



# Sustainable Financing Framework

May 2026

# Content

<b>1. INTRODUCTION: IREN OVERVIEW.....</b>	<b>3</b>
<b>2. IREN’S COMMITMENT TO SUSTAINABILITY .....</b>	<b>5</b>
2.1 IREN’S STRATEGIC PLAN TO 2030 .....	5
2.2 SUSTAINABILITY GOVERNANCE AND MAIN INITIATIVES .....	6
<b>3. RATIONALE AND BASIS OF IREN SUSTAINABLE FINANCING FRAMEWORK.....</b>	<b>10</b>
<b>4. SUSTAINABLE FINANCE COMMITTEE .....</b>	<b>11</b>
<b>5. GREEN &amp; BLUE FINANCING COMPONENT .....</b>	<b>11</b>
5.1 USE OF PROCEEDS .....	12
5.2 PROCESS FOR PROJECT EVALUATION AND SELECTION.....	14
5.3 MANAGEMENT OF PROCEEDS .....	15
5.4 REPORTING .....	15
<b>6. SUSTAINABILITY-LINKED FINANCING COMPONENT .....</b>	<b>16</b>
6.1 SELECTION OF KEY PERFORMANCE INDICATORS (“KPIs”) .....	17
6.2 CALIBRATION OF SUSTAINABILITY PERFORMANCE TARGETS (“SPTS”) .....	21
6.3 FINANCIAL CHARACTERISTICS.....	24
6.4 RECALCULATION POLICY.....	24
6.5 REPORTING .....	25
<b>7. EXTERNAL REVIEW .....</b>	<b>25</b>
<i>Annex 1 – EU Taxonomy alignment/eligibility of Green &amp; Blue Eligible Categories .....</i>	<i>26</i>

# Sustainable Financing Framework

IREN (“the Issuer” or “the Company”) is responsible for the preparation and fair presentation of this Sustainable Financing Framework (“Framework”) as at 19 May 2026. This Framework represents an update of the Company’s existing Sustainable Financing Framework and reflects the evolution of IREN’s sustainability strategy and financing approach. The Framework constitutes an integral part of IREN’s long-term sustainability vision, providing a clear link between its financial strategy and its sustainability commitments.

## 1. Introduction: IREN overview

IREN, a multi-utility listed on the Italian Stock Exchange, operates in the sectors of electricity, gas, district heating, management of integrated water services, waste management services, integrated solutions for energy efficiency of public and private entities and services for public administrations, in various regions of Italy.

IREN’s business model is aimed at transforming, through the activities managed by the Group, the incoming resources (environmental, social, economic and governance) in order to create value for the company and the various stakeholders in the short, medium and long-term. For this reason, the Group is committed to improving the quality of life of the communities in which it operates, through the provision of services and the creation of infrastructure that enhances the local areas.

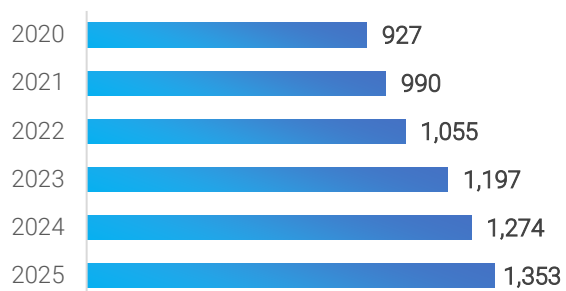
Iren ranks at the top of the national multiutilities, strong in its territorial roots, with a prominent position in the different business areas and with a balanced mix of regulated and quasi-regulated activities, free market activities, and strong integration between upstream and downstream activities particularly in the energy supply chain.

The Group operates in a multi-regional area with over 7 million inhabitants, with more than 11,900 employees, ca. €6.6 billion revenues, a portfolio of over 2 million customers in the energy sector, and approximately 6 million inhabitants served in the water and environmental cycle.

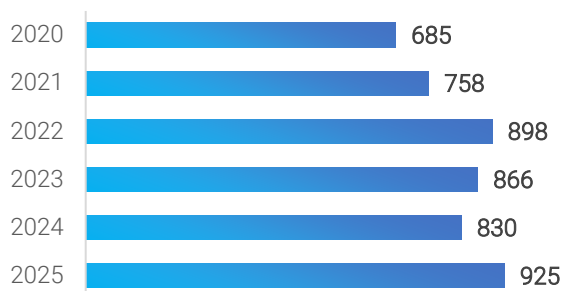


In recent years, IREN has shown solid and rapid growth in its core businesses, strengthened by solid financial performance

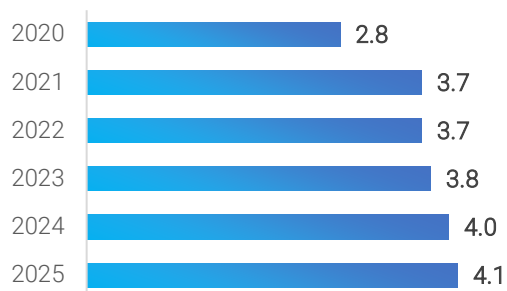
**EBITDA (mln Euro)**



**INVESTMENT (mln Euro)**



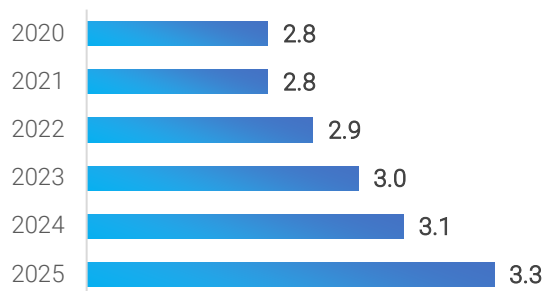
**WASTE MANAGED (mln Ton)**



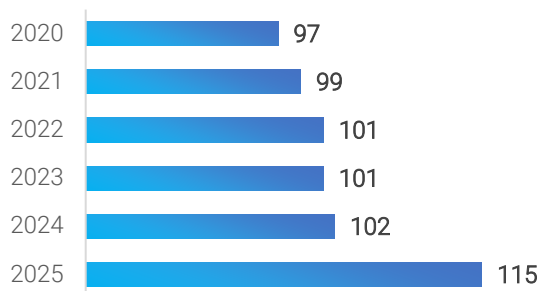
**ENERGY SERVICES CUSTOMERS (mln)**



**IWS INHABITANTS SERVED (mln)**



**DISTRICT HEATED VOLUME (mln m³)**



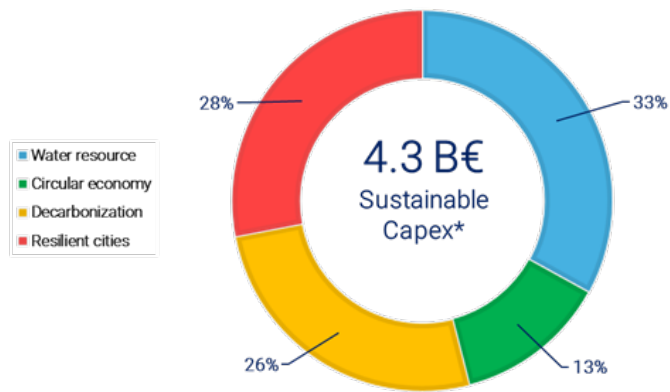
## 2. IREN’s Commitment to Sustainability

### 2.1 IREN’s Strategic Plan to 2030

In November 2021, Iren launched a ten-year Business Plan that aims to design a sustainable future for its territories for the benefit of every community. Every year Iren updates its Business Plan. The Business Plan provides for technical investments of €6.4 billion in the period 2025-2030 and integrates a Sustainability and Transition Plan to 2040, which sees Iren committed to a concrete and measurable long-term path, based on challenging scenarios with real possibilities of implementation.

ESG commitments and targets, which materialize Iren's three strategic pillar of green transition, value creation for communities and service quality, are divided into five focus areas: decarbonisation, circular economy, water resources, resilient cities, and people. For each performance indicator identified, Iren has set quantitative improvement targets for 2028, 2030 and 2040, outlining a clear and monitorable path over time.

~70% SUSTAINABLE INVESTMENTS FOR THE EUROPEAN TAXONOMY



The three strategic pillars identified in Business Plan provide the framework for capital allocation decisions and embody the Group’s guiding values. **Green transition, value creation for territories and service quality** are the cornerstones of Iren’s development path, interpreted in light of evolving competitive and regulatory dynamics.



GREEN TRANSITION

- Managing business operations in harmony with the environment and natural ecosystem
- Sustainable and responsible use of natural resources
- Recovery of materials and energy from waste



VALUE CREATION FOR LOCAL COMMUNITIES AND TERRITORIES

- Commitment to meeting the infrastructural and facility needs of local territories
- Strengthening territorial presence by completing the range of service portfolio



SERVICE QUALITY

- Strengthening infrastructure resilience
- Enhancing engagement and proximity to customers and local communities
- Process optimization



### **Green Transition, to accelerate sustainability in all business sectors**

Iren's commitment to the ecological transition is based on an approach that considers key scenario factors, such as the changing market conditions, the duration of authorizations for renewable energy development, the slowdown in infrastructure and technological development—critical to the sector—and the limited visibility of regulatory constraints. To take concrete plans in this uncertain environment, Iren will prioritize initiatives that safeguard the environment and the ecosystems in which it operates, such as implementing systems to maximize heat recovery for district heating or building new wastewater treatment plants, using natural resources consciously and sustainably, and giving new life to waste through the recovery of materials and energy. This approach, in addition to ensuring growth consistent with ambitious sustainability scenarios, safeguards profitability and improves the quality of the investment portfolio.



### **Value creation for territories, maximizing growth opportunities and synergies among all businesses serving the territory**

The creation of value for the territories translates into the development of infrastructure essential to local growth and the strengthening of the Group's territorial presence. The multi-utility model enables the exploitation of new opportunities, broadens the range of services offered in a synergistic way, supports growth, and promptly addresses the needs of the communities where Iren operates.



### **Service quality, to be the first choice of reference in the area**

The quality of the service remains the guiding principle that drives the Group's actions. Iren seeks to bolster the resilience of distribution networks to minimize service disruptions, enhance the customer experience through widespread local presence, and optimize business processes to boost efficiency.











In line with the strategic guidelines, the three pillars are articulated within an evolved and more focused business model. The Group's transition from an 'extended multiutility' to a 'focused multiutility' will occur through more selective capital allocation, prioritizing core businesses. This strategy aims to maximize generated value by concentrating resources on the highest-return activities and reducing involvement in areas where we have not yet developed a competitive advantage.

The integration of the sustainability and transition plan, with a time horizon to 2040, into the Business Plan and the capital allocation drivers, defines the role that IREN assumes for sustainable development, in line with scenarios and with the resilience of the *business* model.

## **2.2 Sustainability Governance and Main Initiatives**

Sustainability is fully integrated into IREN's business strategy, in its investment decision process and in the Group's daily practices. It is a fundamental lever for the creation of value overtime for the Group and its stakeholders. A way of doing business that finds its foundation in the strategy, which includes a concrete commitment to the Sustainable Development Goals of the UN 2030 Agenda (SDGs), in its implementation and monitoring and in stakeholder engagement.

## ESG goals drive business initiatives

Focus area	Iren's Goals	SDGs
<p><b>Decarbonization</b></p>  <p>reduce the carbon footprint of the activities managed by the Group also along the value chain</p>	<p>Installed power from renewable sources                      Power generation carbon intensity (Scope 1)                      Renewable electricity purchased (Scope 2)                      Reduction of Scope 3 emissions (compared to 2020) deriving from:</p> <ul style="list-style-type: none"> <li>• use of products sold (gas)</li> <li>• fuel and energy related activities</li> </ul> <p>Energy saving in production processes                      Emissions avoided from waste recovery</p>	
<p><b>Circular economy</b></p>  <p>valorise waste through the recovery of materials and energy</p>	<p>Sorted waste collection in legacy regions                      Waste recovered in Group plants                      Biomethane from biodegradable waste                      Reuse of wastewater</p>	
<p><b>Water resources</b></p>  <p>sustainable management of water resources in withdrawals and in their returns to the environment</p>	<p>Wastewater treatment capacity                      Water withdrawals from the environment                      Water network leaks (legacy regions)                      District subdivision of water distribution networks</p>	
<p><b>Resilient cities</b></p>  <p>sustainable management of water resources in withdrawals and in their returns to the natural environment</p>	<p>Volumes served by urban district heating                      Eco-vehicles out of total                      Green electricity sold to retail customers                      Energy saving from Group products/services                      Group store network in local areas</p>	
<p><b>People</b></p>  <p>enhancing the skills and diversity of people in a safe, inclusive and collaborative work environment</p>	<p>Employment, development and skills enhancement</p> <ul style="list-style-type: none"> <li>• New hires (cumulative from 2020)</li> <li>• Training hours per capita</li> <li>• Employees evaluated on performance</li> </ul> <p>Diversity &amp; Inclusion</p> <ul style="list-style-type: none"> <li>• Women in managerial roles</li> <li>• Hires under 30 out of total hires</li> </ul> <p>Welfare and personal care</p> <ul style="list-style-type: none"> <li>• Injury incidence rate</li> <li>• Employees with company health care</li> </ul>	

ESG goals are an integral part of the sustainability and transition plan, which combines economic-financial, environmental, and social sustainability, taking into account stakeholder priorities that emerged from their involvement in the double materiality analysis and through ongoing dialogue.

The Group's financial management, in addition to the objective of strengthening and maintaining a solid financial structure, also includes the integration of the concept of sustainability into its financial strategy. In fact, sustainable finance is an enabling lever for achieving the objectives identified in the Business Plan: the full integration of environmental, social and *governance* (ESG) factors into the Group's strategy and operations makes it possible to combine investments, sustainability and sources of financing, serving as a driver for growth and value creation. To support investment strategies, the Group has, over time, increasingly diversified and expanded its use of different ESG financial instruments, which at the end of December 2025 accounted for 85% of the Group's total medium- and long-term financing sources. For this reason, sustainable finance is consolidated as a key element of the Group's vision and strategy in the Business Plan.

### **Policies for sustainable development**

Iren Group is firmly committed to supporting the principles outlined by the United Nations Global Compact, to which it is a signatory. The Group also recognizes the UN Universal Declaration of Human Rights, as well as the Conventions and Recommendations of the International Labour Organization (ILO), as essential guides for its operations. Additionally, Iren Group values the Earth Charter, developed by the Earth Council, as an important framework for ethical environmental stewardship. The principles and policies adopted by the Group are further aligned with the OECD Guidelines for Multinational Enterprises, which are endorsed by the Italian State.

The IREN Code of Ethics, updated in October 2025, serves as the foundation for the Company's ethical values and responsibilities. This document details the rules of conduct that govern both internal and external management and relationships. The Code of Ethics draws its guiding principles from the Italian Constitution, a fundamental reference point for the Company. Additionally, it is consistent with the UN International Bill of Human Rights, the UN Guiding Principles on Business and Human Rights, and the International Labour Organisation Declaration on Fundamental Principles and Rights at Work, including related key Conventions. The Code also aligns with the OECD Guidelines for Multinational Enterprises and the EU Charter of Fundamental Rights. Furthermore, it takes into account the IREN's commitments made by adhering UN Global Compact, the Women's Empowerment Principles, the UN 2030 Agenda for Sustainable Development, and the Paris Agreement.

IREN Group has established a Sustainability Policy, which has been approved by the Board of Directors and adopted by all companies within the Group, consistent with the Group's mission, vision, and Code of Ethics. It defines IREN's approach to ESG (Environmental, Social, and Governance) factors which are most material for the Group. The policy emphasizes commitment to business ethics, continuous improvement, management efficiency, and economic responsibility as the foundations for sustainable development. It guides the Group in setting sustainability objectives and implementing related actions, taking into account the expectations of stakeholders – identified and analyzed through the double materiality analysis process – as well as the United Nations Sustainable Development Goals and the UN Global Compact Principles.

### **Sustainability Governance: Roles and Responsibilities**

The integration of sustainability into the strategy is supported by strong governance coherence.

The Board of Directors defines the strategy, objectives, policies, and the plan for sustainability and transition. It also examines the impacts, risks, and opportunities related to the socio-environmental and economic context and – with the support of the Board Committees – monitors the Group's performance and the results achieved.

#### **Committees**

The **Control, Risk and Sustainability Committee** (CCRS) supports the Board of Directors in assessments and decisions related to risk management, including ESG-related risks, ESG-relevant policies, strategic planning, and the improvement of the environmental, economic, and social impacts of managed activities. It is responsible for evaluating the guidelines of the Sustainability and Transition Plan, integrated into the Strategic Plan, and oversees its implementation. It also oversees the system for assessing and improving environmental, economic, and social impacts and the methods of stakeholder engagement.

The economic and ESG targets of the Strategic Plan are an important part of the medium- and long-term remuneration policies - whose definition involves the **Remuneration and Appointments Committee** and the Control, Risk and Sustainability Committee - which concern all the Group's management.

To integrate and monitor 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. This Committee, comprising the Directors of the main Staff and Business Unit functions, works closely with the **Sustainable Finance Committee** (see pag. 10 – Section 4), which is responsible for defining and managing the Group's sustainable financing framework.

The **Climate Change Risk Committee** periodically examines the Group's risk profile, defining and proposing updates to the CEO on risk management strategies and reporting any emerging critical issues to the Delegated Bodies.

### Management departments

The **Administration, Finance, and Control Department**, together with the Corporate Social Responsibility and Local Committees Department, coordinates the integration of sustainability planning with the Group's strategic and industrial planning, and oversees the process of preparing and reporting the information required by the European Taxonomy.

The **Corporate Social Responsibility and Local Committees Department**, in coordination with the Administration, Finance, and Control Department and the Business Units, is responsible for defining sustainability objectives, targets, and impacts for the Strategic Plan, sustainable finance, and the Group's short- and long-term remuneration system. Furthermore, in collaboration with the Risk Management Department, it identifies the ESG risks to which the Group is exposed, oversees the dual materiality analysis, monitors ESG objectives, and produces sustainability reporting.

The **Risk Management Department** is responsible for the integrated management of the Group's Enterprise Risk Management (ERM) system, which is a key component of the Internal Control and Risk Management System. Reporting to the Board of Directors, it guides activities and assesses their adequacy. The ERM system is based on a group risk map that identifies the main risks in terms of impact and probability, along with any mitigation actions. For each risk category in the risk map, the environmental, social, and governance (ESG) impacts are assessed, resulting in a comprehensive, detailed, and integrated risk register that also considers ESG impacts. The operational, contractual, and insurance mitigation measures implemented, currently being implemented, and to be implemented to reduce the risk profile are identified for each risk category. The Department also participates in the development of the Business Plan, developing qualitative and quantitative analysis lines that include climate change risk analysis and the mitigating effect of investments on risks, as well as the execution risk analysis of capital expenditure categories and key significant initiatives. M&A transactions and other strategic initiatives are also subject to detailed analysis, with a particular focus on their impact on the Group's sustainability objectives and their consistency with the EU Taxonomy.

### Reporting and Stakeholder Engagement

IREN considers transparency as a key aspect of governance. The Group's Integrated Annual Report is prepared on a consolidated basis in accordance with Legislative Decree 125/2024 (which implements Directive 2022/2464/EU - Corporate Sustainability Reporting Directive - CSRD) and in compliance with the European Sustainability Reporting Standards (ESRS).

Stakeholder engagement plays a crucial role in the management of activities and the definition of the Group's sustainable development strategies. Communication, alongside listening and participation, are fundamental tools in the relationship between the Group and its stakeholders. The Group's Sustainability Policy places dialogue and collaboration with stakeholders, together with impact assessment, among the essential prerequisites for creating shared value and sustainable development. The main categories of stakeholders relevant to the Group, involved in the double materiality analysis process, are consumers/customers, communities, employees, suppliers, institutions, shareholders and financiers, the environment, and future generations.

In the process of double materiality analysis, approved by the Board of Directors on an annual basis, understanding the stakeholders' *perspective* in relation to the impacts of the Group's activities is fundamental for guiding sustainability strategy and reporting, making them increasingly relevant and focused on the interests of stakeholders.

### Networking initiatives

Consistent with the UN SDG n.17 "promote partnerships for sustainable development", IREN participates in numerous associations and networks, both nationally and internationally, with a focus on sustainability policies as well as regulatory and technological updates.

Network	Initiatives
<b>Corporate Forum for Sustainable Finance</b>	Initiative between twenty-five European corporates from eight countries and different business sectors, designed as a permanent network for promoting the use of GSSS (Green, Social, Sustainability and Sustainability-linked) financial instruments, sharing best and innovative financial practices in ESG, monitoring relevant trends in both markets and regulatory environments and contributing collectively to regulatory developments ( <a href="https://www.cfsf.eu/">https://www.cfsf.eu/</a> )
<b>Sustainable development foundation</b>	A reference point for the main sectors and players in the green economy, at the service of companies and organisations that share a common sustainability path Focuses on the dissemination of publications, studies and research, continuous updating, information and discussion meetings, and the involvement of institutions and social forces to promote the strategic themes of the green economy
<b>Kyoto Club</b>	Organisation consisting of public and private actors committed to achieving the GHG emission reduction targets of the Kyoto Protocol, European decisions and the Paris Agreement Interacts with public, national, European and UN Framework Convention on Climate Change decision-makers on energy-environmental proposals and policies
<b>Open Es</b>	Collaboration platform that connects companies and organisations in a collaborative ecosystem that concretely supports development and growth on the dimensions of sustainability. An open network to meet the challenges of the energy transition and generate value in a transparent way
<b>UN Global Compact</b>	Emerged from the desire to promote a sustainable global economy that is respectful of human and labour rights, environmental protection and the fight against corruption. Voluntary commitment to principles that promote sustainability values and a commitment to contribute to globalisation characterised by sustainability, cooperation and multi-stakeholder partnerships
<b>Utilitalia</b>	Federation that brings together public service companies that operate in the water, environment, electricity and gas sectors, acting as their representative at European and national Institutions. It offers support and refresher and training courses, as well as consultancy on contractual, legislative, operational, tax and legal aspects
<b>Valore D</b>	The first association of companies in Italy – over 350 to date, with more than 2 million employees and an aggregate turnover of over 500 billion euro – that has been committed to gender balance and inclusive culture in organisations and our country for ten years

### 3. Rationale and Basis of IREN Sustainable Financing Framework

This Sustainable Financing Framework (the “Framework”) reflects the Group’s sustainability strategy and its commitment to embedding environmental, social and governance (ESG) considerations into its financing activities.

As a frequent issuer of Green Bonds since its inaugural issuance in 2017, the Group has updated the Framework to align with its 2030 Industrial Plan, enhance transparency and comparability for investors, and support long-term value creation through positive environmental and social outcomes.

In line with evolving regulatory requirements, market standards and stakeholder expectations, Green, Blue and/or Sustainability-linked financing instruments are expected to remain a core component of the Group’s funding strategy, representing approximately 90% by 2040.

Through this update, IREN intends to align, on a best effort basis, the Eligible Categories with the EU Taxonomy, introduce the “Blue” label for sustainable water-related activities, and update the sustainability performance targets (SPTs) in line with its latest Industrial Plan.

Under this Framework, the Company may issue any type of debt instruments such as bonds (including senior unsecured, subordinated unsecured or hybrid, or project bond), loans, guarantees and derivatives, across formats and currencies.

To optimize the use of the different financing sources, IREN Group has implemented a centralized approach to the banking and capital market, with funding raised directly by IREN S.p.A. and then made available to all the companies of the Group through intercompany agreements.

IREN commits to periodically review this Sustainable Financing Framework to ensure alignment with market expectations, voluntary standards and any relevant regulatory and scenarios developments. In the context of any Framework update, IREN will involve the SPO Provider to ensure that at least the same level of ambitiousness is maintained, and the updated opinion will be published on the Company's website.

## 4. Sustainable Finance Committee

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A dedicated Sustainable Finance Committee (the "Committee") has been established to oversee the entire process and ensure transparency in the selection of Green & Blue projects, allocation of proceeds and definition of KPIs and SPTs.

This Committee is chaired by the CFO and composed of members of the following departments:

- Corporate Social Responsibility and Territorial Committees
- Sustainable Finance
- Investor Relations
- Planning and Control.

The Business Units and other Departments are involved to ensure the integration of ESG factors at all levels of the Group.

The Sustainable Finance Committee meets at least on an annual basis, and its main responsibilities include but are not limited to:

- evaluating and selecting the Eligible Green & Blue Projects, in line with the eligibility criteria of the Framework
- identifying the most relevant and material KPIs and SPTs to be included in the Framework
- monitoring the portfolio of Eligible Green & Blue Projects regularly, to ensure the persistence of the eligibility criteria and that they are not subject to major ESG controversies
- excluding projects that no longer comply with the eligibility criteria, or have been postponed, cancelled, divested or subject to material ESG controversies, and replacing them as soon as reasonably practicable
- overseeing the internal processes to identify known material risks of negative social and/or environmental impacts associated with the Eligible Green & Blue Projects and appropriate mitigation measures where feasible
- validating the allocation and impact reporting process
- defining the impact metrics that best describe the environmental benefits generated by the allocated projects
- reviewing the content of IREN's Sustainable Financing Framework and validating any changes to the document in line with market or regulatory developments and the Company's sustainability strategy
- reviewing the allocation/impact reporting and the Second Party Opinion (SPO) on the Sustainable Financing Framework.

## 5. Green & Blue Financing Component

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IREN's Green & Blue Financing Component is based on the four core pillars of the Green Bond Principles 2025 administered by the ICMA<sup>1</sup> ("GBP"), including the Practitioner's Guide on Blue Economy published by ICMA in September 2023<sup>2</sup>, as well as the Green Loan Principles 2025 administered by the APLMA, LMA, and LSTA<sup>3</sup> ("GLP"), as described below, including:

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<sup>1</sup> ICMA (2025). *Green Bond Principles: Voluntary Process Guidelines for Issuing Green Bonds*, June 2025: <https://www.icmagroup.org/sustainable-finance/the-principles-guidelines-and-handbooks/green-bond-principles-gbp/>

<sup>2</sup> <https://www.icmagroup.org/assets/documents/Sustainable-finance/Bonds-to-Finance-the-Sustainable-Blue-Economy-a-Practitioners-Guide-September-2023.pdf>

<sup>3</sup> APLMA, LMA, LSTA, (2025), *Green Loan Principles*, March 2025: <https://www.lsta.org/content/green-loan-principles/>

1. Use of Proceeds
2. Process for project evaluation and selection
3. Management of proceeds
4. Reporting.

In addition, the Blue financing instruments issued under this Framework will align with the Guidelines for Blue Finance developed by the International Finance Corporation (IFC) – September 2025 version<sup>4</sup>.

IREN is committed to constantly improving its approach to sustainability and comply with the best practices in the green finance market. This Green & Blue Financing section may therefore be amended or updated to reflect changes in market practice, as well as regulatory and scenario developments, including the EU Green Bond Standard Regulation<sup>5</sup>.

To follow market trends and EU regulation, IREN has taken into account all criteria for full alignment to the six environmental objectives of the EU Commission stemming from the Delegated Acts of the EU Taxonomy Regulation<sup>6</sup> to draft the eligibility criteria for Eligible Projects defined below, where applicable.

## 5.1 Use of Proceeds

An amount equal to the net proceeds raised from any IREN's Green & Blue financing instrument issued under this Framework will be exclusively used to finance and/or re-finance, in whole or in part, new and/or existing projects and/or assets ("Eligible Green & Blue Projects" or "Eligible Green & Blue Assets", and collectively "Eligible Green & Blue Assets Portfolio").

The Eligible Green & Blue Projects constitute expenditures that occurred no earlier than 3 financial years prior to the year of issuance, and may include:

- fixed assets
- capital expenditures
- selected operating expenditures
- acquisition of pure play assets or companies deriving at least 90% of their revenues from activities which meet the Eligibility Criteria described herein.

Within IREN's CapEx plan, the following 5 categories have been identified for this Framework:




- Renewable energy
- Energy efficiency
- Circular economy
- Clean transportation
- Sustainable water and wastewater management.



The table below provides an overview of the Eligible Categories, together with some examples of eligible assets and projects, and their mapping to the corresponding EU Taxonomy economic activities. Further details on EU Taxonomy alignment and eligibility for each category are provided in Annex 1.

<sup>4</sup> <https://www.ifc.org/content/dam/ifc/doc/2025/guidance-for-blue-finance-v2-0.pdf>

<sup>5</sup> Regulation (EU) 2023/2631 of the European Parliament and of the Council of 22 November 2023 on European Green Bonds and optional disclosures for bonds marketed as environmentally sustainable and for sustainability-linked bonds: <https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=celex%3A32023R2631>

<sup>6</sup> Regulation (EU) 2020/852 of the European Parliament and of the Council of 18 June 2020 on the establishment of a framework to facilitate sustainable investment: <https://eur-lex.europa.eu/eli/reg/2020/852/oj/eng>

Eligible Green & Blue Categories	Eligible Projects	Eligibility Criteria	EU Taxonomy Mapping	Contribution to UN-SDGs
<b>CIRCULAR ECONOMY (Green)</b>	<ul style="list-style-type: none"> <li>Urban waste collection and recycling</li> <li>Urban waste treatment</li> </ul>	<ul style="list-style-type: none"> <li>Projects related to separate collection and transport of non-hazardous waste</li> <li>Projects related to the construction and operation of recovery and recycling facilities of paper, cardboard, wood, plastic and other type of waste to be used as secondary raw materials</li> <li>Projects related to construction and operation of facilities for the treatment of separately collected bio-waste through composting (aerobic digestion) and anaerobic digestion</li> </ul>	<ul style="list-style-type: none"> <li>CE 2.3 Collection and transport of non-hazardous and hazardous waste</li> <li>CCM 5.5 Collection and transport of non-hazardous waste in source segregated fractions</li> <li>CCM 5.7 Anaerobic digestion of bio-waste</li> <li>CCM 5.8 Composting of biowaste</li> <li>CCM 5.9 Material Recovery from non-hazardous waste</li> <li>PPC 2.1 Collection and transport of hazardous waste</li> </ul>	
<b>RENEWABLE ENERGY (Green)</b>	<ul style="list-style-type: none"> <li>Solar Photovoltaic electricity generation</li> <li>Wind power electricity generation</li> <li>Hydroelectric power electricity generation</li> <li>Electricity generation form bioenergy</li> </ul>	<p>Projects related to renewable energy generation:</p> <ul style="list-style-type: none"> <li>Solar photovoltaic plants</li> <li>Wind plants</li> <li>Hydropower plants</li> <li>Bioenergy plants</li> </ul>	<ul style="list-style-type: none"> <li>CCM 4.1 Electricity generation using solar photovoltaic technology</li> <li>CCM 4.3 Electricity generation from wind power</li> <li>CCM 4.5 Electricity generation from hydropower</li> <li>CCM 4.8 Electricity generation from bioenergy</li> </ul>	
<b>ENERGY EFFICIENCY (Green)</b>	<ul style="list-style-type: none"> <li>Energy network development</li> <li>Electricity and thermal storage</li> <li>Cogeneration facilities</li> <li>District heating networks</li> <li>Buildings energy efficiency</li> <li>Waste-to-Energy facilities</li> </ul>	<ul style="list-style-type: none"> <li>Projects related to distribution and transmission systems of electricity in the interconnected European system</li> <li>Development of electricity or thermal storage capacity</li> <li>Primary energy saving in cogeneration production compared with reference to separate production of heat and electricity</li> <li>Construction and refurbishment of pipelines for distribution of heating and cooling</li> <li>Construction of heat pumps to feed district heating</li> <li>Projects aimed at improving energy efficiency and reducing greenhouse gas emissions, including but not limited to:                             <ul style="list-style-type: none"> <li>replacement of existing windows and doors</li> <li>more energy efficient light sources</li> <li>increase of the energy efficiency of heating, ventilation and air-conditioning (HVAC) and water heating systems</li> <li>improvements to buildings' insulation</li> </ul> </li> <li>Waste-to-Energy Projects with materials recovery and recycling prior to incineration and acceptable levels of efficiency (energy production and district heating) (<math>R1 \geq 0.65</math> for new plants; <math>R1 \geq 0.60</math> for existing ones) and a minimum energy efficiency of 25%</li> </ul>	<ul style="list-style-type: none"> <li>CCM 4.9 Transmission and distribution of electricity</li> <li>CCM 4.10 Storage of electricity</li> <li>CCM 4.11 Storage of thermal energy</li> <li>CCM 4.15 District heating/cooling distribution</li> <li>CCM 4.21 Production of heat/cool from solar thermal heating</li> <li>CCM 4.29 Electricity generation from fossil gaseous fuels</li> <li>CCM 4.30 High-efficiency co-generation of heat/cool and power from fossil gaseous fuels</li> <li>CCM 7.3 Installation, maintenance, and repair of energy-efficient equipment</li> <li>CCM 7.5 Installation, maintenance and repair of instruments and devices for measuring, regulation and controlling energy performance of buildings</li> </ul>	

Eligible Green & Blue Categories	Eligible Projects	Eligibility Criteria	EU Taxonomy Mapping	Contribution to UN-SDGs
<b>SUSTAINABLE WATER AND WASTEWATER MANAGEMENT (Green &amp; Blue)</b>	<ul style="list-style-type: none"> <li>Wastewater treatment system</li> <li>Water distribution network</li> </ul>	<ul style="list-style-type: none"> <li>Projects related to construction and operation of water collection, treatment and supply systems</li> <li>Construction, upgrades and operations of wastewater treatment and purification facilities and networks</li> </ul>	<ul style="list-style-type: none"> <li>CCM 5.1 Construction, extension and operation of water collection, treatment and supply systems</li> <li>CCM 5.3 Construction, extension and operation of wastewater collection and treatment</li> <li>WTR 2.2 Urban wastewater treatment</li> </ul>	
<b>CLEAN TRANSPORTATION (Green)</b>	<ul style="list-style-type: none"> <li>Electric vehicles</li> <li>Bio-fuel vehicles</li> </ul>	<ul style="list-style-type: none"> <li>Purchase, renting, leasing and operation of zero direct tailpipe CO<sub>2</sub> emissions electric and bio-fuel vehicles</li> </ul>	<ul style="list-style-type: none"> <li>CCM 6.5 Transport by motorbikes, passenger cars and light commercial vehicles</li> </ul>	

All the Eligible Projects are carried out directly or/and indirectly through IREN’s subsidiaries. Eligible Projects are located in Italy.

IREN confirms the Green & Blue eligible asset pool is compliant with the Paris Aligned Benchmark (“PAB”) exclusion criteria.

## 5.2 Process for Project Evaluation and Selection

All the Eligible Projects are selected based on the Eligibility Criteria, must have a clear positive environmental impact and shall be aligned with the sustainability policies defined by IREN.

The Eligibility Criteria have been defined to ensure measurable environmental benefits associated with defined categories: renewable energy, energy efficiency, circular economy, clean transportation, sustainable water and wastewater management.

The Sustainable Finance Committee, described above, oversees the entire process. The allocation of the proceeds is supervised by Finance department.

The Sustainable Finance Committee on an annual basis reviews the Eligibility criteria and key performance indicators (KPIs) to be used during the process of evaluation and selection to facilitate the reporting and to ensure they meet the Green Bond/Loan Principles.

The internal process for evaluation and selection involves:

- technical assessment:** each project/activity is proposed with a technical card describing characteristics, environmental benefits (KPI) and annual financial data
- accounting/planning assessment:** annual data are checked and reported in respect of accounting and planning procedures
- sustainability assessment:** each project/activity is selected according to key performance indicators (KPIs) in respect of Eligibility Criteria set
- ESG risk identification and mitigation:** the Risk Management and CSR Departments ensure that the ESG risks are duly identified and managed
- finance assessment:** each project/activity is selected according to finance criteria and objectives.

At the end of this process, if all assessments are positive, the project/activity will be included in the Portfolio of Eligible Projects.

## 5.3 Management of Proceeds

IREN commits on a best effort basis to reach full allocation of proceeds within 3 years following the issuance of a Green & Blue financing instrument.

In case of asset divestment or cancellation of a project/activity and/or in case a project/activity ceases to meet the Eligibility Criteria and/or faces a material controversy, IREN will use the net proceeds to finance other Eligible Projects to the extent possible.

In the event of pending application of the net proceeds toward financing of Eligible Projects, IREN will hold such amounts, at its discretion, in cash or other liquid marketable instruments in its liquidity portfolio. Until full allocation, on each reporting date, IREN discloses the amount equal to the net proceeds not yet allocated to Eligible Projects.

The Sustainable Finance Committee, at least on an annual basis, will review the allocation of proceeds to ensure it meets the Green Bond/Loan Principles.

## 5.4 Reporting

IREN commits to report annually, and until full allocation, on the allocation of the Green & Blue Financing Instruments issued under this Framework and the relative impacts of the projects, at least at category level, on a bond-by-bond basis. The reporting will be made publicly available on the Company's website and will be reviewed by an independent external auditor.

### Allocation Reporting

The annual allocation report may indicatively include the following information:

- an overview of outstanding Green & Blue Financing Instruments
- the allocation of net proceeds, including allocated amounts (at least at category level), a breakdown by type of expenditure, and the share of new financing versus refinancing
- brief descriptions of the largest and most representative projects within each category
- the contribution of the Eligible Projects to the EU environmental objectives, where applicable, and the share of EU Taxonomy aligned allocation
- the balance of any unallocated proceeds at the time of reporting, if any.

The details of the disbursement and the outstanding value will be tracked using IREN's internal financial reporting system.

### Impact Reporting

IREN further intends to annually report on the environmental benefits and impacts of the Eligible Green & Blue Assets until full allocation. In most cases, the environmental indicators reported at project level will be those identified during the project evaluation phase (i.e., expected impacts), and, where feasible, ex-post measurements will also be provided.

On a best-effort basis, IREN will align its impact reporting with the principles set out in the ICMA *Harmonised Framework for Impact Reporting for Green Bonds* (June 2024)<sup>7</sup>.

When reporting on the identified outcomes, IREN may use alternative quantitative or qualitative KPIs where necessary to ensure continued relevance to the Eligible Green & Blue Assets. In addition, for all Eligible Green & Blue Assets, IREN may include further qualitative or quantitative indicators, as deemed appropriate, to provide meaningful disclosure of performance and project-specific information.

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<sup>7</sup> ICMA (2024), *Handbook - Harmonised Framework for Impact Reporting*, June 2024. Available at: <https://www.icmagroup.org/assets/documents/Sustainable-finance/2024-updates/Handbook-Harmonised-Framework-for-Impact-Reporting-June-2024.pdf>

Green & Blue Eligible Categories	Indicative Key Performance Indicators
<b>CIRCULAR ECONOMY</b>	<ul style="list-style-type: none"> <li>• Total sorted waste collection (%) (legacy and other territories)</li> <li>• Waste to material recovery in Group plants (kton)</li> <li>• Production of biomethane (Msm<sup>3</sup>)</li> <li>• Primary energy saving per operating year (kTep)</li> </ul>
<b>RENEWABLE ENERGY</b>	<ul style="list-style-type: none"> <li>• Electrical energy produced from renewable non-fossil sources (MWh)</li> <li>• RES installed capacity (MW)</li> </ul>
<b>ENERGY EFFICIENCY</b>	<ul style="list-style-type: none"> <li>• Primary energy saving per operating year (kTep)</li> <li>• Percentage of electricity and gas smart meters on the total (%)</li> <li>• Electricity distributed (GWh)</li> <li>• District heated volumes (Mm<sup>3</sup>)</li> <li>• Avoided GHG emissions from energy storage (tCO<sub>2</sub>eq)</li> <li>• Energy saving for customers (kTep)</li> <li>• Electricity and thermal energy production from waste (GWh)</li> </ul>
<b>SUSTAINABLE WATER AND WASTEWATER MANAGEMENT</b>	<ul style="list-style-type: none"> <li>• Wastewater treatment capacity (E.I.)</li> <li>• Percentage of water smart meters on the total (%)</li> <li>• % of water networks leaks (legacy and other territories)</li> </ul>
<b>CLEAN TRANSPORTATION</b>	<ul style="list-style-type: none"> <li>• Share of ecological vehicles within fleet (%)</li> </ul>

## 6. Sustainability-Linked Financing Component

This Framework has been established in accordance with the Sustainability-Linked Bond Principles 2024 administered by the ICMA<sup>8</sup> ("SLBP"), as well as the Sustainability-Linked Loan Principles 2025 administered by the APLMA, LMA, and LSTA<sup>9</sup> ("SLLP"), and their five core components:

1. Selection of Key Performance Indicators (KPIs)
2. Calibration of Sustainability Performance Targets (SPTs)
3. Financial characteristics
4. Reporting
5. Verification.

IREN is committed to constantly improving its approach to sustainability and to comply with the best practices in the Sustainability-Linked finance market. This Framework may therefore be amended or updated to reflect changes in market practice, as well as regulatory developments.

For the avoidance of doubt and to ensure consistent tracking of performance over time, IREN commits to recalculate its SPT(s) included in this Framework, as needed, to reflect significant changes that would otherwise compromise the target's relevance (e.g., change in perimeter, change in methodology or material mistakes, where applicable).

<sup>8</sup> ICMA Sustainability-Linked Bond Principles, Jun-24: <https://www.icmagroup.org/sustainable-finance/the-principles-guidelines-and-handbooks/sustainability-linked-bond-principles-slbp/>

<sup>9</sup> APLMA, LMA, LSTA Sustainability-Linked Loan Principles, Mar-25: <https://www.lsta.org/content/sustainability-linked-loan-principles-sllp/>

## 6.1 Selection of Key Performance Indicators (“KPIs”)

IREN selected the following four KPIs as they are aligned with the Group’s sustainability strategy, reflecting the objectives described in its 2040 Plan for sustainability and transition, integrated in its 2030 Business Plan, and draws from ICMA SLBP KPI Registry<sup>10</sup>, as updated in June 2025. The selected KPIs are core, relevant, and material to the IREN’s business and measure the sustainability improvements of the Group. They are therefore the most suited to the requirements of the ICMA SLBP and LMA SLLP.

The KPIs support the United Nations SDGs 6 (Clean water and sanitation), SDGs 7 (Affordable and clean energy) 12 (Responsible consumption and production) and 13 (Climate action):

- KPI #1: Scope 1 GHG Emissions Intensity
- KPI #2: Scope 3 GHG Emissions
- KPI #3: Water network leaks
- KPI #4: Waste for material recovery in Group plants

The KPIs have been externally verified for the years 2023–2025 through the sustainability report assurance process, with the exception of the KPI relating to water leaks, which has been assured only for the last two reporting periods.

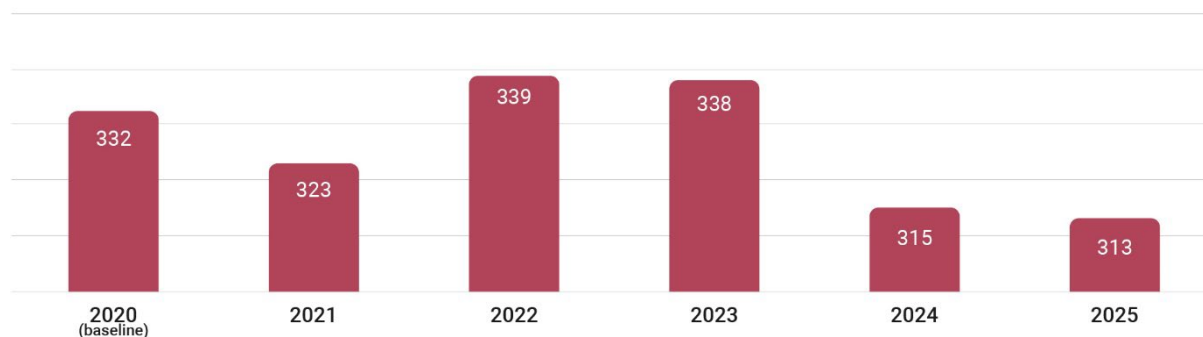
### KPI #1: SCOPE 1 GHG EMISSIONS INTENSITY (gCO<sub>2</sub>eq/kWh)

#### KPI definition

Scope 1 GHG Emissions generated from power plants divided by the electric energy and heat produced by IREN (gCO<sub>2</sub>eq/kWh).

#### Historical Performance

**KPI #1: SCOPE 1 GHG EMISSIONS INTENSITY (gCO<sub>2</sub>eq/kWh)**



#### Rationale

- The target is coherent with IREN’s overall strategy to reduce of 50% Scope 1 emissions by 2040, in line with the Paris Agreement, as defined in the Business Plan, which is periodically updated considering emerging scenarios and macro-trends
- Scope 1 emissions account for about 50% of the total Group emissions as of 2020 (baseline year), which is in line with the share of about 47% reported in 2025
- Scope 1 emissions deriving from energy production included in the KPI#1 account for about 95% the total Scope 1 Group emissions as of 2020 (baseline year) and about 98% in 2025.

The energy sector is responsible for more than 75% of the EU’s greenhouse gas emissions. Contributing to reduction of GHG emissions intensity for the production of energy is key for reaching the goal of reducing net greenhouse gas emissions by at least 55% by 2030 and becoming the world’s first climate-neutral continent by 2050.

<sup>10</sup> <https://www.icmagroup.org/assets/documents/Sustainable-finance/2025-updates/Illustrative-KPIs-Registry.xlsx>

The assumptions on decarbonization levers underlying the forecasts are based on what is forecast by the climate scenarios in line with the WB2D trajectory. The climate data analysed are based on the scenarios published by the Intergovernmental Panel on Climate Change (IPCC) in the AR5 Climate Change Report and the more recent AR6 update. These scenarios combine the Representative Concentration Pathways (RCPs), which indicate GHG gas concentration trajectories describing different climate futures, and the Shared Socioeconomic Pathways (SSPs), which describe different economic, demographic, and technological development trajectories and allow us to observe how current choices will influence future emissions and, therefore, global warming.

### Methodology

The total amount of GHG Scope 1 emissions is calculated in accordance with the ESRS Standards and with the Greenhouse Gas Protocol (GHG Protocol).

Total scope 1 GHG emissions include:

- Fuel and waste combustion in IREN power plants for electricity and heat production
- Electricity generated from biogas produced by landfills and wastewater treatment plants
- Fossil fuels consumption for internal use and company operations: company vehicles, buildings heating, company equipment
- Methane leakages from gas distribution (kgCO<sub>2</sub>eq)
- Fluorinated gases emissions (kgCO<sub>2</sub>eq).

### Perimeter

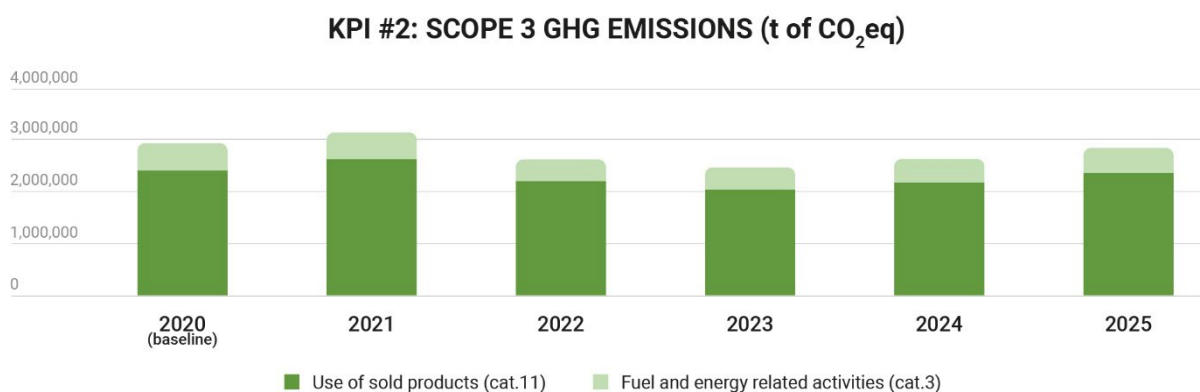
IREN S.p.A. and all its wholly consolidated subsidiaries included in the Integrated Annual Report.

## KPI #2: SCOPE 3 GHG EMISSIONS (t of CO<sub>2</sub>eq)

### KPI definition

Absolute GHG Scope 3 emissions from use of sold products and fuel (category 11) and energy related activities (category 3), calculated in tonnes of carbon dioxide equivalent (tCO<sub>2</sub>eq).

### Historical Performance



### Rationale

- The target is coherent with the IREN's decarbonization strategy as Scope 3 emissions account for about 49% of the total Group emissions as of 2020 (baseline year), which is in line with the share of about 50% reported in 2025.
- Scope 3 emissions in the selected categories reflect IREN's decarbonization strategy, based on scenario analysis, that consider factor such as: progressive electrification of customers consumptions, use of low carbon fuel blends both for energy production and customers consumptions, IREN Group's electricity consumptions 100% renewable by 2040, changing in energy mix production in favour of less emissive sources, more sustainable energy activities.

- As part of its commitments to sustainable supply chain management, the Group aims to increase as much as possible the proportion of scope 3 emissions calculated using direct data, in order to carry out monitoring increasingly linked to the actual performance of suppliers, through the gradual extension of data collection directly from suppliers.
- Iren continuously refines its scenario and climate analyses to keep its decarbonization trajectory up to date, maintaining long-term targets aligned with the Paris Agreement.

### Methodology

- The total amount of GHG Scope 3 emissions is calculated in accordance with the ESRS Standards and with the Greenhouse Gas Protocol (GHG Protocol). Partly Scope 3 emissions were calculated through direct access to supplier emission data, partly they were calculated through a spend-based approach using Defra sectoral emission factors.
- Scope 3 GHG emissions included in the target, which account for 72% of the total Scope 3 emissions of the 2020 baseline (76% in 2025), are:
  - Use of sold products (category 11): for this category, emissions are calculated on the basis of the volumes of gas distributed to end users multiplied by the emission factor related to gas combustion, as published in the latest available update of the Italian National Inventory Report by ISPRA.
  - Fuel and energy related activities (category 3): for this category, emissions are calculated using the Group’s fuel and electricity consumption data, multiplied with the UK Government’s DEFRA Well-to-Tank (WTT) conversion factors. These factors allow to account for the upstream impacts associated with the extraction, processing and transportation of the energy purchased. For consistency over time, the emission factors applied are kept constant and aligned with the 2020 base year.

### Perimeter

IREN S.p.A. and all its wholly consolidated subsidiaries included in the Integrated Annual Report.

## KPI #3: WATER NETWORK LEAKS (%)

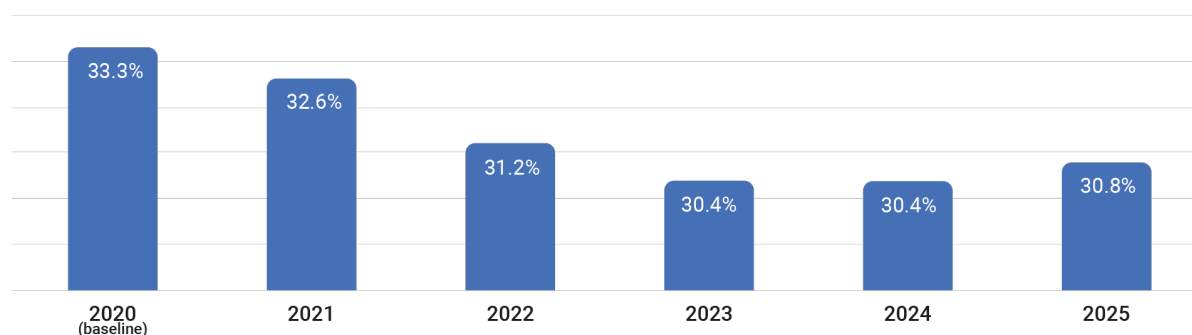
### KPI definition

Ratio of total volume of real water leaks to total volume entering the aqueduct system in the year, for legacy regions.

Scope note: “Legacy regions” means the historical IREN water service territories under management prior to 2023, excluding areas integrated thereafter.

### Historical Performance

**Historical Performance**  
**KPI #3: WATER NETWORK LEAKS (%)**



## Rationale<sup>11</sup>

Recent national data confirm that water distribution inefficiency remains one of Italy's most critical environmental and infrastructural challenges. The Blue Book 2026, the annual report on the integrated water service produced by Utilitalia, highlights that 2024 39.7% of potable water introduced into water networks was lost in 2022, an amount sufficient to meet the water needs of more than 40 million people for an entire year. This structural inefficiency persists across 2025, with several Southern regions exceed 50% losses, reflecting aging infrastructure and decades of under-investment.

These trends are particularly relevant in the context of Italy's increasing exposure to climate-driven water stress, including prolonged drought events. ISTAT notes that Italy ranks third in Europe for potable water withdrawals per capita, underscoring the need to preserve every cubic metre of available water resources.

Within this national context, IREN's operational footprint makes water efficiency a core pillar of its sustainability strategy. The 2025 Integrated Annual Report highlights that IREN manages critical water infrastructure serving over 3.9 million population equivalent through wastewater treatment facilities and operates a vast aqueduct and distribution network across multiple territories. These networks require continuous investment to maintain service quality and protect resources.

IREN's sustainability strategy positions the responsible use and safeguarding of natural resources, including water, as one of the Group's strategic levers for long-term value creation. The Group explicitly recognises water efficiency and network resilience as central to its integrated approach to the ecological transition, which is guided by climate adaptation needs, circular-economy principles and infrastructure quality.

This KPI – measuring real water leaks as a proportion of total inflow – therefore directly reflects IREN's operational performance in one of the country's most material environmental challenges. Reducing real leakages contributes to:

- strengthening system resilience amid climate-driven water scarcity,
- improving service quality and continuity for communities,
- reducing energy consumptions for water abstraction and pumping,
- supporting IREN's broader commitment to sustainable resource management.

Given Italy's high leakage levels and IREN's responsibility in managing essential water networks, ongoing reduction of real leaks is both an environmental imperative and a strategic priority for the Group.

## Methodology

The KPI is calculated as the ratio between the total real water leaks volume and the total volume entering the aqueduct system during the reference year, expressed as a percentage, as defined by the Italian Regulatory Authority (ARERA) performance framework for water services.

## Perimeter

IREN S.p.A. and all its wholly consolidated subsidiaries included in the Integrated Annual Report.

## KPI #4: WASTE FOR MATERIAL RECOVERY IN GROUP PLANTS (Kt)

### KPI definition

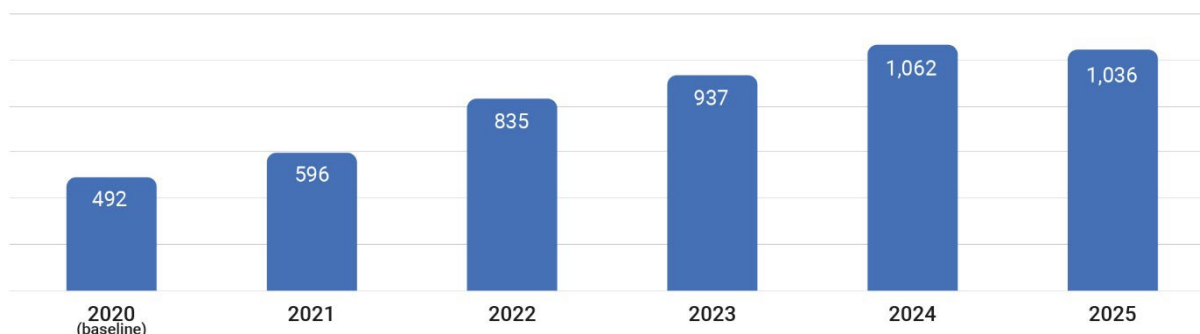
Waste treated in the IREN Group's material recovery plants, expressed in kilotons (kt). This includes all waste streams entering IREN-owned recovery facilities for sorting, recycling, or transformation.

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<sup>11</sup> Source: ISTAT - Water losses report (2024): <https://www.istat.it/it/files/2024/03/Report-GMA-Anno-2024.pdf>  
ISTAT 2025 – Water consumption & leakages <https://www.pollnet.it/2025/10/21/litalia-spreca-ancora-troppo-acqua-ogni-cittadino-ne-consuma-220-litri-al-giorno/>  
IREN Integrated Annual Report 2025 <https://www.gruppoiren.it/en/investors/results-center/integrated-annual-report.html>

## Historical Performance

### KPI #4: WASTE FOR MATERIAL RECOVERY IN GROUP PLANTS (Kt)



### Rationale

- Circular Economy is a central focus area of IREN's sustainability strategy. The Group explicitly highlights circularity, waste recovery, and recycling as essential levers within its environmental transition trajectory, aiming to reduce resource consumption and increase recovery of materials across its multi-utility value chain.
- Material recovery contributes directly to the EU waste hierarchy deliver the highest environmental benefit by avoiding landfill disposal and reducing the need for virgin material extraction.
- The Waste Framework Directive (as amended by 2018/851) sets a mandatory target for Member States: at least 60% municipal waste recycling by 2030, a goal to which IREN contributes through its recovery infrastructure.
- The Group also reports a 70.5% sorted waste collection rate in 2025, demonstrating the scale of its involvement in material recovery and recycling, and the importance of treatment capacity to turn sorted fractions into actual recovered materials

Several waste streams treated by IREN offer **significant climate-mitigation potential**:

- **Plastic waste recovery** remains a key opportunity, as only ~10% of plastics placed on the market are recycled globally; increasing recovery reduces emissions linked to virgin plastic production.
- **Organic waste treatment**, through anaerobic digestion and biomethane production, plays an important role in **CO<sub>2</sub> reduction** and in advancing renewable-fuel generation.
- **Wood waste and paper recovery** reduce deforestation pressure and the carbon footprint of material production.
- These streams are specifically supported under Italy's **National Recovery and Resilience Plan (PNRR)**, which prioritizes investment in recycling and recovery capacity, especially for plastics, organics and wood.

### Methodology

Tonnes of plastic, organic, wood, paper, and any other waste treated in the recovery plants, owned by IREN S.p.A. and its subsidiaries, which belong to different stages of the recycling process (i.e. recovery operations, recycling).

### Perimeter

IREN S.p.A. and all its wholly consolidated subsidiaries within the scope of the Group's Integrated Annual Report.

## 6.2 Calibration of Sustainability Performance Targets ("SPTs")

All Sustainability Performance Targets are aligned with the Group's Plan for sustainability and transition to 2040.

Furthermore, all applicable SPTs will be detailed in the relevant documentation of the specific transaction, as applicable (e.g., Final Terms of any Sustainability-Linked Bond or Facility Agreement of any Sustainability-Linked Loan).

Factors that support and/or might put at risk the achievement of the SPTs will be disclosed in the documentation of the relevant Sustainability-Linked transactions, according to applicable regulations and market practice.

**SPT #1: SCOPE 1 GHG EMISSIONS INTENSITY (gCO<sub>2</sub>eq/kWh)**

Scope 1 GHG Emissions generated from power plants divided by the electric energy and heat produced by IREN (gCO<sub>2</sub>eq/kWh).

Metric	u.m.	Baseline 2020	2028	2030	2040
<b>Scope 1 GHG Emissions generated from power plants divided by the electric energy and heat produced</b>	gCO <sub>2</sub> eq/kWh	332	315 (-5.1%)	312 (-6.0%)	129 (-61.1%)

Sustainability Performance Target #1 Observation Dates: 2028, 2030, 2040  
Baseline year: 2020

**Strategy to achieve the target**

- Development of new RES assets, focused mainly on photovoltaic and wind power (+1.39 GW installed capacity by 2040)
- Renewal of hydro concessions, through revamping
- Divestment of thermoelectric assets (not functional to district heating)
- Increase in the use of low carbon gases for energy production.

**Risk factors**

While IREN has a well-defined strategy to achieve its GHG emission intensity targets, short- to medium-term results may show fluctuations due to external factors such as Regulatory and Administrative Barriers (i.e., permitting procedures and concessions), grid infrastructure limitations (i.e. connection requests) and delay in the development of innovative technologies and infrastructures (e.g. captured CO<sub>2</sub> transport networks).

**SPT #2: SCOPE 3 GHG EMISSIONS (tCO<sub>2</sub>eq)**

Absolute GHG Scope 3 emissions from use of sold products (category 11) and fuel and energy related activities (category 3), calculated in tonnes of carbon dioxide equivalent (tCO<sub>2</sub>eq).

Metric	u.m.	Baseline 2020	2028	2030	2040
<i>Absolute Scope 3 GHG emissions from use of sold products (cat. 11)</i>	tCO <sub>2</sub> eq	2,464,655	2,119,603 (-14%)	2,045,664 (-17%)	1,823,845 (-26%)
<i>Absolute Scope 3 GHG emissions from fuel and energy related activities (cat. 3)</i>	tCO <sub>2</sub> eq	480,459	413,195 (-14%)	475,654 (-1%)	288,275 (-40%)
<b>Absolute Scope 3 GHG emissions (categories 11 and 3)</b>	tCO <sub>2</sub> eq	2,945,114	2,532,798 (-14%)	2,521,318 (-14%)	2,112,120 (-28%)

Sustainability Performance Target #2 Observation Dates: 2028, 2030, 2040  
Baseline year: 2020

**Strategy to achieve the target**

- Purchase of 100% renewable electricity
- Biomethane from waste used for mobility and to feed the gas networks
- Gas networks hydrogenation
- Increase the share of low-carbon gas sold
- Push towards electrification to enhance the gas consumption reduction.

## Risk factors

IREN has a well-defined strategy to achieve its decarbonization targets against a baseline year (2020) that has remained unchanged over time. The results in short to medium term may show fluctuations due both to external factors – such as variability in emission factors related to use of sold product, national and international regulations on energy consumption, the status of energy infrastructure, and climate variability, which are particularly relevant for Scope 3 targets – and internal factors, such as changes in the Group’s corporate perimeter and the evolution of its energy production mix.

Nevertheless, the company’s strategic actions are expected to ensure alignment with – and the eventual achievement of – its long term decarbonization trajectory.

### SPT #3: WATER NETWORK LEAKS (%)

Ratio of total real water network leaks volume to total volume entering the aqueduct system in the year.

Metric	u.m.	Baseline 2020	2028	2030	2040
Water network leaks	%	33.3%	27.8% (-16.5%)	26.5% (-20.4%)	22% (-33.9%)

#### Strategy to achieve the target

To achieve the progressive reduction of real water losses, IREN will implement a set of infrastructure, digital and operational efficiency measures consistent with its integrated sustainability strategy and the Group’s focus on strengthening water-system resilience:

- **Renovation and renewal of water supply networks** - IREN will continue upgrading and renewing portions of its aqueduct network in historical territories, replacing aging pipelines and critical sections most prone to leakages. This approach is consistent with IREN’s broader environmental strategy, which places sustainable use of water resources at the centre of its value-creation model.
- **Grid compartmentation** - The Group will expand network sectorization and establish additional DMAs to isolate sections of the grid. This enables more accurate identification of anomalies, reduces pressure variability, and improves real-time leak localization.
- **Deployment of smart solutions for the early identification of leakages** - Building on its integrated multi-utility model, IREN will increase the use of digital technologies, including advanced sensors, hydraulic modelling, remote monitoring, and predictive maintenance to reduce detection times and prevent escalation of small leaks. This is consistent with IREN’s ESG strategy, which emphasizes innovation and technological solutions to improve infrastructure performance.

### SPT #4: WASTE FOR MATERIAL RECOVERY IN GROUP PLANTS (kt)

Waste treated (kt) in IREN Group’s material recovery plants.

Metric	u.m.	Baseline 2020	2028	2030	2040
Waste for material recovery in Group plants	kt	492	1,522	1,533	1,539

#### Strategy to achieve the target

- **Scale plastic selection & “plasmix” recovery via I.Blu:** IREN’s 2020 acquisition of I.Blu strengthened the Group’s national position in COREPLA plastic-packaging selection and plasmix treatment, proving expanded capacity for sorting and recovering complex plastics.
- **Consolidate circular-economy role across recovery streams:** the Group is structurally positioned to convert increasing separate collection volumes into higher recovery throughput thanks to the expansion and upgrading of its material-recovery infrastructure made in the last years.

- **Increase organic-waste recycling and renewable gases:** IREN has added new organic waste-recovery capacity, including a Reggio Emilia biodigestion facility completed in 2024 that produces biogas and compost from the organic fraction (OFMSW). This directly supports the target by increasing the Group's ability to treat additional tonnes while contributing to decarbonisation.

### 6.3 Financial characteristics

Sustainability-Linked Financing Instruments are represented by any type of debt whose financial and/or structural characteristics vary based on whether the issuer achieves its predefined SPTs. The proceeds are intended to be used for general corporate purposes and/or refinancing.

The financial and/or structural implications related to the occurrence of a trigger event will be specified in the legal transaction document of any Sustainability-Linked Financing Instrument (e.g., Final Terms of any Sustainability-Linked Bond or the Facility Agreement of any Sustainability-Linked Loan). Such documentation will specify the exact financial and/or structural implications which could include, but are not limited to, a coupon step-up, redemption premium or margin adjustment, as applicable. It will also provide the following characteristics: KPI definition and calculation methodologies, SPTs, the variation mechanisms of the financial and/or structural characteristics as well as related trigger events and, where needed, fallback mechanisms in case the SPTs cannot be calculated or observed in a satisfactory manner.

A trigger event may occur when:

- Performance against a specified KPI has not achieved the SPT on the Target Observation Date
- The verification of the SPTs has not been provided and made public by the time of the Target Observation Date, as defined in the financing documentation
- The Issuer fails to comply with the reporting requirements as of the notification date related to achieving the SPT, each as defined in the instrument documentation.

The step-up margin or margin adjustment will not be triggered in case of:

- a. an amendment to, or change in, any policies, laws, regulations, rules and guidelines applicable to and/or relating to IREN's business activities, or a decision of a competent authority which has a direct and/or indirect impact on the issuer's ability to satisfy the relevant SPTs as of the observation date
- b. any concession granted to the issuer or its Subsidiaries being amended, revoked or terminated for any reason whatsoever prior to the relevant expiration date (and such revocation or termination becomes effective in accordance with its terms) or the relevant expiration date being shortened, which has a direct and/or indirect impact on the Issuer's ability to satisfy the relevant SPTs as of the observation date.

### 6.4 Recalculation Policy

IREN may review this Framework in the event of material changes to the Company perimeter, business plan or strategy, data calculation methodologies, or other changes that may significantly affect the level of the KPIs, SPTs and/or baselines.

In particular, IREN may, acting in good faith, recalculate the baseline levels, SPTs and/or KPIs to reflect any material impact on the initial baselines, SPTs and/or KPIs where:

- changes in calculation methodologies or improvements in the accuracy of emission factors or activity data result in a significant impact (+/- 5% compared to the base year) on base year emissions;
- significant errors, or multiple cumulative errors that are collectively material, are identified;
- structural changes which affect the KPIs, SPTs and/or baselines, including (i) mergers, acquisitions or divestments and (ii) outsourcing or insourcing of emitting activities;
- amendments to, or changes in, applicable laws, regulations, rules, guidelines or policies occur.

Adjustments to baselines, KPIs or SPTs will be disclosed by IREN in its Integrated Annual Report or a separate report on its website and will be subject to auditor review.

## 6.5 Reporting

The Company will report KPIs performances against the related SPTs at least annually on its website and/or in its Integrated Annual Reports, and for as long as any Sustainability-Linked Financing Instrument remains outstanding. Reporting will also be made available for any date or period relevant to assessing SPT performance that may lead to a potential adjustment of the instrument's characteristics.

Reporting will include the following information:

1. up-to-date information on the performance of the selected KPIs, including the baseline where relevant;
2. any relevant information enabling investors to monitor the progress of the SPTs and their level of ambition (e.g., any update in the Issuer's sustainability strategy or on the related KPI/ESG governance, and more generally any information relevant to the analysis of the KPIs and SPTs).

Information may also include when reasonably feasible and available:

1. qualitative or quantitative explanation of the contribution of the main factors, including the evolution of the performance/KPIs on an annual basis;
2. illustration of the positive sustainability impacts of the performance improvement;
3. any re-assessments of KPIs and/or restatement of the SPTs and/or pro-forma adjustments of baselines or KPI scope, if relevant.

For every loan transaction, IREN will issue a Sustainability Compliance Certificate to lenders, detailing performance relative to the SPTs for the applicable observation date, as well as the economic effects of the transaction—such as margin adjustments—which will be outlined in the corresponding documentation.

## 7. External Review

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IREN's Sustainable Financing Framework and the associated annual reporting will benefit from independent and external verification.

### Pre-issuance Verification

IREN has appointed DNV to release a Second Party Opinion ("SPO") confirming the alignment of the Framework with the relevant GBP 2025, GLP 2025, SLBP 2024 and SLLP 2025.

### Post-issuance Verification

#### Green & Blue Component

Starting from the following year after issuance, a verification or assurance of the reporting may be released on an annual basis, until full allocation, by a third-party agency or financial auditor, including: proceeds allocation, the compliance of the allocated assets with the selection process, the environmental benefits obtained.

#### Sustainability-Linked Section

The annual KPIs performance will be subject to the external verification released by an External Verifier.

The verification will be issued at "Limited Assurance" standard, on an annual basis, and in any case for any date/period relevant for assessing the SPTs performance leading to a potential variation of the instrument's characteristics.

The External Verifier refers to an auditor, any qualified provider of third-party assurance or attestation services appointed by IREN to review the company's statement on KPIs.

The Sustainable Financing Framework and the pre-issuance and post-issuance verification reports will be available on IREN's [website](#).

## Annex 1 – EU Taxonomy alignment/eligibility of Green & Blue Eligible Categories

Green & Blue Eligible Categories	Eligible Projects	EU Taxonomy Alignment/ Eligibility
<b>Circular Economy (Green)</b>	Urban waste collection and recycling	Aligned <sup>12</sup> <sup>12</sup>
	Urban waste treatment	Aligned <sup>12</sup>
<b>Renewable Energy (Green)</b>	Solar Photovoltaic electricity generation	Aligned
	Wind power electricity generation	Aligned
	Hydroelectric power electricity generation	Aligned
	Electricity generation from bioenergy	Aligned
<b>Energy Efficiency (Green)</b>	Energy network development	Aligned
	Cogeneration facilities	Not aligned
	District heating networks	Aligned <sup>12</sup>
	Buildings energy efficiency	Aligned
	Waste-to-Energy facilities	Not eligible
<b>Sustainable Water and Wastewater Management (Green &amp; Blue)</b>	Wastewater treatment system upgrades	Aligned <sup>12</sup>
	Water distribution network efficiency	Aligned <sup>12</sup>
<b>Clean Transportation (Green)</b>	Electric vehicles	Aligned <sup>12</sup>

<sup>12</sup> The majority of assets included in this category will be fully aligned with the EU Taxonomy. Should any asset with no or partial alignment be included in the allocation, Iren will provide transparent disclosure in the post-issuance report.

