long-term scenario, is aimed at giving the Group the tools needed to seize the opportunities and mitigate the risks deriving from the evolution of the markets in which it operates.

The activities of **Iren Up, the Corporate Venture Capital programme**, launched in 2018 with the aim of supporting the highest potential Italian start-ups in the cleantech sector, from clean technologies to the circular economy, continued. The programme provides for direct and indirect investments with different tickets depending on the life phase of the start-up and needs. In line with the Business Plan, the start-up support programme has been enhanced by the collaboration with CDP Venture Capital Sgr; in particular, since 2022, Iren has been a Limited Partner of Tech4Planet, the National Technological Hub dedicated to sustainability, Tech4Planet. Through this investment, the Group actively participated in the definition of the investments by contributing to the business and technical analysis of the proposed dossiers; the fund currently has 21 investments in its portfolio as lead and co-investor. As far as direct investments are concerned, the start-up Re Mat, active in polyurethane recycling, was acquired in 2023; an operation that allows the Group to vertically integrate the recycling chain on this specific material.

The 2022/2023 edition of the **Iren Startup Award** - the competition devised by the Group to support the development of start-ups with the highest innovation potential - was promoted in collaboration with Circular Economy Lab (a project of Intesa Sanpaolo Innovation Centre) and Cariplo Factory and was dedicated to cleantech innovation for the circular economy ("Call4Circular - Circular products and materials"). After the scouting phase of the applications received, suitable projects were selected for the development of use cases in cooperation with the Group. In April 2023, on the occasion of during the first edition of Iren Innovation Day, the final of the competition was held with the awarding of prizes to the winning start-ups in the scale-up and seed categories. This was followed by an in-depth study aimed at evaluating the testing of both technologies. Scouting activities continued also through collaboration with local and international accelerators, trade associations and investment funds.

As part of its **networking activities and participation in the external innovation ecosystem**, Iren has taken part in initiatives such as SMAU, Elis, Startup Intelligence and Business Process Automation Observatory of the Milan Polytechnic, the House of Emerging Technologies, acceleration programmes (Techstars and Digital Magics) and regional competitions dedicated to start-ups in Emilia-Romagna and Liguria. The Group also sponsored the National Innovation Award (PNI), participating in the jury and awarding the winner of the Cleantech category. Among the initiatives in which Iren has participated, bringing its contribution in terms of

process innovation and applied research, there are also the collaborations with the Competence Centres (promoted by the Ministries of Economic Development and Economy) in Turin and Genoa.

Also in 2023, Iren received the **Smau Innovation Award** for Iren4Planet, a new service that allows customers to calculate their environmental impact based on consumption, spending habits and behaviour, and to receive suggestions to reduce their carbon footprint, created in partnership with the start-up AWorld.

RESEARCH AND INNOVATION PROJECTS

In 2023, Iren Group actively took part in 18 research and innovation projects for a total multi-year commitment of around 4.9 million Euro, of which more than half was financed by research and innovation tenders managed by institutions such as the European Union, the Italian State and its bodies and Regions (for example, Horizon 2020, Horizon Europe, MUR, POR FESR, etc.). Over the year these projects involved investments of around 725,000 Euro, of which approximately 506,000 Euro was funded through tenders. These projects actively involve around 80 Group employees from different business areas, and guarantee collaborations with numerous businesses and academic institutions located in over 100 European cities. All research projects are aimed at sustainable development and work on actions in line with the Group's objectives, including, for example: studies of tools and technologies to support the decarbonization of energy production and district heating networks, solutions for CO₂ capture, hydrogen-fuelled technologies, development of electric vehicle charging infrastructures, circular economy, flexibility analysis and demand-side management also in relation to the issue of energy communities. The evaluation of impacts and the monitoring of results are fundamental elements of the funded project and constitute one of the contents of the reporting of each individual project. In the medium- and long- term, the Group continues its monitoring and evaluation activities in order to increase the effectiveness of the design results.

Below are the main projects in which the Group participated in 2023.

Project

Description

Prelude

(European Horizon 2020 programme)

Testing of innovative solutions in building and plant management, maximising the interaction with users to optimise consumption. Iren Group, under the co-ordination of Iren Smart Solutions, is in charge of the development of the Italian pilot, which focuses on a residential building in Turin and, in particular, on 8 flats that have been equipped with different levels of sensing, and direct feedback on the inhabitants (via app or similar).

CaLby2030

(European programme Horizon Europe)

Demonstration of CO₂ capture systems based on Calcium Looping (CaL) circulating fluidised bed, starting with three pilot plants in Europe operating under industrially relevant conditions and projecting this technology towards large-scale commercial implementation in major high-emission sectors by 2030 (target sectors: steel, cement, WtE).

FlexCHESS

(European programme Horizon Europe)

Study of the integration of demand flexibility sources within electricity grids characterised by intermittent and unpredictable sources such as renewables. The project investigates the use of different combinations of energy storage systems (e.g. batteries, electric vehicles, flexible loads) for balancing networks at both local and systemic levels. Iren Group is engaged in the development of the Italian pilot in Turin, in cooperation with Algowatt and UNIGE, with the aim of studying the potential of a virtual energy storage system.

CHESTER

(European Horizon 2020 programme)

Development and integration of an innovative Power-to-Heat-to-Power solution to maximise the exploitation of non-programmable electricity Renewable Energy Sources and thermal renewables already combined with district heating systems. The system was the subject of an in-depth technical-economic and market potential analysis. The project was concluded in March 2023.

RES-DHC

(European Horizon 2020 programme)

Development of support tools for regulators and stakeholders for the increase of renewables in district heating and cooling systems, including programmatic and technical-economic assessment tools, actions to improve policy and regulatory frameworks, innovative dissemination and communication means in six European pilot areas. The project, which ended in August 2023, involved consortia of national stakeholders through regular meetings.

Marilia

(European Horizon 2020 programme)

Development of a new low-cost, high-sensitivity, expeditious test for detecting pathogens in water samples, potentially applicable in other sectors such as food, healthcare, and agriculture. The goal is to validate the test – developed to identify a set of bacteria laying the foundations for a subsequent deployment in the field – in the laboratory, with a significant efficiency in speed and cost compared to current analytical practices. The detection procedure analysed at the Iren laboratories in Genoa involved the use of a LAMP (loop-mediated isothermal amplification) molecular reaction protocol with specific bacterial targets corresponding to E.coli, chosen as a model strain for the validation experiment. The project was concluded in February 2023.

Woodcircles

(European programme Horizon Europe)

Study and demonstration of solutions to enable the recycling and reuse of wood waste from construction and demolition activities. The project, which started in June 2023, involves Iren Group in the Italian pilot - in collaboration with the City of Turin and Environment Park - for the collection, at public building renovation sites in Turin, of wood material, which will then be sent to the Pallet plant in Vercelli to be used to make simple street furniture elements.

Project

Description

Everywh2ere

(European Horizon 2020 programme)

Development of gensets with hydrogen-fuelled, easy-to-transport fuel cells for temporary power supply in various sectors. Concluded in December 2023, the project allowed the demonstration of the generator's operation at temporary events and, in the preparatory stages of demo sites, at events identified by Iren in its territories, to highlight the current barriers to its installation and use, and future commercial development.

INCIT-EV

(European Horizon 2020 programme)

Development and on-site testing of a set of electric vehicle charging infrastructure, hardware and software technologies and business models to promote large-scale adoption of electric mobility. The Group is actively collaborating in the development of the test area in Turin, at an interchange car park. Work on the management of the administrative and fiscal aspects of the new network utilisation mode is ongoing.

5G-Solutions

(European programme Horizon 2020)

Experimentation – in different on-site, functionalities, potentialities and limits tests – of the 5G network, participating in the activities of the “Energy” vertical in the evaluation of the benefits related to the integration and use of the 5G network for the Demand Side Management at the level of regulation of thermal loads and the recharge of electrical vehicles. As part of the project, which ended in January 2023, the Group dealt with Italian pilots regarding the management of a heat pump central heating system and the charging of electric vehicles.

Data Cellar

(European programme Horizon Europe)

Development of a platform (data space) capable of collecting data from different sources operating in the energy community sector, in order to enable new business models related to data interchange. Iren is in charge of providing the use cases of the Italian pilot represented by two energy communities, one in a rural and one in an urban environment.

OnlyPlastic

(RFCS – 2019)

Substitution of fossil carbon sources (coal, coke, petroleum coke) in the electric arc furnaces of a steel plant in northern Italy with densified polymers derived from residues from the treatment of plastic waste. The pilot project was concluded in August 2023.

PolynSPIRE

(European programme Horizon 2020)

Demonstration of a range of sustainable, innovative and cost-effective solutions for the energy and material recovery of post-consumer plastics and industrial waste. The project was concluded in March 2023.

MULTIPLIERS

(European Horizon 2020 programme)

Facilitation of the introduction of new scientific ideas, practices and approaches in schools, which can offer to the communities a space for open innovation on scientific issues that have an impact on citizens' lives. Multi-player partnerships (Open Science Communities) were established at three school institutes in the province of Reggio Emilia. Italian educational experiments are coordinated and implemented by Eduiren on the topics of water, circular economy and efficient energy use and production.

RUN

(POR-FESR 2020 Liguria Region)

Development and demonstration of a now-casting service of the risk of flooding in urban areas in the presence of heavy rainfall, using IoT technologies and big data analysis tools, designed for smart cities and urban drainage network managers, allowing faster actions to protect people, and properties and those in charge of the maintenance of the drains, who will be able to plan interventions for optimal operation of the system. The user interface developed allows for the display of danger levels, 'weighted' according to the degree of flooding in the area considered and the degree of obstruction of the drains present. The project ended in March 2023 and the project results made it possible to propose an important follow-up for the Rain4Utilities project, which will be financed and implemented under the POR FESR 2021-2027 tender.

PNRR-CO-FOUNDED PROJECTS

Iren is involved in PNRR projects related to “Partnerships extended to universities, research centres and companies”. In particular, Iren - which as a private partner can steer and benefit from the lines of research and projects developed by academic and research partners - is a partner in two projects:

- *NEST - Network 4 Energy Sustainable Transition*, coordinated by the Bari Polytechnic University. Iren is involved in two lines of research: the hydrogen value chain and energy storage (with also a focus on heat storage connected to the district heating network), with particular attention to the technical and technological development of innovative solutions and regulatory analyses and market;
- *RETURN - multi-Risk sciEnce for resilienT commUNITies undeR a changiNg climate*, coordinated by the University of Naples Federico II. Iren participates in research activities in the context of modelling weather-climatic phenomena in order to evaluate their impact on the assets and activities managed by the Group.

Furthermore, as part of the cascading calls of the NODES (North West Digital and Sustainable) programme, financed by the MUR under PNRR, Iren presented, together with a startup, the BRIDES (Boosting Resilience through Innovative Decentralised Energy Storage for sustainable mobility) project, which started in December 2023, and aims to develop a portable, high-capacity, high-power charging system, implemented with Vehicle-to-Grid (V2G) functionality, reusing second-life vehicle batteries to create a decentralised energy storage solution serving energy communities and ancillary energy markets to maximise self-consumption of renewable energy and meet grid flexibility demands.

AMGA FOUNDATION

The AMGA Foundation was established in 2003 with the aim of promoting and organising scientific, educational and cultural initiatives for protecting the environment and water resources and the optimal management of network services.

In particular, it looks to increase and disseminate knowledge and understanding about the water cycle and its interactions with the environment, within research and training projects orientated at allowing sustainable management of water resources and promoting economic growth and development of the local areas in which it operates.

Furthermore, it is committed to research activities on organisational models of water services and, more generally, public services, in order to assess the possible

management options within the various regional scenarios. The skills acquired are made available by the organisation of training courses and seminars and the publication of technical and educational volumes.

The Foundation's scientific results from projects and collaborations are a valid reference in water resources, energy and environmental management. In 2023, Amga undertook such activities by coordinating research projects and promoting wide-ranging cultural and educational activities.

The Foundation also manages the thematic library on water and the Water and Gas Museum of Genoa. A summary of the activities realised by the Foundation in 2023 is provided below.

RESEARCH PROJECTS

Project

Description

MYRAEE
(MYco Recovery of
Electrical and Electronic
Equipment)

Carried out in collaboration with the Department of Chemistry and Industrial Chemistry of the University of Genoa, the project tested new fungal strains capable of selectively absorbing precious metals and/or rare earths from WEEE. Research has identified suitable treatments and working conditions in relation to the waste treated and how the final product is recovered. A scale-up feasibility study of the process was also carried out.

Manganese oxide
nanocatalysts for
sustainable energy
production (Mn4Energy)

The project was promoted by the National Interuniversity Consortium for Materials Science and Technology. The research was conducted with the aim of developing a library of manganese oxide (MnOx) catalysts that could be used for clean energy production by splitting water molecules into hydrogen and oxygen and reducing CO₂ emissions.

Comparative evaluation
of biogas cleaning and
upgrading processes

The objective of the project, conducted by the Department of Chemistry and Industrial Chemistry of the University of Genoa, was to provide stakeholders (operators of industrial processes that produce biogas for refining and utilisation, operators of waste treatment plants or wastewater treatment plants) with useful tools for the design, operation or revamping of plants. The planned activities include the study of the processes used for the production of biogas, the critical analysis of the processes currently existing and usable for biogas cleaning, the identification of the supply chain that can be used for each specific case, considering the operational parameters of the production process of biogas and the planned end use of the product.

Markets in search of
regulation - an empirical
analysis of natural gas
distribution

The regulation of gas distribution provides for the awarding of concessions by tender. In Italy, between 2006 and 2010, the expiry of several concessions and the conditions laid down in the sector regulations led to the announcement of around 160 tenders based on the offer of the maximum concession fee for the benefit of municipalities. The research, promoted by the Department of Management Engineering of the Polytechnic of Milan and the Department of Economics and Business Sciences of the University of Pavia, aims at analysing the literature on multi-unit auctions and economies of scale in gas distribution in order to estimate a distribution cost function and then rank the companies participating in a tender on this function, to assess the amount of savings that can be achieved.

Optimal management
methods for urban
drainage systems based
on innovative rainfall
monitoring by means of
IoT low-power wide-
area network technology

The project, carried out in collaboration between the Department of Civil, Chemical and Environmental Engineering of the University of Genoa and Artys, proposes the study and testing of a new tool for more efficient management of the sewer network during intense weather events. It foresees the development and application in the area of the centre of Genoa of advanced methodologies for the elaboration of rainfall intensity maps updated in real time. The research results can provide the managing entity with a system that can be replicated in different contexts and refined based on the design data of the monitored sewer networks.

RESEARCH PROJECTS

Project

Description

The economic, environmental and organisational performance of the Italian water sector

The project, carried out in collaboration with the Department of Economics and Business Studies of the University of Eastern Piedmont and the National Research Council - Institute for Research on Sustainable Economic Growth, focuses on measuring the performance of water service operators in order to assess, through a combination of different techniques, the impact of aggregations between companies in their integrated performance, evaluated in economic and environmental terms. The efficiency measures will then be used in a second-stage analysis to check the impact of certain external and/or environmental aspects or aspects related to the companies' own characteristics and management.

Reuse of purified effluents: analysis of the hygienic-sanitary impact

The project, carried out in collaboration with the Department of Public Health and Paediatric Sciences of the University of Turin, proposes monitoring the hygienic-sanitary quality of effluents exiting from different wastewater treatment plants, with particular focus on microbiological and ecotoxicological characteristics. Wastewater treatment plants equipped with disinfection treatments are studied with the aim of possible reuse of the effluent produced for agronomic/industrial purposes. It also involves the evaluation of the hygienic-sanitary impact of the wastewater from the treatment plants on the receiving water bodies (surface and/or marine waters).

The dynamics of retail energy prices and the transition to the free market

The project analyses, with appropriate statistical and econometric tools, the dynamics of retail prices in the free electricity and gas market in the period 2019-2023, using the figures provided by the comparison engine made available to users by ARERA, with the aim of providing useful information for the customer and stakeholders, also from a forecasting perspective.

Guidelines for the Third Sector for the efficient use of water and energy resources

The experimental study of guidelines has the value of a concrete tool to support Third Sector Entities (ETS) and Religious Entities (ER) in order to: develop awareness with respect to direct water consumption, increase the capacity to use water resources efficiently and effectively, improving the water footprint, improve water expenditure through better consumption, acquire awareness also with respect to the main indirect water consumption related to their own areas of activity. The activity, developed together with ENEA, will lead to a new edition of the Energy Guidelines addressed to Italian ETS and ER, with a regulatory and operational update on energy sustainability issues. The study is the follow up of a first draft of the Guidelines - already developed in collaboration with Fratello Sole Energie Solidali, ENEA and Buildtech - which included a sector overview with focus points on energy and water and indications for carrying out consumption analyses, organising an efficiency action plan and identifying tools to finance structural interventions.

Doctorate in European Sustainability Studies

Signing of two agreements with the University of Genoa to carry out and develop specific lines of research on: (i) European policies and local measures for land and industrial development: the role of local authorities in comparative perspective and (ii) sustainable development, environment and energy transition.

CULTURAL AND EDUCATIONAL PROJECTS

Project

Description

Telling the story of wastewater treatment

The project involves the creation of signage designed to communicate and inform at several levels not only about wastewater treatment technologies and processes, but also about environmental content and the positive impact of the processes on receiving water bodies. The signs will be placed in the area of the Camisano wastewater treatment plant, near Lerici.

The Song of the Tree - video trailer:

A musical to raise awareness among children and families about climate change and environmental protection efforts.

Summer school renewable energy communities

Participants in the summer school, promoted by the Department of Political and International Sciences of the University of Genoa with the support of the AMGA Foundation, benefited from advanced training on the objectives and challenges of the green transition and in particular explored tools and models for the energy transition, with a focus on renewable energy communities.

Eco-show booklets

Booklets were printed for three shows staged in previous years - "The Song of the Tree", "A Sea without Plastic" and "Space Poos" - with in-depth examinations of the topics addressed, which will be proposed at the performances and as part of specific educational projects.

Maxi crossword environment and sustainability

Two maxi crosswords were designed to raise awareness of proper waste management and sustainability issues. The crossword puzzle definitions are designed for a target group of children and families.

Restoration of the plastic model of the Gorzente lakes and the Isoverde plant:

Restoration of the plastic model, and its wooden support, of the Gorzente lakes area, whose water is treated in the Isoverde (GE) drinking water plant. The first hydroelectric power station in Italy and the first in the world to transmit direct current energy for industrial use was built in the area.

In 2023, the projects, financed by the AMGA Foundation, took shape as part of the Project 4.0 Tender aimed at subsidising projects in the water, environmental, energy and regulatory fields:

- experimentation, at laboratory scale, of a two-stage treatment of OFMSW (Organic Fraction Municipal Solid Waste) and excess sludge with the production of volatile fatty acids (VFA) and biogas that can be used to optimise the process of biological removal of nutrients from urban wastewater;
- characterisation and automatic sorting of electronic boards using intelligence and computer vision algorithms for use in waste electrical and electronic equipment (WEEE) disposal plants;
- design, realisation and testing of innovative solutions for the resilience of water and energy networks to develop technologies for the energy autonomy of monitoring stations of infrastructures that transport fluids (natural gas and biogas, hydrocarbons, water);
- measurement of the technical efficiency of companies managing water and/or gas distribution in Italy.

Digitalisation

Digitalisation is among the enabling levers that allow the Group to grow in line with the objectives of the Business Plan to 2030, which envisages a significant increase in investments to support the Group's digital transformation and development process. In particular, investments will be dedicated to **technological initiatives** to:

- raise levels of cybersecurity;
- consolidate the transition to a data-driven approach by adopting a new organisational model that supports processes and effective data management;
- improve the business continuity strategy, through the implementation of new data centre solutions, architecture and application evolution, in order to further improve resilience, reliability and performance.

Technological initiatives join **functional initiatives** to:

- enable businesses through digital transformation programmes, use of sensors, IoT platforms, wearable devices, predictive maintenance, and creation of customisation programmes for customer offerings;
- digitalise processes through management software, systems for digitalising customer transactions, and integration of digital identity and electronic signature systems.

A number of actions in these areas to improve operational efficiency were realised in 2023:

- upgrade to a new version of the SAP TM module in order to upgrade the corporate time recording world to S4HANA technology;
- adoption of the Pick&Go system on all the Group's warehouses for which this functionality was envisaged, following the introduction of a new warehouse management system for the management of all warehouses. Business intelligence and predictive analysis capabilities for optimised warehouse management were also made available;
- launch of the **new corporate intranet** now user-friendly on all devices, mobile or fixed, and with a focus on usability and communication issues;

- completion of the analytics project on prescriptive/predictive maintenance of low- and medium-voltage electricity grids;
- release of the new IrenAmbiente app;
- implementation of a single solution for the management and operation of the Waste Management BU plants (InPlant project);
- release of new applications in the fields of artificial intelligence, data and digital.

In continuity with the digital transformation programme undertaken by the Group and with the aim of evolving the current application ecosystem to optimise digital marketing and sales strategies, to ensure synergy between all channels, improve the customer experience, the following projects were developed:

- *website and digital commerce* - new commercial portal irenlucegas.it with new e-commerce for the sale of non-commodity products and enabling customised contextual experience;
- *martech & digital marketing* - boosting sales of the Group's products and services through digital marketing services and advanced martech tools that enable a new personalised user experience;
- *agent portal* - new solution for sales agents.

In the field of **telecommunications**, as in previous years, the growth in the use of bandwidth for internet connections is confirmed and in particular, towards the main cloud providers. In 2023, tools for monitoring traffic and malfunctions were consolidated, and new systems were introduced to support IT security. In addition, the wholesale module to provide FTTC (fibre to the cabinet) and FTTH (fibre to the home) services was successfully tested.

CYBERSECURITY

Cyber risks are defined as the set of internal and external threats which can compromise business continuity or cause civil liability damage to third parties in the event of loss or disclosure of sensitive data. The operational risks regarding information technology are closely related to the business of Iren Group, which operates network infrastructures and plants, including through remote control, accounting operational management and invoicing systems, in addition to the energy commodity trading platforms. To mitigate such risks, specific measures have been adopted, such as redundancies, highly-reliable systems and appropriate emergency procedures, which are periodically subject to simulations, to ensure their effectiveness.

In particular, in the event of incidents or suspected cybersecurity events, the Group employees are required to follow the operational guidelines, posted on the corporate intranet (specific section dedicated to cybersecurity), to report to the competent corporate structure and adopt the appropriate rules of conduct.

In the event of IT security emergencies, the Group has implemented a Business Continuity Management model [» SEE PAGE 59](#), equipping itself with the organisational and technological safeguards to ensure the continuity of processes and a proactive and structured response in the management and monitoring phases to emergency events.

Iren Group is also exposed to the risk of cyber attacks aimed at acquiring sensitive data and at stopping operations, causing damage to plants and networks and compromising service continuity. Market analyses show that attacks aimed at acquiring companies' and third-party data are increasingly frequent, with consequent civil liability and sanctions, including serious ones, and at acquiring industrial secrets. In this regard, the following actions were implemented:

- adoption of a Cyber Threat Intelligence (CTI) platform, in order to effectively and efficiently manage all information related to potential cyber threats;

- extension of Threat Intelligence analysis to third parties;
- adoption of a platform for monitoring the security configurations of network equipment;
- introduction of a web application firewall for the timely protection of published applications;
- implementation of virtual patching to increase protection for end-of-support servers that currently cannot be decommissioned;
- migration of the company's mobile device management system for smartphones and tablets to the new cloud solution;
- implementation of double factor authentication for connections via corporate VPN (virtual private network);
- introduction of a system (network access control) to control access to equipment in electricity distribution stations;
- the initiative to increase IT security took place in the OT world during the year;
- adoption of systems with behavioural analysis capabilities and the execution of automated and remote responses for workstations;
- continuation of the multi-year awareness project on IT security issues, aimed at all Group employees, based on phishing simulation campaigns, assessment questionnaires and targeted online training modules;
- security audits of IT suppliers, aimed at verifying the effective adoption of the minimum security measures required in the contractual phase;
- implementation of a platform for monitoring the security configurations of network equipment;
- continuous operation of the Security Operation Centre with 24-hour monitoring of IT security events.

The Group Cyber Risk Policy provides - similarly to the other main risk policies - the convening of the specific Risk Commissions, the monitoring of performance indicators and the production of dedicated reports ([» SEE PAGE 57](#)).



Compliance



IN THIS CHAPTER WE TALK ABOUT

methodology



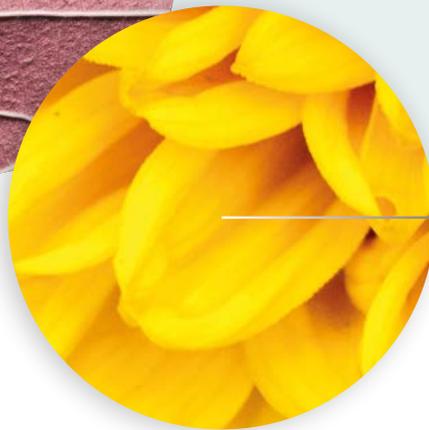
GRI



taxonomy



glossary





Note on methodology

[GRI 2-2, 2-3, 2-4, 2-5, 2-6, 2-14]

This Sustainability Report 2023 also takes on the value of a Consolidated non-financial statement (NFS), pursuant to Legislative Decree no. 254/2016, of Iren S.p.A. and its subsidiaries.

Iren S.p.A. prepared the report in accordance with the GRI (Global Reporting Initiative) Standards and the Electricity Sector Utility Supplement - G4 Sector Disclosure for the period 1 January 2023 - 31 December 2023, in alignment with the Group's Consolidated Financial Statements.

The definition of the material topics subject to reporting - carried out in accordance with the impact materiality criteria set out in GRI 3 - Material Topics 2021 - was based on a structured process described in the section "Materiality Analysis" involving the Group and its stakeholders (» SEE PAGE 102). This process is also conducted by following the principle of "double materiality", provided for by the Corporate Sustainability Reporting Directive (CSRD) that will come into force as of the reporting for the financial year 2024, which requires material topics to be defined by integrating impact materiality with financial materiality, i.e. by considering the risks and opportunities arising from a given topic and the impact these could have on the company's value creation. On a voluntary basis, Iren Group carried out the preliminary financial materiality determination exercise in advance of the CSRD application, as illustrated in the "Materiality Analysis" section.

The Sustainability Report/NFS is drawn up annually, under the coordination of the Corporate Social Responsibility and Local Committees Department, submitted for approval to the Board of Directors - which is also responsible for approving the materiality analysis - and presented to the Shareholders' Meeting. The Control, Risk and Sustainability Committee assesses, together with the Corporate Social Responsibility and Local Committees Department, and in consultation with the auditor, the correct use of the GRI standards adopted

by the Group. This document was approved by the Board of Directors, along with the draft of the Consolidated Financial Statements, on 28th March 2024, assessing its completeness and consistency with the material topics.

The Sustainability Report/NFS integrates the transparency information required by the **European Taxonomy** (EU Regulation 2020/852 and EU Delegated Regulation 2021/2178) regarding the eco-sustainable activities managed (» SEE PAGE 146) and reports the main indicators related to the projects financed by the Green Bonds issued by Iren Group (» SEE PAGE 156).

Since 2020, the Sustainability Report/NFS has also included, in line with the recommendations of the Financial Stability Board's **Task Force on Climate-related Financial Disclosures** (TCFD), information to report the impacts of climate change on the Group (» SEE PAGE 377). Furthermore, the document aligns with the recommendations, relating to non-financial reporting, included in the "Public Statement - European common enforcement priorities for 2022 annual financial reports" published by ESMA (European Securities and Market Authority) on 25th October 2023.

The Sustainability Report/NFS is prepared in accordance with the specific internal Group procedure issued in 2018 and updated in 2022, which describes the criteria, process, parties involved, responsibilities and tools for the realisation, approval and publication of the document. The data and information, communicated by the contact persons identified in accordance with the internal procedure, are collected through the "Sustainability Report - NFS" application, which allows them to be tracked, verified, approved by the persons in charge designated by the procedure and consolidated. The sustainability objectives reported in this document are those set out in the Strategic Plan to 2030, which includes indicators and related targets.

The document was subject to limited assurance by the appointed auditor KPMG S.p.A. pursuant to Legislative Decree 254/2016 based on the principles and indications contained in ISAE3000 (International Standard on Assurance Engagements 3000 - Revised)

of the International Auditing and Assurance Standards Board (IAASB). Said audit does not extend to information on financial materiality, which is set out in the section "Materiality Analysis". KPMG S.p.A. is also the company appointed to perform the legal audit of the Consolidated Financial Statements of Iren Group. Since 2020, Iren has been a member of the United Nations Global Compact (UNGC), recognizing

consistency between the ten principles supported by the United Nations with the "Global Pact", the UN Sustainable Development Goals, the Group's values and strategies. Iren Group's Sustainability Report represents a tool for reporting to stakeholders on the activities undertaken and the results achieved in the implementation of the ten principles of the Global Compact, summarised in the chart below.



The compliance schedule ([SEE PAGE 367](#)) shows the link between the GRI standards and the 10 Principles of the United Nations Global Compact and the 17 Goals of the UN 2030 Agenda (SDGs), allowing for an integrated reading of the information provided in this Report.

During 2023, the Group embarked on the path to implement the provisions of the Corporate Sustainability Reporting Directive (CSRD) 2022/2464/EU, which amends Directive 2013/34/EU, concerning the obligation to disclose non-financial information, and which relevant public interest entities - including listed companies - will have to apply from 2025 on data for the year 2024. The main objective of CSRD is to improve sustainability reporting, thus not only equating the relevance of ESG results with those reported in traditional statutory financial statements, but also recognising their natural connection. To ensure greater comparability, companies will be required to adopt common ESRS (European Sustainability Reporting Standard) reporting standards, which were developed by the EFRAG (European Financial Reporting Advisory Group) and, after a consultation process, were published in the Official Journal on 22 December 2023 (EU Delegated Regulation 2023/2772). The new ESRS standards cover the following aspects: General requirements (ESRS 1), General information (ESRS 2), Climate change (ESRS E1), Pollution (ESRS E2), Water and marine resources (ESRS E3), Biodiversity and ecosystems (ESRS E4), Resource use and the circular economy (ESRS E5), Own labour force (ESRS S1), Workers in the value chain (ESRS S2), Affected communities (ESRS S3), Consumers and end-users (ESRS S4), Business conduct (ESRS G).

The first step in the implementation of the new ESRS standards was, as previously mentioned, the development of the double materiality analysis, refined on the basis of the principles contained in ESRS 1. At the same time,

an in-depth study of all principles of the ESRS standards was started, in particular for those providing for the extension of reporting to the entire value chain. The development of the analysis, expected in the course of 2024, will make it possible to identify all requirements to be integrated in the sustainability reporting for the financial year 2024. Where possible, preliminary information is already provided in this document on some indicators foreseen by the European Reporting Standards (ESRS) and not foreseen by the currently adopted GRI standards.

Reporting scope

The reporting scope of the information and data reported in the Sustainability Report/NFS refers to Iren S.p.A. and all the companies included in the line-by-line consolidation, with the exception of those in liquidation, inactive, discontinued or destined to be sold as of 31/12/2023 (for further details, please refer to the Notes to the Consolidated Financial Statements, paragraph "Scope of consolidation").

In addition, in the paragraph "Companies not included in the consolidation area" ([SEE PAGE 29](#)), we provide separate qualitative and quantitative information on certain investee companies, not consolidated on a line-by-line basis, which are considered significant for the correct representation of the Group's business (indicated in *light blue italics* in the table below).

Companies consolidated on a line-by-line basis 2023/ <i>Investee companies outside the scope of consolidation 2023</i>	Period of consolidation / ownership of the shareholding	Notes ⁽¹⁾
IREN	1/1 – 31/12/2023	
Iren Energia	1/1 – 31/12/2023	
• Asti Energia e Calore	1/1 – 31/12/2023	
• <i>B.I. Energy</i>	<i>1/1 – 31/12/2023</i>	<i>Company data are reported separately and not consolidated in the section 'Companies outside the scope of consolidation'.</i>
• Dogliani Energia	1/5 – 31/12/2023	
• <i>Fratello Sole Energie Solidali</i>	<i>1/1 – 31/12/2023</i>	<i>Company data are reported separately and not consolidated in the section 'Companies outside the scope of consolidation'.</i>
• Iren Green Generation	1/1 – 31/12/2023	
- Iren Green Generation Tech	1/1 – 31/12/2023	
- Limes 1	1/1 – 31/12/2023	
- Limes 2	1/1 – 31/12/2023	
- Limes 20	1/7 – 31/12/2023	The company owns the authorisation for the construction of a new 20MWp photovoltaic plant in Sicily. Company data reported for 2023 relate to the period of consolidation.
- Mara Solar	1/1 – 31/12/2023	
- Omnia Power	1/1 – 31/12/2023	
- WFL	1/10 – 31/12/2023	The company owns a project for the construction and operation of a 6 MW wind power plant in the municipality of Cairo Montenotte (SV). Company data reported for 2023 relate to the period of consolidation.
• Iren Smart Solutions	1/1 – 31/12/2023	
- Alfa Solutions	1/1 – 31/12/2023	
• Lab 231	1/1 – 31/12/2023	
• Maira	1/1 – 31/12/2023	
- Formaira	1/1 – 31/12/2023	
• Valle Dora Energia	1/1 – 31/12/2023	

Companies consolidated on a line-by-line basis 2023/ Investee companies outside the scope of consolidation 2023	Period of consolidation / ownership of the shareholding	Notes ⁽¹⁾
Iren Ambiente	1/1 – 31/12/2023	
• Acam Ambiente	1/1 – 31/12/2023	
• Amiat V	1/1 – 31/12/2023	
- Amiat	1/1 – 31/12/2023	
• <i>A.S.A. (BO)</i>	<i>1/1 – 31/12/2023</i>	<i>Company data are reported separately and not consolidated in the section 'Companies outside the scope of consolidation'.</i>
• Bonifica Autocisterne	1/1 – 31/12/2023	
• Bonifiche Servizi Ambientali	1/1 – 31/12/2023	
• <i>Gaia</i>	<i>1/1 – 31/12/2023</i>	<i>Company data are reported separately and not consolidated in the section 'Companies outside the scope of consolidation'.</i>
• I.Blu	1/1 – 31/12/2023	
• Iren Ambiente Parma	1/1 – 31/12/2023	The company is the holder of the concession of the public service for waste management in the Parma territorial basin for a duration of 15 years, starting from 1/1/2023.
• Iren Ambiente Piacenza	1/1 – 31/12/2023	The company is the holder of the concession of the public service for waste management in the Piacenza territorial basin for a duration of 15 years, starting from 1/1/2023.
• Iren Ambiente Toscana	1/1 – 31/12/2023	
- <i>CSAI</i>	<i>1/1 – 31/12/2023</i>	<i>Company data are reported separately and not consolidated in the section 'Companies outside the scope of consolidation'.</i>
- Futura	1/1 – 31/12/2023	
- Scarlino Energia	1/1 – 31/12/2023	
- Semia Green	1/10 – 31/12/2023	The company operates 9 biogas plants located on 6 landfills in Tuscany, Marche and Lazio. Company data reported for 2023 relate to the period of consolidation.
- Sei Toscana	1/1 – 31/12/2023	
• Ekovision	1/1 – 31/12/2023	
• Valdisieve	1/1 – 31/12/2023	
- <i>Sienambiente</i>	<i>1/1 – 31/12/2023</i>	<i>Company data are reported separately and not consolidated in the section 'Companies outside the scope of consolidation'.</i>
- Valdarno Ambiente	1/1 – 31/12/2023	
• CRCM	1/1 – 31/12/2023	
• TB	1/1 – 31/12/2023	
• Manduriambiente	1/1 – 31/12/2023	
• ReCos	1/1 – 31/12/2023	
• ReMat	1/7 – 31/12/2023	The company is an innovative start-up active in the polyurethane foam recovery chain. Company data reported for 2023 relate to the period of consolidation.
• Rigenera Materiali	1/1 – 31/12/2023	
• San Germano	1/1 – 31/12/2023	
• <i>Seta</i>	<i>1/1 – 31/12/2023</i>	<i>Company data are reported separately and not consolidated in the section 'Companies outside the scope of consolidation'.</i>
• Territorio e Risorse	1/1 – 31/12/2023	
• TRM	1/1 – 31/12/2023	
• Uniproject	1/1 – 31/12/2023	
Iren Mercato	1/1 – 31/12/2023	
• Alegas	1/1 – 31/12/2023	
• Atenda Trading	1/1 – 31/12/2023	
• Salerno Energia Vendite	1/1 – 31/12/2023	

Companies consolidated on a line-by-line basis 2023/ <i>Investee companies outside the scope of consolidation 2023</i>	Period of consolidation / <i>ownership of the shareholding</i>	Notes ⁽¹⁾
Ireti	1/1 – 31/12/2023	
• Acam Acque	1/1 – 31/12/2023	
• Acquaenna	1/6 – 31/12/2023	The company manages the integrated water service in the province of Enna. Company data reported for 2023 relate to the period of consolidation.
• AM.TER.	1/4 – 31/12/2022	The company manages the integrated water service in the western area of the Genoa province. Company data reported for 2023 relate to the period of consolidation.
• <i>ASA (LI)</i>	<i>1/1 – 31/12/2023</i>	<i>Company data are reported separately and not consolidated in the section 'Companies outside the scope of consolidation'.</i>
• ASM Vercelli	1/1 – 31/12/2023	
• Consorzio GPO	1/1 – 31/12/2023	
• <i>E.G.U.A.</i>	<i>1/1 – 31/12/2023</i>	<i>Company data are reported separately and not consolidated in the section 'Companies outside the scope of consolidation'.</i>
• Iren Acqua	1/1 – 31/12/2023	
- Iren Acqua Tigullio	1/1 – 31/12/2023	
• Iren Acqua Reggio	1/11 – 31/12/2023	The company was established by a deed of partial demerger by spinning off Ireti and transferring Ireti's business unit related to the integrated water service in the province of Reggio Emilia. Company data reported for 2023 relate to the period of consolidation.
• Iren Laboratori	1/1 – 31/12/2023	
• Ireti Gas	1/1 – 31/12/2023	The company was established by a deed of partial demerger from Ireti and transfer of the business unit related to gas distribution throughout the country.
- Romeo 2	1/2 – 31/12/2023	The company is concessionaire of the gas distribution service in some municipalities in the provinces of Vercelli and Savona. Company data reported for 2023 relate to the period of consolidation.
• Nord Ovest Servizi	1/1 – 31/12/2022	

⁽¹⁾ With reference to companies consolidated on a line-by-line basis, annotations are made only on companies acquired, newly established, and on changes since 2022.

Compared to 2022, the following companies exit the scope of consolidation:

- Palo Energia, Piano Energia, Solleone Energia and Traversa Energia merged by incorporation into Iren Green Generation Tech, effective 1/1/2023, and deleted from the Companies Register;
- Minerva, merged by incorporation into Atena Trading, effective 27/11/2023, and deleted from the Companies Register;
- Società dell'Acqua Potabile, merged by incorporation into Ireti, effective 01/01/2023, and deleted from the Companies Register.

The effects of changes in the scope of consolidation, adjustments to figures already published, as well as any significant changes or limitations in the scope or method of calculation of individual indicators with respect to 2023, are expressly stated in the text.

The figures are calculated accurately on the basis of Iren Group's accounting, non-accounting and other information systems and are validated by the most senior corporate officers. Figures determined by means of estimates are expressly indicated together with the relevant calculation method.

Finally, it should be noted that some deviations from the figures and information reported in the Sustainability Report/NFS 2022 result from changes in the Group's scope of consolidation.

Material topics and related topics

Area	Topic	Related topics
Governance	Growth and value creation for the company and stakeholders	<ul style="list-style-type: none"> • Iren Group strategic development plans. • Economic value distributed to stakeholders (fees and taxes, dividends, donations and salaries, etc.) • Investments in the local area (infrastructure and services) and for business sustainability • Indirect economic impacts on the local area generating new employment and investment for communities • Sustainable finance to support Group development • Supplies commissioned locally that generate economic and employment impacts
	Solid, ethical and transparent governance for sustainable growth 	<ul style="list-style-type: none"> • Strategic integration and monitoring of sustainability factors (environmental, social and governance) with medium- and long-term objectives and targets, also in relation to climate change aspects • Integrated management of sustainability-related risks/opportunities with assessment of their financial implications • Management remuneration policies and performance management systems linked to sustainability factors • Code of Ethics and Organisational Model 231 • Implementation of corruption prevention models (policies, actions, control systems, etc.) • Proactive compliance management through monitoring and discussion with regulators to anticipate regulatory scenarios and developments, and non-compliance risk management • Dispute management
	Efficient, reliable and safe management of processes and infrastructure 	<ul style="list-style-type: none"> • Initiatives to reduce impacts not considered in other topics both from an environmental (e.g. consumption of raw materials, noise, odour, PCB, electromagnetic fields, transport and logistics) and social (e.g. management of construction sites that could have consequences for citizens) point of view • Improving the efficiency of services also in relation to their cost-effectiveness (tariffs) • Efficiency and reliability of distribution networks and reduction of losses • Efficiency, reliability and integrity of plants • Availability of services in the medium- and long-term (business continuity and disaster recovery plans) • Management of possible major accidents and natural disasters (emergency plans and recovery/remediation measures in impact zones) • Process and data cyber security
	Effective and transparent dialogue and communication with stakeholders (value chain)	<ul style="list-style-type: none"> • Communication of strategies, objectives and performance to stakeholders, with a focus on employees and their involvement • Communication to customers on services provided (including on-line services and call centre), understanding of bills, description of tariff components, with special attention to vulnerable customer categories and language differences • Initiatives for dialogue and involvement of local and national public authorities both in their capacity as shareholders and customers and in their regulatory and control role • Relation with shareholders and investors
Environmental - Climate change	Energy efficiency and renewable production to reduce environmental and economic impacts 	<ul style="list-style-type: none"> • Development of energy production from renewable sources for energy transition and independence • Management, monitoring and initiatives to reduce company energy consumption (e.g. maintenance and efficiency measures in buildings and plants). • Promotion of services to reduce third-party energy consumption (e.g. energy communities, distributed energy production, building energy efficiency, domestic energy efficiency products/services, etc.)
	Decarbonization and reduction of emissions 	<ul style="list-style-type: none"> • Medium- and long-term objectives and targets for reducing emissions • Managing and monitoring emissions, particularly greenhouse emissions, including through the adoption of new technological and process solutions • Initiatives to reduce emissions (development of energy production from renewable sources, development of the district heating system, recovery of waste as a material) • Development of corporate e-mobility and mobility management projects for Group employees
	Sustainable use of water resources 	<ul style="list-style-type: none"> • Responsible management of water resources in production processes (reduction of consumption through technological/process innovations) • Reducing water withdrawals from the environment for drinking purposes (reducing network losses and raising public awareness of consumption reduction) • Prevention of pollution of surface and groundwater bodies • Management of discharges so as to guarantee the quality of returned water, with particular reference to discharges in areas/territories deemed sensitive
	Circular economy and waste management 	<ul style="list-style-type: none"> • Waste management at different stages in the circular economy (collection, sorting, transport, recycling, treatment and disposal) to reduce environmental impacts through production reduction, material recovery and reuse, and energy production from non-recoverable waste • Circular and efficient use of resources in production processes (e.g. reuse of purified water for industrial/irrigation processes)
	Biodiversity 	<ul style="list-style-type: none"> • Management of production activities with a view to the conservation and protection of biodiversity in the areas of current and future operations • Collaboration with organisations/institutions for the protection of biodiversity in the Group's areas of operation

Area	Topic	Related topics
Social	Innovation, digital transformation and smart cities 	<ul style="list-style-type: none"> • Business evolution through open innovation for research and development of new technologies, environmentally friendly and customer-oriented processes • Smart and resilient networks through the application of new technologies • Digital innovation for interacting with customers and suppliers, improving work processes, data management and processing • Automation/robotics to streamline simple and repetitive operations with low added value (e.g. back-office, customer centre) • Promotion of public and private electric mobility services • Technology initiatives aimed at transitioning to a data-driven approach, supporting processes and effective data management • Implementation of new data centre solutions to increase resilience, reliability and performance • Internal open innovation initiatives to strengthen the culture of innovation and digital transformation at all levels of the organisation • Support for research and innovation projects and coaching of start-ups in the cleantech and circular economy sectors
	Employment, development of human resources, welfare and industrial relations	<ul style="list-style-type: none"> • Personnel management: recruitment and induction policies, remuneration, turnover management, resource retention • Enhancement and development of human resources and technical, professional and managerial skills (training paths, performance management systems, skills evaluation systems, career paths) • Initiatives that increase the sense of company cohesion and employee well-being (e.g.: work-life balance initiatives) • Involvement and structured dialogue with trade unions • Responsible management of corporate development and restructuring
	Occupational health and safety	<ul style="list-style-type: none"> • Worker health and safety management: policies, certification, operational mechanisms, training, prevention initiatives
	Diversity and inclusion	<ul style="list-style-type: none"> • Policies and initiatives to develop a culture that values diversity - experiential, cultural, gender, age and other dimensions of diversity - and builds a collaborative, supportive and respectful environment, increasing the participation and contribution of people working in the Group
	Protection of human rights (value chain)	<ul style="list-style-type: none"> • Monitoring of all company operations to ensure respect for human rights also in the choice of suppliers (compliance with social rules and standards provided for by law or voluntary) • Respect for the dignity of persons in the provision of services
	Sustainable development of the local areas and communities (value chain)	<ul style="list-style-type: none"> • Managing relations with local communities for territorial development and quality of life • Development of projects in favour of the territory (culture, sport, social, environment) • Activities of Iren Local Committees • Supporting employee volunteering initiatives • Sustainability education programmes for schools and local communities, particularly with regard to the protection of natural resources and issues related to the UN 2030 Agenda
	Sustainable management of the supply chain (value chain) 	<ul style="list-style-type: none"> • Supplier management policies: selection, qualification, evaluation and monitoring also on the basis of social criteria (e.g. respect for workers' rights, possession of certifications, fight against Mafia infiltration or money laundering), environmental criteria (e.g. use of low-impact technologies and processes, possession of certifications) and health and safety criteria (including workers' health and safety) • Involvement of suppliers for the integration and improvement of sustainability profiles • Monitoring and comparing the quality of the supplier's products/services
	Responsibility and quality in service delivery and customer orientation (value chain) 	<ul style="list-style-type: none"> • Customer satisfaction evaluation and complaint handling methods • Responsible management of business practices (transparent offers, fairness of customer contact, information on services) • Accessibility of services offered to customers regardless of social, age, cultural or physical factors • Measures for the affordability of services (social bonuses, instalment of bills, etc.) also in the face of emergencies/social crises • Efficiency in the way customers use services (digitalisation, smart metering, punctual waste pricing, customer education/awareness) • Attention to the evolution of the customer from user to prosumer (digitalisation, customised solutions, new technologies, own energy generation with self-consumption) • Customisation of customer services and development of new integrated services (energy efficiency, home automation, sustainable mobility, security, etc.) to meet emerging and future needs

 Climate change topics
Topics related to pollution prevention



Gri content index Connection with legislative decree 254/2016, SDGS and principles of the Global Compact (UNGC)

Iren S.p.A. reports the information mentioned in this GRI content index for the period 1 January 2023 - 31 December 2023 with reference to the GRI Standards.

Reference notes:

- in the column “Legislative Decree 254/16” are the GRI standard indicators that provide information related to the provisions of the Italian regulations on Non-Financial Reporting;
- the “UNGC” column shows the link with the 10 principles of the United Nations Global Compact. The dark-background number indicates the UNGC principle (➤ [SEE PAGE 360](#)) directly related to the specific indicator; the number on a light background indicates the indirectly related principle;
- the “SDGs” column shows how the disclosures in the GRI Standards relate to the 17 Sustainable Development Goals of the 2030 Agenda, whose number is given, according to the framework developed by GRI in the document “Linking the SDGs and the GRI Standards”.

Indicator	It L.D. 254/16	UNGC	SDGs	Page reference/ Notes on possible omissions
GRI 1 - Foundation - version 2021				
GRI 2 – General Disclosures - version 2021				
The organisation and its reporting practices				
2-1	Organisational details	•		Cover, 14, Back Cover, 20, 25, 34
2-2	Entities included in the organisation’s sustainability reporting	•		14, 18, 362-364
2-3	Reporting period, frequency and contact point	•		360, 398
2-4	Restatements of information	•		254
2-5	External assurance	•		363, 391-394
Activities and workers				
2-6	Activities, value chain and other business relationships	•		14, 19-24, 138, 142, 176, 182, 183, 189, 190, 199-207, 252, 260-264, 270-275, 335-336, 339, 360
2-7	Employees	•	6	8, 10 23, 272-275, 291-293, 299-300, 310-312
2-8	Workers who are not employees	•	6	326

Indicator	It L.D. 254/16	UNGC	SDGs	Page reference/ Notes on possible omissions
Governance				
2-9	Governance structure and composition	•	5, 16	40, 44-53
2-10	Nomination and selection of the highest governance body	•	5, 16	40, 44-45
2-11	Chair of the highest governance body		16	40, 43-44, 47
2-12	Role of the highest governance body in overseeing the management of impacts	•	16	40-44, 47-59, 120-123
2-13	Delegation of responsibility for managing impacts			40, 44-45
2-14	Role of the highest governance body in sustainability reporting	•		40-44, 50
2-15	Conflicts of interest		16	40, 44-45, 51
2-16	Communication of critical concerns	•		40, 45, 56-57, 67, 120, 129
2-17	Collective knowledge of the highest governance body			40, 45, 47
2-18	Evaluation of the performance of the highest governance body	•		40, 44-45
2-19	Remuneration policies			77
2-20	Process to determine remuneration		16	48-49, 67, 77-79
2-21	Annual total compensation ratio			295, 304
Strategy, policies and practices				
2-22	Statement on sustainable development strategy	•		9-11, 96-103, 113-117
2-23	Policy commitments		10	16 40, 56, 59-61, 67-69, 80, 92, 120, 138, 165, 176, 183, 193, 213, 222, 250, 260, 288, 312, 317, 324, 333, 345, 347
2-24	Embedding policy commitments			40, 44, 56, 60-61, 67, 70, 74, 77, 80, 102, 260, 263, 295, 300, 333, 339, 340
2-25	Processes to remediate negative impacts			67, 70-71, 89, 120, 123, 250, 258, 260
2-26	Mechanisms for seeking advice and raising concerns		10	16 67, 70-71
2-27	Compliance with laws and regulations	•	7 8 10 10	16 120, 218, 219, 222, 246, 324, 325
2-28	Membership associations	•		120, 133-136
Stakeholder engagement				
2-29	Approach to stakeholder engagement	•		104, 120-127, 132, 237-239
2-30	Collective bargaining agreements	•	3 6	8 295, 304

Indicator	It L.D. 254/16	UNGC	SDGs	Page reference/ Notes on possible omissions
GRI 3 - Material Topics - version 2021				
3-1	Process to determine material topics	•		102-106
3-2	List of material topics	•		102, 104-106
	Management of material topics	•		14, 19-20, 56-58, 67, 90, 107-112, 116-117
	Growth and value creation for the company and stakeholders		2, 8	60, 138-159
	Solid, ethic and transparent governance for sustainable growth	•	10	16, 17, 40, 86-91
	Efficient, reliable and secure management of processes and infrastructure	•	7 8 9	60, 260, 267, 271-276, 277-282, 356
	Energy efficiency and renewable production to reduce environmental and economic impacts	•	7 8	7, 12, 13, 60, 162, 176-182
	Circular economy and waste management	•	7 8	12, 13, 60, 162, 193-208
	Sustainable use of water resources	•	7 8	6,14, 60, 162, 183-192
	Decarbonization and reduction of emissions	•	7 8	13, 60, 162, 165-175
	Biodiversity	•	7 8	14, 15, 60, 213-217
3-3	Sustainable development of the local areas and communities	•		4, 11, 17, 60, 222-246
	Innovation, digital transformation and smart cities	•	7 8 9	9, 11, 13, 60, 263, 281, 345-356
	Responsibility and quality in service delivery and customer orientation	•	6	1, 6, 7, 11, 60, 250-280
	Employment, development of human resources, welfare and industrial relations	•	3 6	4, 8, 10, 60, 288, 295-305, 307-311, 324-325
	Occupational health and safety	•		3, 8, 60, 317-323
	Diversity and inclusion	•	6	5, 10, 60, 159, 312-316
	Protection of human rights	•	1 2 4 5	8, 10, 60, 80-85
	Sustainable supply chain management	•	3 4 5 6 7	8, 10, 13, 60, 333-344
	Effective and transparent dialogue and communication with stakeholders	•		16, 17, 60, 129-137
Specific standards – Economic area				
201 - Economic performance (2016 standard)				
201-1	Direct economic value generated and distributed		7 8	8, 9, 14, 23-24, 138, 142
201-2	Financial implications and other risks and opportunities due to climate change		7 8	13, 62-66, 141-142
201-3	Defined benefit plan obligations and other retirement plans		7 8	288, 294, Consolidated Financial Statements
201-4	Financial assistance received from Government		7 8	145

Indicator	It L.D. 254/16	UNGC	SDGs	Page reference/ Notes on possible omissions
202 - Market presence (2016 standard)				
202-1	Ratios of standard entry level wage by gender compared to local minimum wage	⑥	1, 5, 8	295, 304
202-2	Proportion of senior management hired from the local community	⑥	8	138, 142, 288, 292
203 - Impatti economici indiretti (standard 2016)				
203-1	Infrastructure investments and services supported		5, 9, 11	14, 20, 23, 162, 164, 223-224, 235-237
203-2	Significant indirect economic impacts		1, 3, 8	138, 142
204 – Procurement practices (2016 standard)				
204-1	Proportion of spending on local suppliers		8	14, 19, 20-23, 333, 342-344
205 - Anti-Corruption (2016 standard)				
205-1	Operations assessed for risks related to corruption	•	⑩ ⑩	16, 67,75
205-2	Communication and training about anti-corruption policies and procedures	•	⑩ ⑩	16, 67, 70, 75-76
205-3	Confirmed incidents of corruption and actions taken	•	⑩ ⑩	16, 67, 76
206 - Anticompetitive behaviours (2016 standard)				
206-1	Legal actions for anticompetitive behaviour, anti-trust, and monopoly practices		16	250, 259
207 - Tasse (standard 2019)				
207-1	Approach to tax		1, 10, 17	138, 144-145
207-2	Tax governance, control and risk management		1, 10, 17	138, 144-145
207-3	Stakeholder engagement and management of concerns related to tax		1, 10, 17	138, 144-145
207-4	Country-by-country reporting		1, 10, 17	138, Single jurisdiction: Italy For items i, ii, iii, information in this Report. For items iv and vi to x, information in the Consolidated Financial Statements.
Specific standards – Environmental area				
301 – Materials (2016 standard)				
301-1	Materials used by weight or volume	•	⑦ ⑧ ⑨	6, 8, 12, 218
301-2	Recycled input materials used	•	⑦ ⑧ ⑨	8, 12, 218
301-3	Reclaimed products and their packaging materials	•	⑦ ⑧ ⑨	8, 12, Not pertinent in relation to Group activities

Indicator	It L.D. 254/16	UNGC	SDGs	Page reference/ Notes on possible omissions	
302 - Energy (2016 standard)					
302-1	Energy consumption within the organisation	•	⑦ ⑧ ⑨	7, 8, 12, 13	14, 19, 20, 22, 24, 165-167, 209
302-2	Energy consumption outside of the organisation	•	⑦ ⑧ ⑨	7, 8, 12, 13	176, 179, 209-212
302-3	Energy intensity	•	⑦ ⑧ ⑨	7, 8, 12, 13	Ratio between direct energy consumption and energy produced (TOE/MWh): 0.13
302-4	Reduction of energy consumption	•	⑦ ⑧ ⑨	7, 8, 12, 13	14, 20, 22, 24, 176, 178-180
302-5	Reductions in energy requirements for products and services	•	⑦ ⑧ ⑨	7, 8, 12, 13	176, 180-182
303 - Water and effluents (2018 standard)					
303-1	Interactions with water as a shared resource		⑦ ⑧ ⑨	6, 12	183-186, 260, 277
303-2	Management of water discharge-related impacts	•	⑦ ⑧ ⑨	6	183, 186, 216
303-3	Water withdrawal	•	⑦ ⑧ ⑨	6	14,19, 22, 24, 183-185 From the analysis of the "Aqueduct water risk atlas" of the World Resources Institute, withdrawals, discharges and consumption do not occur in areas with water stress
303-4	Water discharge	•	⑦ ⑧ ⑨	6	186 From the analysis of the "Aqueduct water risk atlas" of the World Resources Institute, withdrawals, discharges and consumption do not occur in areas with water stress
303-5	Water consumption	•	⑦ ⑧ ⑨	6	186 From the analysis of the "Aqueduct water risk atlas" of the World Resources Institute, withdrawals, discharges and consumption do not occur in areas with water stress
304 - Biodiversity (2016 standard)					
304-1	Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	•	⑦ ⑧	6, 14, 15	213, 217 Qualitative reporting, subject managed in accordance with the regulations applicable to the Group's activities
304-2	Significant impacts of activities, products, and services on biodiversity	•	⑦ ⑧	6, 14, 15	213, 215-216
304-3	Habitats protected or restored	•	⑦ ⑧	6, 14, 15	213, 215-216
304-4	IUCN Red List species and national conservation lists species with habitats in areas affected by operations	•	⑦ ⑧	6, 14, 15	213, 217
305 - Emissions (2016 standard)					
305-1	Direct (Scope 1) GHG emissions	•	⑦ ⑧ ⑨	3, 12, 13, 14, 15	22, 167-170, 211
305-2	Energy indirect (Scope 2) GHG emissions	•	⑦ ⑧ ⑨	3, 12, 13, 14, 15	22, 170
305-3	Other indirect (Scope 3) GHG emissions	•	⑦ ⑧ ⑨	3, 12, 13, 14, 15	171-172

Indicator	It L.D. 254/16	UNGC	SDGs	Page reference/ Notes on possible omissions	
305-4	GHG emissions intensity	•	⑦ ⑧ ⑨	13, 14, 15	14, 20, 22, 170
305-5	Reduction of GHG emissions	•	⑦ ⑧ ⑨	13, 14, 15	22, 174-175, 209
305-6	Emissions of ozone-depleting substances (ODS)	•	⑦ ⑧ ⑨	3, 12	169
305-7	Nitrogen oxides (NOx), sulphur oxides (SOx) and other significant air emissions	•	⑦ ⑧ ⑨	3, 12, 14, 15	172, 211
306 - Waste (2020 standard)					
306-1	Waste generation and significant waste-related impacts	•	⑦ ⑧	3, 6, 11, 12, 14	194-208
306-2	Management of significant waste-related impacts	•	⑦ ⑧	3, 6, 11, 12	194-208
306-3	Waste generated	•	⑦ ⑧	3, 6, 11, 12, 14	22, 194-196
306-4	Waste diverted from disposal	•	⑦ ⑧	3, 11, 12	197, 208
306-5	Waste directed to disposal	•	⑦ ⑧	3, 6, 11, 12	197-198, 208
308 – Supplier environmental assessment (2016 standard)					
308-1	New suppliers that were screened using environmental criteria	•	⑧		333, 337
308-2	Negative environmental impacts in the supply chain and actions taken	•	⑧		333, 336-337
Specific standards – Social area					
401 – Employment (2016 standard)					
401-1	New employee hires and employee turnover	•	⑥	5, 8, 10	14, 20, 23, 292, 293-294, 326, 331
401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	•	⑥	3, 5, 8	295, 304, 307
401-3	Parental leave	•	⑥	5, 8	312, 316
402 – Labor/Management Relations (2016 standard)					
402-1	Minimum notice periods regarding operational changes	•	③	8	324-325
403 – Occupational health and safety (2018 standard)					
403-1	Occupational health and safety management system		③	8	317, 318, 333, 342
403-2	Hazard identification, risk assessment, and incident investigation		③	8	294, 317, 319, 333, 342
403-3	Occupational health services		③	8	317, 318, 321, 333
403-4	Worker participation, consultation, and communication on occupational health and safety	•	③	8, 16	317, 319 Data pertaining to Group employees

Indicator	It L.D. 254/16	UNGC	SDGs	Page reference/ Notes on possible omissions
403-5	Worker training on occupational health and safety	● 3	8	295, 303, 317, 322, 333, 340
403-6	Promotion of worker health	● 3	3	307, 309-310 Data pertaining to Group employees
403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	● 3	8	333, 340
403-8	Workers covered by an occupational health and safety management system	● 3	8	317, 318, 333, 341
403-9	Work-related injuries	●	● 3	3, 8, 16 14, 22, 23, 24, 317, 320-321, 332, 342 Work-related injury rates relating to Group personnel
403-10	Work-related ill health	●	● 3	3, 8, 16 321, 322 Data pertaining to Group employees
404 – Training and education (2016 standard)				
404-1	Average hours of training per year per employee	●	● 6	4, 5, 8, 10 14, 19, 23, 295, 300-301
404-2	Programs for upgrading employee skills and transition assistance programmes	●	● 6	8 288, 295, 297
404-3	Percentage of employees receiving regular performance and career development reviews	●	● 6	5, 8, 10 23, 24, 295, 297, 305
405 - Diversity and equal opportunities (2016 standard)				
405-1	Diversity of governance bodies and employees	●	● 6	5, 8 23, 24, 288, 290-291, 312, 315-316, 326, 328
405-2	Ratio of basic salary and remuneration of women to men		● 6	5, 8, 10 312, 317, 326, 331
406 – Non-discrimination (2016 standard)				
406-1	Incidents of discrimination and corrective actions taken	●	● 6	5, 8 80, 312
407 – Freedom of association and collective bargaining (2016 standard)				
407-1	Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	●	● 1 ● 3	8 80, 83-84, 333, 340
408 - Child labour (2016 standard)				
408-1	Operations and suppliers at significant risk for incidents of child labour	●	● 1 ● 5	8, 16 80, 83-84, 333, 335
409 - Forced or compulsory labour (2016 standard)				
409-1	Operations and suppliers at significant risk of incidents of forced or compulsory labour	●	● 1 ● 4	8 80, 83-84, 333, 335
410 - Security practices (2016 standard)				
410-1	Security personnel trained in human rights policies or procedures	●	● 1 ● 2 ● 3 ● 4 ● 5 ● 6	16 Not pertinent in relation to Group activities

Indicator	It L.D. 254/16	UNGC	SDGs	Page reference/ Notes on possible omissions	
411 - Rights of indigenous peoples (2016 standard)					
411-1	Incidents of violations involving rights of indigenous peoples	•	①	2	Not pertinent given the location of the Group's activities
413 - Local communities (2016 standard)					
413-1	Operations with local community engagement, impact assessments, and development programs	•	①		222, 244-246
413-2	Operations with significant actual and potential negative impacts on local communities	•	①	1, 2	222, 244-246
414 - Supplier social assessment (2016 standard)					
414-1	New suppliers that were screened using social criteria	•	① ② ⑥	5, 8, 16	333, 344
414-2	Negative social impacts in the supply chain and actions taken	•	① ② ⑥	5, 8, 16	333, 339
415 - Public policy (2016 standard)					
415-1	Political contributions	•		16	120, 132-133
416 - Customer health and safety (2016 standard)					
416-1	Assessment of the health and safety impacts of product and service categories	•			222, 244, 260, 261, 277, 279
416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	•		16	250, 258
417 - Marketing and labeling (2016 standard)					
417-1	Requirements for product and service information and labeling	•		12	Not pertinent in relation to Group activities
417-2	Incidents of non-compliance concerning product and service information and labeling	•		16	250, 258
417-3	Incidents of non-compliance concerning marketing communications	•		16	250, 258
418 - Customer privacy (2016 standard)					
418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	•		16	89-90
Electric Utilities Supplement					
EU-1	Installed capacity	•			14, 18-19, 26, 176-177
EU-2	Net energy output	•			14, 19-20-21, 26-27, 176
EU-3	Number of customers				26, 250
EU-4	Length of transmission and distribution networks				14, 18, 20, 26, 260, 268

Indicator	It L.D. 254/16	UNGC	SDGs	Page reference/ Notes on possible omissions
EU-5	Compliance with the Kyoto Protocol	•		Level of compliance: 4%
EU-10	Planned capacity			138-139
EU-11	Average output of heat production plants	•		Co-generation, boilers and thermoelectric plants: 74% Waste-to-energy plants 77%
EU-12	Transmission and distribution losses as a percentage of total energy	•		260, 268
EU-13	Habitats restored (offsetting)	•		213, 215-216
EU-15	Percentage of employees eligible to retire in the next 5 to 10 years			288, 294
EU-17	Hours worked by contractor and subcontractor employees			333, 340-341
EU-18	Health and safety training programmes carried out for contractor and subcontractor employees	•		333, 341
EU-22	Number of people physically displaced following the construction of new plants and economical compensation	•		222, 246
EU-25	Number of injuries and fatalities to the public involving Company assets	•		222, 246
EU-26	Percentage of population not served in the electricity distribution area			The Group serves the entire population of the local areas in which it manages the service
EU-27	Number of residential disconnections for non-payment, broken down by duration of disconnection and by regulatory regime			260, 269
EU-28	Power outages: average number of interruptions per LV customer (N1)			260, 269
EU-29	Power outages: cumulative downtime (D1)			260, 269
EU-30	Average plant availability factor	•		Co-generation plants: 45% Waste-to-energy plants: 90%

Material topics and GRI standards

Priority topics	Indicators
Growth and value creation for the company and stakeholders	2-6; 2-23; 3-3; 201-1; 201-2; 201-4; 202-2; 203-2; 207-1; 207-2; 207-3; 207-4
Solid, ethical and transparent governance for sustainable growth	2-9; 2-10; 2-11; 2-12; 2-13; 2-14; 2-15; 2-16; 2-17; 2-18; 2-19; 2-20; 2-23; 2-24; 2-25; 2-26; 3-3; 201-2; 205-1; 205-2; 205-3; 418-1
Efficient, reliable and safe management of processes and infrastructure	2-6; 2-23; 2-24; 2-25; 3-3; 303-1; 416-1

Priority topics	Indicators
Employment, development of human resources, welfare and industrial relations	2-7; 2-21; 2-23; 2-24; 2-27; 2-30; 3-3; 201-3; 202-1; 202-2; 401-1; 401-2; 402-1; 403-5; 403-6; 404-1; 404-2; 404-3; 405-1
Energy efficiency and renewable production to reduce environmental and economic impacts	2-6; 2-23; 3-3; 302-2; 302-4; 302-5
Innovation, digital transformation and smart cities	2-23; 3-3
Circular economy and waste management	2-6; 2-23; 3-3; 306-1; 306-2; 306-3; 306-4; 306-5
Sustainable use of water resources	2-6; 2-23; 3-3; 303-1; 303-2; 303-3; 303-4; 303-5
Decarbonization and reduction of emissions	2-23; 3-3; 302-1; 302-2; 305-1; 305-2; 305-3; 305-4; 305-5; 305-6; 305-7
Sustainable development of the local areas and communities	2-23; 2-27; 3-3; 203-1; 413-1; 413-2
Responsibility and quality in service delivery and customer orientation	2-6; 2-23; 2-25; 3-3; 206-1; 406-1; 416-2; 417-2; 417-3
Occupational health and safety	2-23; 3-3; 403-1; 403-2; 403-3; 403-4; 403-5; 403-7; 403-8; 403-9; 403-10
Diversity and inclusion	2-23; 3-3; 401-3; 405-1; 405-2; 406-1
Protection of human rights	2-23; 2-24; 3-3; 406-1; 407-1; 408-1; 409-1
Effective and transparent dialogue and communication with stakeholders	2-12; 2-14; 2-16; 2-23; 2-25; 2-27; 2-28; 2-29; 3-3; 415-1
Sustainable management of the supply chain	2-6; 2-23; 2-24; 3-3; 204-1; 308-1; 308-2; 403-1; 403-2; 403-3; 403-5; 403-7; 403-8; 403-9; 407-1; 408-1; 409-1; 414-1; 414-2
Biodiversity	2-23; 3-3; 304-1; 304-2; 304-3; 304-4



TCFD reconciliation table

	TCFD Recommendations	Reference
GOVERNANCE		
<p>Disclose the organization's governance around climate-related risks and opportunities.</p>	a) Describe the board's oversight of climate-related risks and opportunities.	Sustainability Governance, pages 40-55
	b) Describe management's role in assessing and managing climate-related risks and opportunities.	Sustainability Governance, pages 40-55
STRATEGY		
<p>Disclose the actual and potential impacts of climate-related risks and opportunities on the organization's businesses, strategy, and financial planning where such information is material.</p>	a) Describe the climate-related risks and opportunities the organization has identified over the short, medium, and long term.	Risk management, pages 56-66
	b) Describe the impact of climate-related risks and opportunities on the organization's businesses, strategy, and financial planning.	Risk management, pages 56-66
	c) Describe the resilience of the organization's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario.	Strategy for sustainable development, pages 96-117
RISK MANAGEMENT		
<p>Disclose how the organization identifies, assesses, and manages climate-related risks.</p>	a) Describe the organization's processes for identifying and assessing climate-related risks.	Risk management, pages 56-66
	b) Describe the organization's processes for managing climate-related risks.	Risk management, pages 56-66
	c) Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organization's overall risk management.	Risk management, pages 56-66
METRICS AND TARGETS		
<p>Disclose the metrics and targets used to assess and manage relevant climate-related risks and opportunities where such information is material.</p>		Strategy for sustainable development, pages 113-115 (e.g. installed capacity from renewable sources)
	a) Disclose the metrics used by the organization to assess climate-related risks and opportunities in line with its strategy and risk management process.	Risk management, pages 56-66 (e.g. Strategic Plan investments)
		Governance policies and tools, pages 77-79 (e.g. MbO system)
	b) Disclose Scope 1, Scope 2 and, if appropriate, Scope 3 greenhouse gas (GHG) emissions and the related risks.	Decarbonization and process efficiency, pages 165-175
	c) Describe the targets used by the organization to manage climate-related risks and opportunities and performance against targets.	Strategy for sustainable development, pages 113-115



EU Taxonomy statements

Methodology of analysis

The identification of eligibility and alignment for the Taxonomy of activities managed by Iren Group is based on the analysis and assessment of the activities themselves.

With regard to the financial year 2023, the verification of alignment was carried out, in continuity with 2022, with regard to the targets under the Climate Delegated Act (EU Delegated Regulation 2021/2139, as amended by EU Delegated Regulation 2023/3850), while with regard to the targets under the Environmental Delegated Act (EU Delegated Regulation 2023/3851), the analysis was limited to the eligibility of the activities managed by the Group.

ASSESSMENT OF ALIGNMENT (CLIMATE OBJECTIVES)

In order to identify, among the eligible activities, those aligned with Taxonomy, the technical screening criteria that determine the substantial contribution to climate objectives were analysed in depth for each activity carried out by Iren Group. No activities specifically aimed at making a substantial contribution to climate adaptation have been identified for the year 2023.

The analysis was carried out on the following activities.

- **ENERGY PRODUCTION FROM RENEWABLE SOURCES AND STORAGE**

- **Electricity production from hydropower (4.5):** the Group's generation plants have a power density of more than 5W/m² or are run-of-river plants, and thus meet the technical screening criteria;
- **Electricity generation using solar photovoltaic technology (4.1), wind power (4.3), storage of electricity (4.10) and thermal (4.11) energy:** there are no specific technical screening criteria, the activities in themselves contribute to climate change mitigation;
- **Production of heat/cooling from bioenergy (4.24):** the Group's production plants meet the sustainability and greenhouse gas emission reduction criteria for biomass fuels (as stipulated in the EU Directive 2018/2001) and therefore, comply with the required technical screening criteria;

- **ENERGY PRODUCTION FROM GASEOUS FOSSIL FUELS**

- **High efficiency cogeneration of heat and electricity from fossil gaseous fuels (4.30), production of electricity from fossil gaseous fuels (4.29) and production of heat/cold from fossil gaseous fuels in an efficient district heating system (4.31):** these activities are eligible but not aligned as they do not satisfy the requirements for the substantial contribution, provided for by the complementary Delegated Act on gas and nuclear, relating to carbon intensity and/or other characteristics relating to the replacement of pre-existing plants;

- **ENERGY NETWORKS**

- **Transmission and distribution electricity (4.9):** the network managed by Iren Group is part of the interconnected European system and, therefore, meets the technical screening criteria for contribution to climate change mitigation;
- **Transmission and distribution networks for renewable and low-carbon gases (4.14):** network upgrading activities to enable the integration of hydrogen and other low-carbon emission gases into the gas distribution network are considered aligned, including activities to increase the mixture of hydrogen or other low-carbon gases in the gas system, as well as leakage detection and network repair activities to reduce methane leakage;
- **District heating distribution (4.15):** the network operated by Iren Group makes a substantial contribution to climate change mitigation as it meets the definition of an efficient district heating system in the legislation;

- **INTEGRATED WATER SERVICE**

- **Construction, expansion and operation of water collection, treatment and supply systems (5.1):** energy consumption for extraction and treatment is equal to or less than 0.5 kWh per cubic metre of water ready to be supplied in all territorial systems managed by Iren Group, with the exception of one, which was therefore considered not aligned for 2023;
- **Construction, expansion and operation of wastewater collection and treatment (5.3):** the ratio between energy consumption and the population equivalent served by each plant managed by the Group was analysed; the activity is partially aligned, as some plants, particularly those built in orographically unfavourable contexts, require the adoption of more energy-intensive technologies to ensure maximum efficiency in terms of the quality of the water returned to the environment, and therefore have energy consumption above the thresholds envisaged by the technical screening criteria;

- **WASTE COLLECTION AND TREATMENT:**

- **Collection and transport of non-hazardous waste in source segregated fractions (5.5):** no specific technical screening criteria, the activity in itself contributes to climate change mitigation;
- **Anaerobic digestion of bio-waste (5.7) and composting of bio-waste (5.8):** Iren Group's plants comply with all the technical screening criteria and thresholds required by the regulations;
- **Material recovery from non-hazardous waste (5.9):** the flows of all Iren Group's plants were analysed; the activity is partially aligned as only some plants comply with the technical screening criterion related to the percentage of conversion of sorted waste treated into secondary raw materials;
- **Landfill gas capture and utilisation (5.10):** the activity is aligned because permanently closed landfills operated by the Group with biogas capture use the same for the production of electricity and are equipped with procedures for the control and monitoring of emissions and methane leakage aligned with the required regulations;

- **E-MOBILITY**

(services within the Group and activities towards third parties): the activities managed by the Group concerning e-mobility in terms of **urban and suburban transport, road passenger transport (6.3), operation of personal mobility devices, cycle logistics (6.4), infrastructure enabling low-carbon road transport and public transport (6.15) and installation, maintenance and repair of charging stations for electric vehicles in buildings (7.4)** comply with the technical screening criteria; **transport by motorbikes, passenger cars and light commercial vehicles (6.5)** is aligned for the share of vehicles that comply with the technical screening criteria;

- **ENERGY EFFICIENCY**

(in-house services and third-party activities): in this area, **professional services related to energy performance of buildings (9.3), installation, maintenance and repair of energy efficiency equipment and instruments and devices for measuring, regulation and controlling energy performance of buildings (7.3) (7.5) and installation, maintenance and repair of renewable energy technologies (7.6)** comply with the technical screening criteria;

- **CONSTRUCTION OF NEW BUILDINGS (7.1) AND RENOVATION OF EXISTING BUILDINGS (7.2):**

the Group's construction and renovation activities comply with the technical screening criteria;

- **OTHER INTERNAL SERVICES:**

the management of the company's data centres (8.1) is eligible but not aligned for 2023.

ELIGIBILITY ASSESSMENT (TAXO 4 OBJECTIVES)

In order to assess the eligibility of the activities managed by Iren Group in relation to the four objectives considered by the Environmental Delegated Act - for which the first reporting is being carried out for the financial year 2023 - the consistency of the activities themselves with the criteria was analysed. This assessment confirmed the presence of activities under the following objectives:

- **Sustainable use and protection of water and marine resources:** manufacture and installation (and related services) of leakage control technologies (1.1), water supply (2.1), urban wastewater treatment (2.2);
- **Transition to a circular economy:** production of alternative water resources for purposes other than human consumption (2.2), collection and transport of non-hazardous and hazardous waste (2.3), recovery of organic waste by anaerobic digestion or composting (2.5), decontamination and dismantling of end-of-life products (2.6), sorting and material recovery from non-hazardous waste (2.7), provision of IT/OT data-based solutions for leakage reduction (4.1);
- **Pollution prevention and control:** collection and transport of hazardous waste (2.1), treatment of hazardous waste (2.2), remediation of contaminated sites and areas (2.4).

No activities specifically related to the objective of protecting and restoring biodiversity and ecosystems have been identified for the year 2023.

CHECK DNSH (DO NO SIGNIFICANT HARM)

Do No Significant Harm (DNSH) was verified for all activities considered aligned to technical screening criteria to find that they do not cause significant harm to the other objectives identified by Taxonomy:

- **adaptation to climate change:** in 2023, Iren carried out an analysis specifically aimed at verifying the DNSH criterion for the climate change adaptation target, with the support of experts in the field. This criterion requires that an assessment of physical climatic risks (acute and chronic) is carried out for each activity and that an adaptation plan is implemented that presents possible solutions in the event of significant risk exposure. To this end, for the activities/assets managed by the Group, grouped into clusters on the basis of geographical and/or technological criteria, the relevant risk factors were identified, in the current and future scenarios with a time horizon of 2050, and an adaptation plan was defined, where necessary. The climate variables and qualitative information used to assess the 2050 scenario were taken from literature sources and public databases (e.g. Copernicus, WRI Aqueduct);
- **sustainable use and protection of water and marine resources:** for all activities that interact with the water resource (energy generation, water distribution and treatment, anaerobic digestion plants for organic waste), an assessment of the risk of environmental degradation related to the preservation of water quality and the prevention of water stress is required, as required by the Water Directive and water management plans. The management procedures were then identified and checked for compliance with regulations, authorisations, any water management plans or other regional regulations, and where required, the presence of an environmental impact assessment ([» SEE PAGE 185](#));
- **transition to a circular economy:** where relevant, has been verified that a plan exists to manage waste generated by activities in accordance with the waste hierarchy, the EU waste management protocol and the requirements for purchased services or products ([» SEE PAGE 193](#));
- **pollution prevention and control:** compliance with the required criteria, specific to each activity, was verified;
- **protection and restoration of biodiversity and ecosystems:** for all activities carried out near or in the vicinity of sites located in or near biodiversity-sensitive areas (including the Natura 2000 network of protected areas, UNESCO World Heritage sites and major biodiversity areas, as well as other protected areas), compliance with the criteria set out in any authorisation requirements and, where applicable, the presence of an environmental impact assessment was verified ([» SEE PAGE 213](#)).

COMPLIANCE WITH SAFEGUARD MINIMUM GUARANTEES

With regard to compliance with the social safeguard minimum guarantees, the Group has verified the adequacy of its management system and procedures in place with respect to the four core areas provided for by European Taxonomy: human rights, including workers' and consumers' rights; extortion/corruption; taxation; fair competition. The management system adopted covers the entire scope of the Group's activities and is fully aligned with the requirements of Taxonomy. Further information on the Group's approach to respecting human rights can be found on page 80.

Analytical tables

METHODOLOGY FOR CALCULATING METRICS

The criteria adopted for the calculation of KPIs are as follows:

- **turnover (revenues)** - the share (%) is calculated as the ratio of the volume of net revenues associated with the economic activities aligned to Taxonomy (numerator) to total net revenues (in accordance with IAS 1, point 82, letter a) (denominator);
- **operating expenses (OpEx)** - the share (%) is calculated as the ratio between the portion of operating expenses related to activities aligned to Taxonomy - including training and other human resources adaptation needs, as well as non-capitalised direct costs of research and development - (numerator) and non-capitalised direct costs related to research and development, non-capitalised leases, building renovation measures, short-term rental, maintenance and repair, as well as any other direct costs associated with the day-to-day maintenance of property, plant and equipment, either by the company or by third parties to whom these tasks are outsourced, that are necessary to ensure the continuous and effective operation of these assets (denominator);
- **capital expenditures (CapEx)** - the portion (%) is calculated as the ratio of the portion of capital expenditures related to assets aligned to Taxonomy (numerator) and additions to tangible and intangible assets during the year considered before depreciation, amortisation, impairment, and any revaluation, including those resulting from restatements and reductions in value, for that year, and excluding changes in fair value (denominator). The denominator also includes increases to tangible and intangible assets resulting from business combinations. Specifically, capital expenditures include costs accounted for on the basis of international accounting standards: IAS 16 "Property, Plant and Equipment", point 73(e), sub-paragraphs i) and iii); IAS 38 "Intangible Assets", point 118(e), sub-paragraph i); IAS 40 "Investment Property", point 76(a) and point 79(d), sub-paragraphs i) and ii); IFRS 16 "Leases", point 53(h).

The values analysed refer only to items with third parties; therefore, items between Group companies are excluded, in order to avoid double counting in the calculation of KPIs. The effects of IFRIC 12 on revenues (amounting to 248,076,665 Euro) have been sterilised, in particular regarding the integrated water service concession.

LEGEND FOR CONSULTING THE TABLES

Columns "Criteria for substantial contribution"
 Yes = The activity is eligible and aligned to Taxonomy
 No = The activity is eligible, but not aligned to Taxonomy
 AM = The activity is eligible for Taxonomy
 N/AM = The activity is not eligible for Taxonomy

Columns "DNSH criteria"
 YES = The activity meets DNSH criteria
 NO = The activity does not meet DNSH criteria

TURNOVER TABLE (REVENUE)

Economic activities	Code	Criteria for substantial contribution								DNSH criteria						Share of turnover aligned or eligible to taxonomy, year N+1	Category (enabling activity)	Category (transition activity)
		Absolute turnover (revenue)	Proportion of turnover (revenue), year N	Climate change mitigation	Climate change adaptation	Water and marine resources	Circular economy	Pollution	Biodiversity and ecosystems	Climate change adaptation	Water and marine resources	Circular economy	Pollution	Biodiversity and ecosystems	Minimum guarantees			
		Thousands (€)	%	Yes; No; N/AM	Yes; No; N/AM	Yes; No; N/AM	Yes; No; N/AM	Yes; No; N/AM	Yes; No; N/AM	Yes; No; N/AM	Yes; No; N/AM	Yes; No; N/AM	Yes; No; N/AM	Yes; No; N/AM	Yes; No; N/AM			
A. TAXONOMY-ELIGIBLE ACTIVITIES (A.1. + A.2. + A.3.)																		
A.1. Environmentally sustainable activities (Taxonomy-aligned)																		
Photovoltaic	CCM 4.1	27,486	0.5	Yes	No	N/AM	N/AM	N/AM	N/AM	Yes		Yes		Yes	YES	0.8		
Wind	CCM 4.3	450	0.0	Yes	No	N/AM	N/AM	N/AM	N/AM	YES	YES	YES		YES	YES	-		
Hydroelectric	CCM 4.5	199,767	3.2	Yes	No	N/AM	N/AM	N/AM	N/AM	YES	YES			YES	YES	1.6		
Electricity distribution	CCM 4.9	137,232	2.2	Yes	No	N/AM	N/AM	N/AM	N/AM	YES		YES	YES	YES	YES	1.7	A	
Low-carbon emission gas distribution ⁽¹⁾	CCM 4.14	13,974	0.2	Yes	No	N/AM	N/AM	N/AM	N/AM	YES	YES		YES	YES	YES	0.4		
District heating	CCM 4.15	71,089	1.1	Yes	No	N/AM	N/AM	N/AM	N/AM	YES	YES		YES	YES	YES	0.8		
Biomass	CCM 4.24	68	0.0	Yes	No	N/AM	N/AM	N/AM	N/AM	YES	YES		YES	YES	YES	-		
Aqueduct systems	CCM 5.1	293,648	4.7	Yes	No	N/AM	N/AM	N/AM	N/AM	YES	YES			YES	YES	3.6		
Wastewater collection and treatment systems	CCM 5.3	127,910	2.1	Yes	No	N/AM	N/AM	N/AM	N/AM	YES	YES		YES	YES	YES	1.9		
Sorted waste collection ⁽²⁾	CCM 5.5	285,839	4.7	Yes	No	N/AM	N/AM	N/AM	N/AM	YES		YES			YES	3.6		
Anaerobic digesters OFMSW	CCM 5.7	20,397	0.3	Yes	No	N/AM	N/AM	N/AM	N/AM	YES	YES		YES	YES	YES	0.2		
Composting OFMSW	CCM 5.8	2,707	0.0	Yes	No	N/AM	N/AM	N/AM	N/AM	YES			YES	YES	YES	0.0		
Recovery of material from waste	CCM 5.9	45,572	0.7	Yes	No	N/AM	N/AM	N/AM	N/AM	YES				YES	YES	0.5		
Closed landfills with biogas production	CCM 5.10	2,430	0.0	Yes	No	N/AM	N/AM	N/AM	N/AM	YES			YES	YES	YES	0.1		
Personal mobility devices	CCM 6.4	2,147	0.0	Yes	No	N/AM	N/AM	N/AM	N/AM	YES		YES			YES	0.0		T
Public electric charging columns	CCM 6.15	319	0.0	Yes	No	N/AM	N/AM	N/AM	N/AM	YES	YES	YES	YES	YES	YES	0.0		
Energy efficiency devices	CCM 7.3	430,413	7.0	Yes	No	N/AM	N/AM	N/AM	N/AM	YES			YES		YES	4.5	A	
Electric charging columns at company premises	CCM 7.4	753	0.0	Yes	No	N/AM	N/AM	N/AM	N/AM	YES					YES	0.0	A	
Performance measurement, regulation and control devices	CCM 7.5	8,550	0.1	Yes	No	N/AM	N/AM	N/AM	N/AM	YES					YES	0.0	A	
Renewable energy technologies	CCM 7.6	7,328	0.1	Yes	No	N/AM	N/AM	N/AM	N/AM	YES					YES	0.6	A	
Professional services for energy performance of buildings	CCM 9.3	31,577	0.5	Yes	No	N/AM	N/AM	N/AM	N/AM	YES					YES	0.7	A	
Turnover (revenue) of Environmentally sustainable activities (Taxonomy-aligned) (A.1.)		1,709,656	27.4	100	0	0	0	0	0	YES	YES	YES	YES	YES	YES	21.2		
Of which enabling		615,853	9.87	100	0	0	0	0	0	YES	YES	YES	YES	YES	YES	7.5	A	
Of which transition		2,147	0.03	100						YES	YES	YES	YES	YES	YES	0.0		T

Economic activities	Code	Criteria for substantial contribution								DNSH criteria						Share of turnover aligned or eligible to taxonomy, year N-1	Category (enabling activity)	Category (transition activity)
		Absolute turnover (revenue)	Proportion of turnover (revenue), year N	Climate change mitigation	Climate change adaptation	Water and marine resources	Circular economy	Pollution	Biodiversity and ecosystems	Climate change adaptation	Water and marine resources	Circular economy	Pollution	Biodiversity and ecosystems	Minimum guarantees			
		Thousands (€)	%	Yes; No; N/AM	Yes; No; N/AM	Yes; No; N/AM	Yes; No; N/AM	Yes; No; N/AM	Yes; No; N/AM	YES/NO	YES/NO	YES/NO	YES/NO	YES/NO	YES/NO			
A.2. Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)																		
Thermoelectric	CCM 4.29	519,822	8.3	AM	N/AM	N/AM	N/AM	N/AM	N/AM									
Cogeneration	CCM 4.30	1,202,622	19.2	AM	N/AM	N/AM	N/AM	N/AM	N/AM									
District heating production boilers	CCM 4.31	23,167	0.4	AM	N/AM	N/AM	N/AM	N/AM	N/AM									
Aqueduct systems	CCM 5.1	15,848	0.3	AM	N/AM	N/AM	N/AM	N/AM	N/AM									
Wastewater collection and treatment systems	CCM 5.3	62,782	1.0	AM	N/AM	N/AM	N/AM	N/AM	N/AM									
Recovery of material from waste	CCM 5.9	19,011	0.3	AM	N/AM	N/AM	N/AM	N/AM	N/AM									
Turnover (revenue) of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities (A.2.))		1,843,252	29.5	100	0	0	0	0	0									
A.3. Activities eligible for taxonomy for Taxo 4 objectives (alignment under evaluation)																		
Water Supply	WTR 2.1	293,497	4.7	N/AM	N/AM	AM	N/AM	N/AM	N/AM									
Urban wastewater treatment	WRT 2.2	127,910	2.1	N/AM	N/AM	AM	N/AM	N/AM	N/AM									
Production of alternative water resources for purposes other than human consumption	CE 2.2	7,113	0.1	N/AM	N/AM	N/AM	AM	N/AM	N/AM									
Collection and transport of non-hazardous and hazardous waste	CE 2.3	64,653	1.0	N/AM	N/AM	N/AM	AM	N/AM	N/AM									
Recovery of organic waste through anaerobic digestion or composting	CE 2.5	39,191	0.6	N/AM	N/AM	N/AM	AM	N/AM	N/AM									
Decontamination and dismantling of end-of-life products	CE 2.6	3,647	0.1	N/AM	N/AM	N/AM	AM	N/AM	N/AM									
Sorting and recovery of materials from non-hazardous waste	CE 2.7	68,152	1.1	N/AM	N/AM	N/AM	AM	N/AM	N/AM									
Collection and transportation of hazardous waste	PPC 2.1	12,661	0.2	N/AM	N/AM	N/AM	N/AM	N/AM	AM									
Treatment of hazardous waste	PPC 2.2	36,560	0.6	N/AM	N/AM	N/AM	N/AM	N/AM	AM									
Remediation of contaminated sites and areas	PPC 2.4	18,173	0.3	N/AM	N/AM	N/AM	N/AM	N/AM	AM									
Total turnover (revenue) of activities eligible for Taxo4 objectives (A.3.) ⁽³⁾		671,557	10.8															
Total (A.1. + A.2. + A.3.) ⁽⁴⁾		3,552,908	59.6	56.9	0	6.8	2.9	1.1	0									
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES																		
Turnover (revenue) of Taxonomy non-eligible activities (B)		2,689,396	40.4															
Total (A+B)		6,242,304	100															

Taxonomy Objectives		Proportion of turnover/total turnover	
		Taxonomy-aligned per objective (%)	Taxonomy-eligible per objective (%)
CCM	Climate Change Mitigation	27.39	29.53
CCA	Climate Change Adaptation	0	0
WTR ⁽⁵⁾	Water and Marine Resources		6.75
CE ⁽⁵⁾	Circular Economy		2.93
PPC ⁽⁵⁾	Pollution Prevention and Control		1.08
BIO	Biodiversity and Ecosystems		0

⁽¹⁾ In order to determine the revenues referring only to the activities of upgrading the portion of managed distribution network (equal to approximately 4.3% of the total) to allow for the integration of hydrogen and other low-carbon gases and the detection and repair of network leaks to reduce methane losses, a criterion for parameterising the constraint on distribution revenues proportionate to the investments made was used.

⁽²⁾ A criterion based on the direct costs of the activities has been used to determine revenues relating solely to the collection of non-hazardous waste in separate fractions.

⁽³⁾ Taxonomy covers activities in the various objectives that have total or significant overlap (identical or comparable technical and DNSH screening criteria) such that it is not possible to identify criteria for allocating revenues, costs and investments between the various objectives. For this reason, the values for the overlapping activities have been reported in full in each row and eliminated at the level of the total (A.1. + A.2. + A.3.). The activities for which this overlap occurs are specifically: WTR 2.1 and CCM 5.1, WTR 2.2 and CCM 5.3, WTR 2.1 and CE 2.2, CE 2.3 and CCM 5.5, CE 2.5 and CCM 5.7, CE 2.5 and CCM 5.8, CE 2.7 and CCM 5.9, PPC 2.1 and CCM 5.5, PPC 2.2 and CCM 5.9.

⁽⁴⁾ The total turnover of eligible activities does not include the values shown for the individual overlapping activities indicated in note 3. These have been subtracted from the total to avoid double counting of values and percentages in the total.

⁽⁵⁾ The percentage indicates the turnover within this activity calculated on the total. Overlaps between activities indicated in note 3 are not subtracted in this case.

OPERATING EXPENSES TABLE (OPEX)

Economic activities	Code	Criteria for substantial contribution								DNSH criteria						Share of operating expenditure (OpEx) aligned or eligible to taxonomy, year N-1	Category (enabling activity)	Category (transition activity)
		Operating expenses (OpEx) absolute	Proportion of operating expenses (OpEx), year N	Climate change mitigation	Climate change adaptation	Water and marine resources	Circular economy	Pollution	Biodiversity and ecosystems	Climate change adaptation	Water and marine resources	Circular economy	Pollution	Biodiversity and ecosystems	Minimum guarantees			
		Thousands (€)	%	Yes; No; N/AM	Yes; No; N/AM	Yes; No; N/AM	Yes; No; N/AM	Yes; No; N/AM	Yes; No; N/AM	Yes/NO	Yes/NO	Yes/NO	Yes/NO	Yes/NO	Yes/NO			
A. TAXONOMY-ELIGIBLE ACTIVITIES (A.1. + A.2. + A.3.)																		
A.1. Environmentally sustainable activities (Taxonomy-aligned)																		
Photovoltaic	CCM 4.1	9,342	0.6	Yes	No	N/AM	N/AM	N/AM	N/AM	Yes		Yes	Yes	Yes	YES	0.3		
Wind	CCM 4.3	127	0.0	Yes	No	N/AM	N/AM	N/AM	N/AM	YES	YES	YES		YES	YES	0.0		
Hydroelectric	CCM 4.5	13,498	0.9	Yes	No	N/AM	N/AM	N/AM	N/AM	YES	YES		YES	YES	1.0			
Electricity distribution	CCM 4.9	21,853	1.5	Yes	No	N/AM	N/AM	N/AM	N/AM	YES		YES	YES	YES	YES	1.0	A	
Electricity storage	CCM 4.10	120	0.0	YES	NO	N/AM	N/AM	N/AM	N/AM	YES	YES	YES		YES	YES	0.0	A	
Thermal energy storage	CCM 4.11	0.45	0.0	YES	NO	N/AM	N/AM	N/AM	N/AM	YES	YES	YES		YES	YES	0.0	A	
Low-carbon emission gas distribution	CCM 4.14	320	0.0	Yes	No	N/AM	N/AM	N/AM	N/AM	YES	YES		YES	YES	YES	0.0		
District heating	CCM 4.15	10,255	0.7	Yes	No	N/AM	N/AM	N/AM	N/AM	YES	YES		YES	YES	YES	0.5		
Biomass	CCM 4.24	69	0.0	Yes	No	N/AM	N/AM	N/AM	N/AM	YES	YES		YES	YES	YES	-		
Aqueduct systems	CCM 5.1	70,992	4.6	Yes	No	N/AM	N/AM	N/AM	N/AM	YES	YES			YES	YES	5.0		
Wastewater collection and treatment systems	CCM 5.3	21,361	1.4	Yes	No	N/AM	N/AM	N/AM	N/AM	YES	YES		YES	YES	YES	1.7		
Sorted waste collection	CCM 5.5	215,143	14.1	Yes	No	N/AM	N/AM	N/AM	N/AM	YES		YES			YES	16.1		
Anaerobic digesters OFMSW	CCM 5.7	6,072	0.4	Yes	No	N/AM	N/AM	N/AM	N/AM	YES	YES		YES	YES	YES	0.8		
Composting OFMSW	CCM 5.8	1,527	0.1	Yes	No	N/AM	N/AM	N/AM	N/AM	YES			YES	YES	YES	0.1		
Recovery of material from waste	CCM 5.9	19,579	1.3	Yes	No	N/AM	N/AM	N/AM	N/AM	YES				YES	YES	2.4		
Closed landfills with biogas production	CCM 5.10	1,299	0.1	Yes	No	N/AM	N/AM	N/AM	N/AM	YES			YES	YES	YES	0.1		
Urban, suburban transport	CCM 6.3	43	0.0	YES	NO	N/AM	N/AM	N/AM	N/AM	YES		YES	YES		YES	-		
Personal mobility devices	CCM 6.4	1,831	0.1	Yes	No	N/AM	N/AM	N/AM	N/AM	YES		YES			YES	0.1		
Company fleet vehicles	CCM 6.5	455	0.0	Yes	No	N/AM	N/AM	N/AM	N/AM	YES		YES	YES		YES	0.0		T
Public electric charging columns	CCM 6.15	64	0.0	Yes	No	N/AM	N/AM	N/AM	N/AM	YES	YES	YES	YES	YES	YES	0.0		
Energy efficiency devices	CCM 7.3	374,030	24.5	Yes	No	N/AM	N/AM	N/AM	N/AM	YES			YES		YES	21.0	A	
Electric charging columns at company premises	CCM 7.4	780	0.1	Yes	No	N/AM	N/AM	N/AM	N/AM	YES					YES	0.1	A	
Performance measurement, regulation and control devices	CCM 7.5	4,579	0.3	Yes	No	N/AM	N/AM	N/AM	N/AM	YES					YES	0.2	A	
Renewable energy technologies	CCM 7.6	12,569	0.8	Yes	No	N/AM	N/AM	N/AM	N/AM	YES					YES	3.0	A	
Professional services for energy performance of buildings	CCM 9.3	13,920	0.9	Yes	N/AM	N/AM	N/AM	N/AM	N/AM	YES					YES	0.8	A	
OpEx of environmentally sustainable activities (Taxonomy-aligned) (A.1.)		799,828	52.4	100	0	0	0	0	0	YES	YES	YES	Yes	YES	Yes	54.1		
Of which enabling		53,822	28.0	100	0	0	0	0	0	YES	YES	YES	YES	YES	YES	26.1	A	
Of which transition		455	0.0	100						YES	YES	YES	YES	YES	YES	0.0		T

Economic activities	Code	Criteria for substantial contribution								DNSH criteria								
		Operating expenses (OpEx) absolute	Proportion of operating expenses (OpEx), year N	Climate change mitigation	Climate change adaptation	Water and marine resources	Circular economy	Pollution	Biodiversity and ecosystems	Climate change adaptation	Water and marine resources	Circular economy	Pollution	Biodiversity and ecosystems	Minimum guarantees	Share of operating expenditure (OpEx) aligned or eligible to taxonomy, year N-1	Category (enabling activity)	Category (transition activity)
		Thousands (€)	%	Yes; No; N/AM	Yes; No; N/AM	Yes; No; N/AM	Yes; No; N/AM	Yes; No; N/AM	Yes; No; N/AM	Yes; No; N/AM	Yes; No; N/AM	Yes; No; N/AM	Yes; No; N/AM	Yes; No; N/AM	Yes; No; N/AM	%	A	T
A.2. Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)																		
Thermoelectric	CCM 4.29	6,600	0.4	AM	N/AM	N/AM	N/AM	N/AM	N/AM									
Cogeneration	CCM 4.30	21,088	1.4	AM	N/AM	N/AM	N/AM	N/AM	N/AM									
District heating production boilers	CCM 4.31	1,483	0.1	AM	N/AM	N/AM	N/AM	N/AM	N/AM									
Aqueduct systems	CCM 5.1	14,363	0.4	AM	N/AM	N/AM	N/AM	N/AM	N/AM									
Wastewater collection and treatment systems	CCM 5.3	5,762	0.9	AM	AM	N/AM	N/AM	N/AM	N/AM									
Recovery of material from waste	CCM 5.9	7,009	0.5	AM	AM	N/AM	N/AM	N/AM	N/AM									
Company fleet vehicles	CCM 6.5	1,262	0.1	AM	N/AM	N/AM	N/AM	N/AM	N/AM									
Operating expenses of environmentally sustainable activities (not Taxonomy-aligned) (A.2.)		57,567	3.8	100	0	0	0	0	0									
A.3. Activities eligible for taxonomy for Taxo 4 objectives (alignment under evaluation)																		
Water Supply	WTR 2.1	70,865	4.6	N/AM	N/AM	AM	N/AM	N/AM	N/AM									
Urban wastewater treatment	WRT 2.2	21,361	1.3	N/AM	N/AM	AM	N/AM	N/AM	N/AM									
Production of alternative water resources for purposes other than human consumption	CE 2.2	1,188	0.1	N/AM	N/AM	N/AM	AM	N/AM	N/AM									
Collection and transport of non-hazardous and hazardous waste	CE 2.3	5,530	0.4	N/AM	N/AM	N/AM	AM	N/AM	N/AM									
Recovery of organic waste through anaerobic digestion or composting	CE 2.5	11,409	0.7	N/AM	N/AM	N/AM	AM	N/AM	N/AM									
Decontamination and dismantling of end-of-life products	CE 2.6	4,329	0.3	N/AM	N/AM	N/AM	AM	N/AM	N/AM									
Sorting and recovery of materials from non-hazardous waste	CE 2.7	28,486	1.9	N/AM	N/AM	N/AM	AM	N/AM	N/AM									
Collection and transportation of hazardous waste	PPC 2.1	2,950	0.2	N/AM	N/AM	N/AM	N/AM	N/AM	AM									
Treatment of hazardous waste	PPC 2.2	5,767	0.4	N/AM	N/AM	N/AM	N/AM	N/AM	AM									
Remediation of contaminated sites and areas	PPC 2.4	7,418	0.5	N/AM	N/AM	N/AM	N/AM	N/AM	AM									
Total OpEx of activities eligible for Taxo4 objectives (A.3.) ⁽¹⁾		159,303	10.4															
Total (A.1. + A.2. + A.3.) ⁽²⁾		857,396	58.4	56.1	0	6.0	3.3	1.1	0									
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES																		
Operating expenses of Taxonomy-noneligible- activities (B)		670,007	41.6															
Total (A+B)		1,527,403	100.0															

Taxonomy Objectives		Proportion of operating expenses OpEx/OpEx total	
		Taxonomy-aligned per objective (%)	Taxonomy-eligible per objective (%)
CCM	Climate Change Mitigation	52,37	3.77
CCA	Climate Change Adaptation	0	0
WTR ⁽⁵⁾	Water and Marine Resources		6.0
CE (5)	Circular Economy		3.3
PPC ⁽⁵⁾	Pollution Prevention and Control		1.1
BIO	Biodiversity and ecosystems		0

⁽¹⁾ Taxonomy covers activities in the various objectives that have total or significant overlap (identical or comparable technical and DNSH screening criteria) such that it is not possible to identify criteria for allocating revenues, costs and investments between the various objectives. For this reason, the values for the overlapping activities have been reported in full in each row and eliminated at the level of the total (A.1. + A.2. + A.3.). The activities for which this overlap occurs are specifically: WTR 2.1 and CCM 5.1, WTR 2.2 and CCM 5.3, WTR 2.1 and CE 2.2, CE 2.3 and CCM 5.5, CE 2.5 and CCM 5.7, CE 2.5 and CCM 5.8, CE 2.7 and CCM 5.9, PPC 2.1 and CCM 5.5, PPC 2.2 and CCM 5.9.

⁽²⁾ The total OpEx of eligible activities does not include the values shown for the individual overlapping assets indicated in note 1. These have been subtracted from the total to avoid double counting of values and percentages in the total.

⁽³⁾ The percentage indicates the turnover within this activity calculated on the total. Overlaps between activities indicated in note 1 are not subtracted in this case.

CAPITAL EXPENDITURE TABLE (CAPEX)

Economic activities	Code	Proportion of capital expenses (CapEx)		Criteria for substantial contribution						DNSH criteria						Share of capital expenses (CapEx) aligned or eligible to taxonomy, year N-1		Category (enabling activity)	Category (transition activity)	
		Thousands (€)	%	Climate change mitigation	Climate change adaptation	Water and marine resources	Circular economy	Pollution	Biodiversity and ecosystems	Climate change adaptation	Water and marine resources	Circular economy	Pollution	Biodiversity and ecosystems	Minimum guarantees	%	A			T
		Yes; No; N/AM	Yes; No; N/AM	Yes; No; N/AM	Yes; No; N/AM	Yes; No; N/AM	Yes; No; N/AM	Yes; No; N/AM	Yes; No; N/AM	Yes/NO	Yes/NO	Yes/NO	Yes/NO	Yes/NO	Yes/NO	%	A			T
A. TAXONOMY-ELIGIBLE ACTIVITIES (A.1. + A.2. + A.3.)																				
A.1. 1. Environmentally sustainable activities(Taxonomy-aligned)																				
Photovoltaic	CCM 4.1	42,510	4.2	Yes	No	N/AM	N/AM	N/AM	N/AM	Yes	Yes	Yes	YES	YES	18.2					
Wind	CCM 4.3	12,581	1.2	Yes	No	N/AM	N/AM	N/AM	N/AM	YES	YES	YES	YES	YES	0.0					
Hydroelectric	CCM 4.5	10,338	1.0	Yes	No	N/AM	N/AM	N/AM	N/AM	YES	YES		YES	YES	3.3					
Electricity distribution	CCM 4.9	69,698	6.8	Yes	No	N/AM	N/AM	N/AM	N/AM	YES		YES	YES	YES	5.4	A				
Electricity storage	CCM 4.10	811	0.1	YES	No	N/AM	N/AM	N/AM	N/AM	YES	YES	YES		YES	0.8	A				
Thermal energy storage	CCM 4.11	3,761	0.4	YES	No	N/AM	N/AM	N/AM	N/AM	YES	YES	YES		YES	0.5	A				
Low-carbon emission gas distribution	CCM 4.14	8,218	0.8	Yes	No	N/AM	N/AM	N/AM	N/AM	YES	YES		YES	YES	1.2					
District heating	CCM 4.15	35,546	3.5	Yes	No	N/AM	N/AM	N/AM	N/AM	YES	YES		YES	YES	4.4					
Aqueduct systems	CCM 5.1	102,708	10.1	Yes	No	N/AM	N/AM	N/AM	N/AM	YES	YES			YES	8.0					
Wastewater collection and treatment systems	CCM 5.3	75,409	7.4	Yes	No	N/AM	N/AM	N/AM	N/AM	YES	YES		YES	YES	5.4					
Sorted waste collection	CCM 5.5	63,021	6.2	Yes	No	N/AM	N/AM	N/AM	N/AM	YES		YES			2.7					
Anaerobic digesters OFMSW	CCM 5.7	37,069	3.6	Yes	No	N/AM	N/AM	N/AM	N/AM	YES	YES		YES	YES	9.3					
Composting OFMSW	CCM 5.8	37	0.0	Yes	No	N/AM	N/AM	N/AM	N/AM	YES	YES		YES	YES	0.0					
Recovery of material from waste	CCM 5.9	31,208	3.1	Yes	No	N/AM	N/AM	N/AM	N/AM	YES			YES	YES	3.7					
Closed landfills with biogas production	CCM 5.10	624	0.1	Yes	No	N/AM	N/AM	N/AM	N/AM	YES			YES	YES	0.0					
Personal mobility devices	CCM 6.4	102	0.0	Yes	No	N/AM	N/AM	N/AM	N/AM	YES		YES			0.0					
Company fleet vehicles	CCM 6.5	4,423	0.4	Yes	No	N/AM	N/AM	N/AM	N/AM	YES		YES	YES		0.3			T		
Construction of new buildings	CCM 7.1	137	0.0	Yes	No	N/AM	N/AM	N/AM	N/AM	YES	YES	YES	YES	YES	0.2					
Renovation of existing buildings	CCM 7.2	15,182	1.5	Yes	No	N/AM	N/AM	N/AM	N/AM	YES	YES	YES	YES		0.8					
Energy efficiency devices	CCM 7.3	5,393	0.5	Yes	No	N/AM	N/AM	N/AM	N/AM	YES			YES		0.1	A				
Electric charging columns at company premises	CCM 7.4	1,032	0.1	Yes	No	N/AM	N/AM	N/AM	N/AM	YES					0.1	A				
Performance measurement, regulation and control devices	CCM 7.5	5,696	0.6	Yes	No	N/AM	N/AM	N/AM	N/AM	YES					0.3	A				
Renewable energy technologies	CCM 7.6	40	0.0	Yes	No	N/AM	N/AM	N/AM	N/AM	YES					0.0	A				
CapEx of environmentally sustainable activities (Taxonomy-aligned) (A.1.)		525,544	51.5	100	0	0	0	0	0	YES	YES	YES	Yes	YES	Yes	64.7				
Of which enabling		86,431	8.5	100	0	0	0	0	0	YES	YES	YES	YES	YES	Yes	7.2	A			
Of which transition		4,423	0.4	100						YES	YES	YES	YES	YES	Yes	0.3		T		

Economic activities	Code	Criteria for substantial contribution								DNSH criteria						Share of capital expenses (CapEx) aligned or eligible to taxonomy, year N+1	Category (enabling activity)	Category (transition activity)
		Proportion of capital expenses (CapEx) absolute	Share of capital expenses (CapEx) year N	Climate change mitigation	Climate change adaptation	Water and marine resources	Circular economy	Pollution	Biodiversity and ecosystems	Climate change adaptation	Water and marine resources	Circular economy	Pollution	Biodiversity and ecosystems	Minimum guarantees			
		Thousands (€)	%	Yes; No; N/AM	Yes; No; N/AM	Yes; No; N/AM	Yes; No; N/AM	Yes; No; N/AM	Yes; No; N/AM	Yes; No; N/AM	Yes; No; N/AM	Yes; No; N/AM	Yes; No; N/AM	Yes; No; N/AM	Yes; No; N/AM			
A.2 Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)																		
Thermoelectric	CCM 4.29	18,792	1.8	AM	N/AM	N/AM	N/AM	N/AM	N/AM									
Cogeneration	CCM 4.30	10,377	1.0	AM	N/AM	N/AM	N/AM	N/AM	N/AM									
District heating production boilers	CCM 4.31	12,368	1.2	AM	N/AM	N/AM	N/AM	N/AM	N/AM									
Aqueduct systems	CCM 5.1	74,522	7.3	AM	N/AM	N/AM	N/AM	N/AM	N/AM									
Wastewater collection and treatment systems	CCM 5.3	39,153	3.8	AM	N/AM	N/AM	N/AM	N/AM	N/AM									
Recovery of material from waste	CCM 5.9	4,609	0.5	AM	N/AM	N/AM	N/AM	N/AM	N/AM									
Company fleet vehicles	CCM 6.5	5,086	0.5	AM	N/AM	N/AM	N/AM	N/AM	N/AM									
Energy efficiency devices	CCM 7.3	374	0.0	AM	N/AM	N/AM	N/AM	N/AM	N/AM									
Data center	CCM 8.1	3,115	0.3	AM	N/AM	N/AM	N/AM	N/AM	N/AM									
CapEx of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2.)		168,396	16.5	100	0	0	0	0	0									
A.3. Activities eligible for taxonomy for Taxo 4 objectives (alignment under evaluation)																		
Leakage control technologies	WTR 1.1	2,520	0.2	N/AM	N/AM	AM	N/AM	N/AM	N/AM									
Water supply	WTR 2.1	177,230	17.4	N/AM	N/AM	AM	N/AM	N/AM	N/AM									
Urban wastewater treatment	WRT 2.2	116,260	11.4	N/AM	N/AM	AM	N/AM	N/AM	N/AM									
Production of alternative water resources for purposes other than human consumption	CE 2.2	1,699	0.2	N/AM	N/AM	N/AM	AM	N/AM	N/AM									
Collection and transport of non-hazardous and hazardous waste	CE 2.3	3,887	0.4	N/AM	N/AM	N/AM	AM	N/AM	N/AM									
Recovery of organic waste through anaerobic digestion or composting	CE 2.5	36,707	3.6	N/AM	N/AM	N/AM	AM	N/AM	N/AM									
Decontamination and dismantling of end-of-life products	CE 2.6	971	0.1	N/AM	N/AM	N/AM	AM	N/AM	N/AM									
Sorting and recovery of materials from non-hazardous waste	CE 2.7	31,777	3.1	N/AM	N/AM	N/AM	AM	N/AM	N/AM									
IT/OT Solutions	CE 4.1	1,095	0.1	N/AM	N/AM	N/AM	AM	N/AM	N/AM									
Collection and transportation of hazardous waste	PPC 2.1	299	0.0	N/AM	N/AM	N/AM	N/AM	AM	N/AM									
Treatment of hazardous waste	PPC 2.2	12,267	1.2	N/AM	N/AM	N/AM	N/AM	AM	N/AM									
Total CapEx of activities eligible for Taxo4 objectives (A.3.)⁽¹⁾		384,712	37.7															
Total (A.1 + A.2 + A.3)⁽²⁾		694,911	68.1	51.5	0	29.0	7.5	1.2	0									
B. TAXONOMY-NONELIGIBLE ACTIVITIES																		
CapEx of Taxonomy-non-eligible- activities (B)		325,120	31.9															
Total (A+B)		1,020,031	100															

Taxonomy Objectives		Proportion of CapEx/Total CapEx	
		Taxonomy-aligned per objective (%)	Taxonomy-eligible per objective (%)
CCM	Climate Change Mitigation	51.5	16.5
CCA	Climate Change Adaptation	0	0
WTR ⁽⁵⁾	Water and Marine Resources		29.0
CE ⁽⁶⁾	Circular Economy		7.5
PPC ⁽⁵⁾	Pollution Prevention and Control		1.2
BIO	Biodiversity and ecosystems		0

⁽¹⁾ Taxonomy covers activities in the various objectives that have total or significant overlap (identical or comparable technical and DNSH screening criteria) such that it is not possible to identify criteria for allocating revenues, costs and investments between the various objectives. For this reason, the values for the overlapping activities have been reported in full in each row and eliminated at the level of the total (A.1. + A.2. + A.3.). The activities for which this overlap occurs are specifically: WTR 1.1 and CCM 5.1, WTR 2.1 and CCM 5.1, WTR 2.2 and CCM 5.3, WTR 2.1 and CE 2.2, CE 2.3 and CCM 5.5, CE 2.5 and CCM 5.7, CE 2.5 and CCM 5.8, CE 2.7 and CCM 5.9, CE 4.1 and CCM 4.9, PPC 2.1 and CCM 5.5, PPC 2.2 and CCM 5.9.

⁽²⁾ The total CapEx of eligible activities does not include the values shown for the individual overlapping assets indicated in note 1. These have been subtracted from the total to avoid double counting of values and related percentages in the total.

⁽³⁾ The percentage indicates the turnover within this activity calculated on the total. Overlaps between activities indicated in note 1 are not subtracted in this case.

ACTIVITIES RELATED TO NUCLEAR ENERGY AND FOSSIL GAS

Row	Nuclear energy related activities	
1.	The company carries out, finances or has exposures to research, development, demonstration and implementation of innovative electricity generation plants that produce energy from nuclear processes with a minimum amount of fuel cycle waste.	NO
2.	The company carries out, finances or has exposures to the construction and safe operation of new nuclear plants for the generation of electricity or process heat, including for district heating purposes or for processes such as hydrogen industrial production, and improvements in their safety, with the help of the best available technology.	NO
3.	The company carries out, finances or has exposures to the safe operation of existing nuclear plants that generate electricity or process energy, including for district heating heat or industrial processes such as the production of hydrogen from nuclear energy, and improvements in their safety.	NO
Row	Fossil gas related activities	
4.	The company carries out, finances or has exposures to the construction or operation of electricity production plants that use gaseous fossil fuels.	YES
5.	The company carries out, finances or has exposures to the construction, upgrading and operation of combined heat/cool and power generation plants that use gaseous fossil fuels.	YES
6.	The company carries out, finances or has exposures to the construction, upgrading and operation of heat generation plants that produce heat/cooling that use gaseous fossil fuels.	YES



Report of the Independent Auditors

[GRI 2-5]



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(This independent auditors' report has been translated into English solely for the convenience of international readers. Accordingly, only the original Italian version is authoritative.)

Independent auditors' report on the consolidated non-financial statement pursuant to article 3.10 of Legislative decree no. 254 of 30 December 2016 and article 5 of the Consob Regulation adopted with Resolution no. 20267 of 18 January 2018

To the board of directors of Iren S.p.A.

Pursuant to article 3.10 of Legislative decree no. 254 of 30 December 2016 (the "decree") and article 5 of the Consob (the Italian Commission for listed companies and the stock exchange) Regulation adopted with Resolution no. 20267 of 18 January 2018, we have been engaged to perform a limited assurance engagement on the 2023 consolidated non-financial statement of the Iren Group (the "group") prepared in accordance with article 4 of the decree and approved by the board of directors on 28 March 2024 (the "NFS").

Our procedures did not cover the information set out in the "European taxonomy" and "EU taxonomy statements" sections of the NFS required by article 8 of Regulation (EU) 852 of 18 June 2020.

Responsibilities of the directors and board of statutory auditors ("Collegio Sindacale") of Iren S.p.A. (the "parent") for the NFS

The directors are responsible for the preparation of an NFS in accordance with articles 3 and 4 of the decree, the "Global Reporting Initiative Sustainability Reporting Standards" issued by GRI - Global Reporting Initiative (the "GRI Standards") and the "G4 Sector Disclosure – Electric Utilities" (the "G4 Sector Disclosure"), which they have identified as the reporting standards.

The directors are also responsible, within the terms established by the Italian law, for such internal control as they determine is necessary to enable the preparation of an NFS that is free from material misstatement, whether due to fraud or error.

Moreover, the directors are responsible for the identification of the content of the NFS, considering the aspects indicated in article 3.1 of the decree and the group's business and characteristics, to the extent necessary to enable an understanding of the group's business, performance, results and the impacts it generates.



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The directors' responsibility also includes the design of an internal model for the management and organisation of the group's activities, as well as, with reference to the aspects identified and disclosed in the NFS, the group's policies and the identification and management of the risks generated or borne.

The *Collegio Sindacale* is responsible for overseeing, within the terms established by the Italian law, compliance with the decree's provisions.

Auditors' independence and quality control

We are independent in compliance with the independence and all other ethical requirements of the International Code of Ethics for Professional Accountants (including International Independence Standards, the IESBA Code) issued by the International Ethics Standards Board for Accountants, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour. During the year covered by this engagement, our company applied International Standard on Quality Control 1 (ISQC Italia 1) and, accordingly, maintained a system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Auditors' responsibility

Our responsibility is to express a conclusion, based on the procedures performed, about the compliance of the NFS with the requirements of the decree, the GRI Standards and the G4 Sector Disclosure. We carried out our work in accordance with the criteria established by "International Standard on Assurance Engagements 3000 (revised) - Assurance Engagements other than Audits or Reviews of Historical Financial Information" ("ISAE 3000 revised"), issued by the International Auditing and Assurance Standards Board applicable to limited assurance engagements. This standard requires that we plan and perform the engagement to obtain limited assurance about whether the NFS is free from material misstatement. A limited assurance engagement is less in scope than a reasonable assurance engagement carried out in accordance with ISAE 3000 revised, and consequently does not enable us to obtain assurance that we would become aware of all significant matters and events that might be identified in a reasonable assurance engagement.

The procedures we performed on the NFS are based on our professional judgement and include inquiries, primarily of the parent's personnel responsible for the preparation of the information presented in the NFS, documental analyses, recalculations and other evidence gathering procedures, as appropriate.

Specifically, we performed the following procedures:

1. Analysing the material aspects based on the group's business and characteristics disclosed in the NFS, in order to assess the reasonableness of the identification process adopted on the basis of the provisions of article 3 of the decree and taking into account the reporting standards applied.
2. Analysing and assessing the identification criteria for the reporting scope, in order to check their compliance with the decree.
3. Comparing the financial disclosures presented in the NFS with those included in the group's consolidated financial statements.



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4. Gaining an understanding of the following:

- the group's business management and organisational model, with reference to the management of the aspects set out in article 3 of the decree;
- the entity's policies in connection with the aspects set out in article 3 of the decree, the achieved results and the related key performance indicators;
- the main risks generated or borne in connection with the aspects set out in article 3 of the decree.

Moreover, we checked the above against the disclosures presented in the NFS and carried out the procedures described in point 5.a).

5. Understanding the processes underlying the generation, recording and management of the significant qualitative and quantitative information disclosed in the NFS.

Specifically, we held interviews and discussions with the parent's management personnel and personnel of Iren Ambiente S.p.A., Ireti S.p.A. and Iren Energia S.p.A.. We also performed selected procedures on documentation to gather information on the processes and procedures used to gather, combine, process and transmit non-financial data and information to the office that prepares the NFS.

Furthermore, with respect to significant information, considering the group's business and characteristics:

- at parent level,
 - a) we held interviews and obtained supporting documentation to check the qualitative information presented in the NFS and, specifically, the business model, the policies applied and main risks for consistency with available evidence,
 - b) we carried out analytical and limited procedures to check, on a sample basis, the correct aggregation of data in the quantitative information;
- we held meetings and videoconferences with the management of Iren S.p.A., Iren Ambiente S.p.A., Ireti S.p.A., Iren Energia S.p.A. and the Moncalieri and Turbigio sites, which we have selected on the basis of their business, contribution to the key performance indicators at consolidated level and location, to obtain documentary evidence supporting the correct application of the procedures and methods used to calculate the indicators.



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Conclusion

Based on the procedures performed, nothing has come to our attention that causes us to believe that the 2023 consolidated non-financial statement of the Iren Group has not been prepared, in all material respects, in accordance with the requirements of articles 3 and 4 of the decree, the GRI Standards and the G4 Sector Disclosure.

Our conclusion does not extend to the information set out in the “European taxonomy” and “EU taxonomy statements” sections of the NFS required by article 8 of Regulation (EU) 852 of 18 June 2020.

Turin, 23 April 2024

KPMG S.p.A.

(signed on the original)

Roberto Bianchi
Director of Audit



Glossary

A

ARERA (formerly AEEGSI, Electricity, Gas and Water Authority): Regulatory Authority for Energy, Networks and Environment.

ARPA: Regional Environmental Protection Agency.

ASPP: Prevention and Protection Service Officer.

B

BEST AVAILABLE TECHNOLOGIES (BAT): best available technologies for pollution prevention and control.

BIOGAS: formation of gas, by anaerobic fermentation in the presence of microorganisms bacteria, of waste or sludge from urban water treatment; the methane contained in the biogas can be used for energy production.

BOD: the term BOD (biochemical oxygen demand) refers to the amount of oxygen consumed during a given time, at a given temperature, to decompose organic substances in water through the action of bacteria (cellular respiration). A high biochemical oxygen demand is the index of an intense bacterial activity for organic decomposition and highlights the presence of organic pollution. This is an indirect measure of pollutant load. Its value is expressed in %.

C

CLEANTECH: any process, product or service that reduces negative environmental impacts through significant improvements in energy efficiency, sustainable use of resources or environmental protection activities.

CO: carbon monoxide.

CO₂: carbon dioxide.

COD: the term COD (chemical oxygen demand) means the amount of oxygen necessary for the complete oxidation of organic and inorganic compounds present in a water sample. It is an index measuring the degree of pollution of water by oxidisable substances, mainly organic. Its value is expressed in %.

CODE OF ETHICS: in all company activities, a document defines the principles, behaviours, commitments, and ethical responsibilities that must be complied with by directors, employees, and collaborators.

CO-GENERATION: simultaneous production of electrical and thermal energy.

CONFERENCE OF THE PARTIES (COP): annual meeting of the UN Convention on Climate Change, where the level of implementation of the Convention is reviewed and any future decisions and actions necessary to promote the Convention can be taken on the basis of consensus.

CORPORATE GOVERNANCE: set of rules according to which companies are managed and controlled.

CSR: Corporate Social Responsibility (CSR).

D

DISTRICT HEATING: remote transmission of heat by circulating water in two pipes, one supplying hot water and one returning colder water.

E

EIB: European Investment Bank, an institution of the European Union for financing investments in support of the Union's policy objectives.

E-LEARNING: learning through multimedia courses that can be used mainly remotely through online systems.

ELECTRICITY SERVICES PROVIDER (GSE): Joint-Stock Company (art. 3 of Legislative Decree 79/99) whose shares are held by the Ministry of the Treasury, which provides incentives for the production of electricity from renewable and similar sources and is responsible for the qualification of renewable source plants and their production.

EMAS (ENVIRONMENTAL MANAGEMENT AND AUDIT SCHEME): environmental management and audit scheme according to Community Regulation 761/2001.

EMISSIONS TRADING SYSTEM (ETS): flexible mechanism, provided for in the Kyoto agreements, for trading emission rights between countries or companies in relation to their respective greenhouse gas emission reduction targets.

END CUSTOMER: natural or legal person who purchases electricity exclusively for his/her own use.

ENERGY EFFICIENCY CERTIFICATES (EEC) (also known as White Certificates): energy savings certificates for which electricity and gas distributors with a customer base of more than 50,000 are required. EECs are valid for five years and are issued by the GME (Decree of the Ministry of Productive Activities dated 20/7/04, in agreement with the Minister for the Environment and Protection of the Land).

ENERGY SERVICE COMPANY (ESCO): companies that carry out interventions aimed at improving energy efficiency, assuming the risk of the initiative and freeing the final customer from any organisational and investment burden.

ESG INDEXES: indexes that monitor the performance of a basket of companies according to economic, ethical, environmental and social criteria.

G

GIGAJoule (GJ): unit of measurement of energy (of any kind) adopted in the international system (3.6 GJ corresponds to 1 GWh).

GIGAWATT (GW): unit of measurement of power (of any nature) equal to one million kilowatts.

GIGAWATT-HOUR (GWh): unit of measurement of energy (of any kind) equal to one million kilowatt-hours.

GREEN BOND: bond instruments whose proceeds are used exclusively to finance or refinance all or part of projects/activities with a clear positive impact on the environment (Eligible Projects/Activities).

GREEN CERTIFICATES: annual certificates issued by the GSE certifying the production from renewable sources of 1 MWh of energy. Since 2002 (Decree 79/99) producers and importers have been obliged to feed energy from renewable sources into the grid in quantities equal to a percentage of the total electricity from conventional sources produced or imported in the previous year (net of exports, self-consumption by power stations and cogeneration).

GREENHOUSE GASES: gases that do not allow the dispersion of heat from the earth and therefore produce overheating of the atmosphere. In addition to those of natural origin, the main anthropogenic greenhouse gases are carbon dioxide, methane, chlorofluorocarbons and nitrogen oxides.

GROSS PRODUCTION: electrical energy produced during the period of time considered, measured at the terminals of the electric generator.

GUARANTEE OF ORIGIN (GO): electronic certification that attests to the renewable origin of the sources used by IGO-qualified plants (Plants with Guarantee of Origin). A GO title is issued for each MWh of renewable electricity fed into the grid by these facilities.

H

HSR: Workers' Health and Safety Representative.

HV: high voltage, i.e. 132 kV, 220 kV and 380 kV.

HYDROELECTRIC: a system that transforms the potential energy of water into electrical energy. May be of the flowing water, basin and reservoir type.

I

IEA: Integrated Environmental Authorisation.

INTERGOVERNMENTAL PANEL ON CLIMATE CHANGE (IPCC): leading international body for the assessment of climate change.

K

KILOVOLT (kV): unit of measurement of voltage equal to 1,000 Volts.

KILOWATT (kW): unit of measurement of power (of any kind) equal to 1,000 Watts.

KILOWATT-HOUR (kWh): unit of measurement of energy (of any kind) equal to 1,000 Watts for one hour.

L

LANDFILL MINING: excavation of waste deposited in landfills and its subsequent treatment for the inertisation of hazardous fractions and the separation and selection of the different components (fine material, recoverable fractions and residues), intended for separate management.

LV: low voltage, i.e. 220/380 V.

M

MbO: Management by Objectives.

MEGAWATT (MW): unit of measurement of power (of any kind) equal to one million Watts.

MEGAWATT-HOUR (MWh): unit of measurement of energy (of any kind) equal to one thousand kilowatt-hours.

MSW: Municipal Solid Waste.

MV: medium voltage, i.e. voltages between 1 and 30 kV.

N

NATIONAL INTEGRATED ENERGY AND CLIMATE PLAN (NECP): strategic document defining a country's long-term energy and climate policy.

NET PRODUCTION: gross production minus consumption for services required to operate the generating group.

NO_x: nitrogen oxides.

O

OPTIMAL TERRITORIAL AREA (ATO): the Optimal Territorial Area (Law 36/94) determines the regional level of the organisation of the Integrated Water Service; the Regional Law defines its boundaries.

P

PAI: Integrated Environmental Centre.

PPE: Personal Protective Equipment.

PPS: Prevention and Protection Service.

PRODUCTION CAPACITY: estimated energy that can be produced by each individual producer.

R

RAD: Risk Assessment Document.

RENEWABLE SOURCES: non-fossil sources (wind, solar, geothermal, wave motion, tidal power, hydraulics, biomass, landfill gas, residual gas from treatment and biogas processes) pursuant to art. 2 of the RES Decree.

REVAMPING: renovation of obsolete industrial plants.

RSPP: Prevention and Protection Service Manager.

RSU: Unitary Union Representative Body.

S

SBTi: (Science Based Target initiative) collaboration between CDP, the United Nations Global Compact (UNGC), the World Resources Institute (WRI), and the World Wide Fund for Nature (WWF) with the goal of promoting best practices for the definition and independent verification of science-based GHG emission reduction targets.

SDGs: (Sustainable Development Goals) 17 sustainable development goals to be achieved by 2030, defined by the UN.

SERVICE CHARTER: a document setting out the quality standards for company services.

SMART METERING: systems enabling remote reading and management of electricity, gas and water meters.

SM³: standard cubic meter.

SOCIAL COOPERATIVES: enterprises (Law 381/91) which have the aim of “pursuing the general interest of the community for human promotion and social integration of residents” through the carrying out of activities aimed at the employment of disadvantaged people.

SOFT SKILLS: cognitive, interpersonal and communication skills, which differ from the technical skills and abilities related to specific roles.

SST: the term SST (Solidi Sospesi Totali – Total Suspended Solids) means the sum of suspended solids and filterable solids. It represents the total substances present in a waste water sample after drying at 105°C. The value is expressed in %.

STAKEHOLDERS: parties who interact with the company and can influence or be influenced by the company’s activities.

SUSTAINABLE DEVELOPMENT: long-term economic development through low environmental impact and good relations with the social community.

T

TCFD (Task Force on Climate-related Financial Disclosures): established in 2015 by the Financial Stability Board to improve, through its recommendations, the reporting of financial information related to climate change-related risks.

TERAWATT-HOUR (TWh): one billion kilowatt-hours.

THERMOELECTRIC: plant for the production of electrical energy from fossil fuels.

TOE (tonnes of oil equivalent): equivalent to the primary fossil energy replaced, i.e. the amount of fuel otherwise needed to produce the same amount of energy.

TOTAL POWER: sum of the electrical or thermal power of the various producers installed at the same plant.

U

UNI EN ISO 9001: international technical standard for the certification of quality management systems.

UNI EN ISO 14001: international technical standard for the certification of environmental management systems.

UNI EN ISO 45001: international technical standard for the certification of occupational health and safety management systems.

W

WATT: unit of measurement of electrical power.



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Consolidated non-financial report pursuant to Legislative Decree 254/2016 Directive (2014/95/UE)

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