

2014
A Year of **Sustainability**
Let's take **stock**



Our commitment to sustainability

Sustainability is a defining characteristic of the Iren Group's mission and values. It is a fundamental factor in managing important services for the public's quality of life, as well as for achieving the Group's growth targets and creating value for all of its stakeholders. The Iren Group's commitment to responsible and sustainable growth, in close collaboration with the communities in which it operates, is further confirmed by the results achieved in 2014.

In the environmental field, we have consolidated our leading position in the prevention of CO₂ emissions, thanks to energy production coming mainly from renewable and similar sources, and we have increased our rates of separated waste collection in the 116 municipalities in which we operate, also continuing measures aimed at reducing waste production at source. We have managed our production processes paying close attention to saving energy resources, and we have promoted important energy-efficiency initiatives for the territory.

Social responsibility is a very important issue for us.

We believe in the values of dialogue and participation and want to contribute tangibly to the progress of the areas in which we operate. For this reason we have launched Local Committees to combine our knowledge with that of the local community, and to plan a solution together to offer added-value services and improve our economic, environmental and social results.

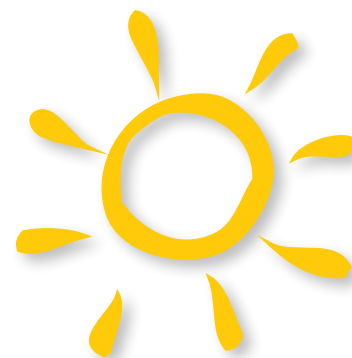
In 2014 we launched numerous projects in favor of local communities, particularly cultural, innovative, environmental-protection and educational initiatives.

Growing together with the community also means continuing to invest in the women and men working in the Group, through training, stable employment relations, safety and the promotion of gender differences. It means strengthening the collaboration with suppliers, in professional, transparent, open and skilled relations. It means, not least, keeping our agreements with our customers in order to increase their satisfaction.

In 2014, we maintained high levels of investment, aimed at developing various sectors of activity, that represent an important contribution for the growth of infrastructure, economic fabric, and services supplied. The stability of dividends distributed confirms the solidity of our Group and its development capability, even in difficult economic times like the present.

Our approach to Corporate Social Responsibility is recognised and appreciated. For the third consecutive year, we are included in the FTSE ECPI Italy SME's Equity and FTSE ECPI Italia SRI indexes that aim to assist the investment choices of Ethical Funds.

The goals we have set for the future are a tangible sign of our determination to strengthen our commitment to sustainability in the years to come.



Where we operate



Our history: over a century at the service of the community

About us

Iren is one of the main examples in Italy of a multi-utility company focused on providing services and creating infrastructure to improve and enhance the territory in full respect of the environment and customers.

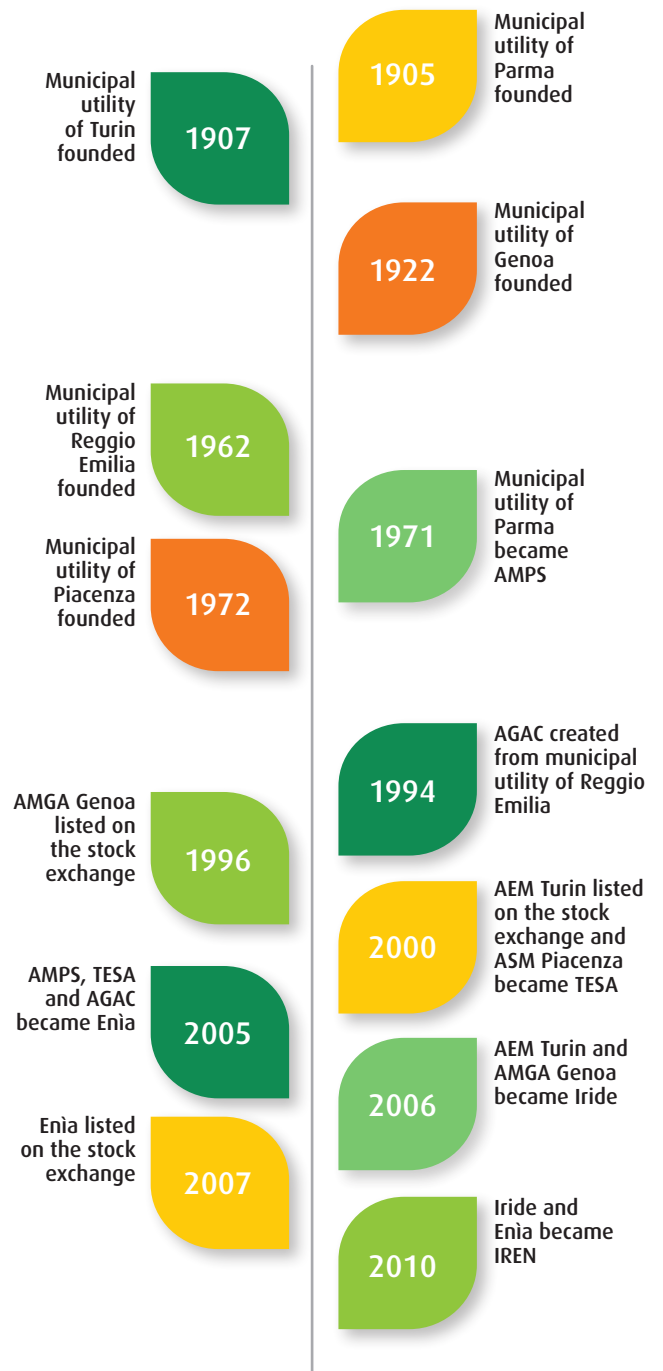
The Iren Group operates in a multi-regional area of over 7,000,000 inhabitants, with more than 4,500 employees.

What we do

The Group is active in the sectors of electricity, gas, district heating, integrated water services, waste management and other public-utility services (telecommunications, public street lighting, traffic light services, etc). A diversified business model that guarantees solidity and relevant development prospects.

The pillars of our mission

- to offer customers and citizens efficiency, effectiveness, economic convenience and high-quality services
- to operate with competence and professionalism, respecting the environment and safety, in the energy, integrated water, waste management, and public-utility services
- to contribute to the well-being of our employees and local communities
- to guarantee our shareholders adequate profitability



Our commitment: produce respecting the environment and natural resources



1,821,000 tonnes of CO₂ avoided,
equal to **7** times the weight of the Colosseum,
with **85%** of energy production from
eco-friendly sources



735,589 tonnes of urban waste treated,
more than **73** times the weight of the Eiffel
Tower, **64%** of which separately collected for
recovering material (national average 42%)



545,000 TOE saved thanks to
sustainable management of our assets,
equal to **more than 3.7** million
barrels of oil

What is a TOE?

The amount of energy released by
burning one tonne of crude oil.



552,713 controls on the quality
of drinking water and waste water
to safeguard public health and the environment,
more than **1,500** parameters
checked daily



80% of the **7,600** km of gas lines
inspected during the year for the safety of citizens,
almost **5** times the Italy's length

MAIN MATERIALS FROM SEPARATED WASTE COLLECTION



Paper and cardboard
97,232 tonnes



Glass
26,121 tonnes



Green and organic waste
210,105 tonnes



Plastic
19,368 tonnes



Wood
38,388 tonnes



116 million 1.5-litre bottles saved thanks to
the public water-dispensers,
equal to the number of bottles used in one year
by the population of a city of **900,000**
inhabitants

What are the public water-dispensers?

56 collection points which the citizens
have used to withdraw 174 million litres
of sparkling or chilled mineral water.
The community has saved 29 million euro.



Our commitment: qualified staff for customers satisfaction...

CUSTOMER SATISFACTION



Market:
92% satisfied



Environment:
92% satisfied



Water service:
93% satisfied



Gas distribution:
96% satisfied



3,272,000 inhabitants served



4,522 employees, of whom **4,456**
on an open-ended contract

93% of employees attended at least
one training course

...involvement and monitoring of suppliers



4,400 qualified suppliers of whom **57%** are local
35 million euro of orders issued to social cooperatives

...development with and for the local community



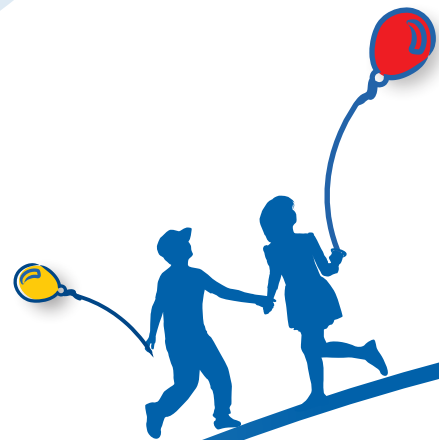
190 projects for the local area
50,000 students involved in the "Edu.Iren" project
26 projects for research and innovation
2 Local Committees

What is Edu.Iren?

A programme offering free training
to schools.

What are the Local Committees?

A structured channel for Iren and its
stakeholders to discuss aspects of
sustainability, innovation and quality
of services provided.



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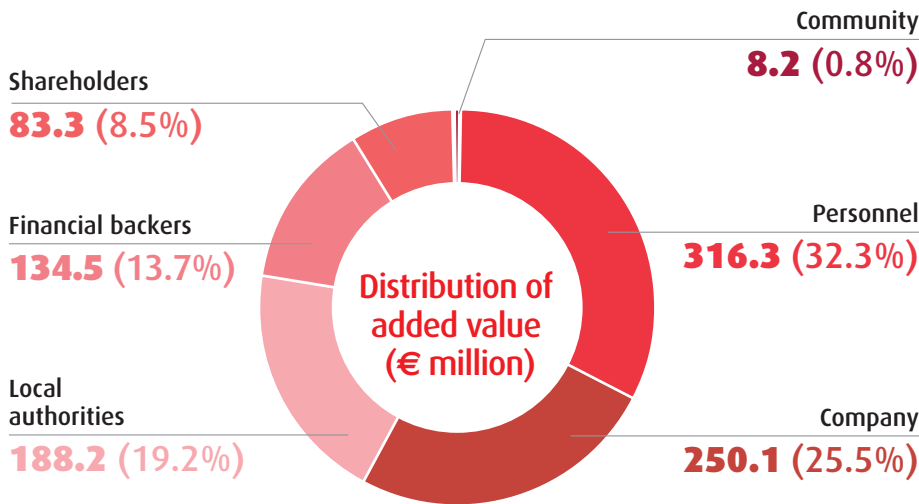
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Our commitment: create value and distribute wealth...



980.6 million euro generated for the stakeholders in 2014
Total gross added value grew by 9.5% compared to the previous year



Personnel = salaries and wages, expenses and other personnel costs
Company = share of wealth kept within the Group, inclusive of depreciation and undistributed profits
Local authorities = remuneration distributed in the form of direct and indirect taxes, net of grants received for the year
Financial backers = all financial charges paid by the Iren Group to its creditors
Shareholders = portion allocated to shareholders in the form of dividends
Community = contributions to local communities (social, cultural and sports initiatives)

Constant dividends, even in crisis scenarios

Iren shares: **yield for 2014** ⁽¹⁾ **4.8%**

Ten-year BTP: **yield 1.2%**

⁽¹⁾ The yield is calculated based on the average price per share recorded in 2014

Ethical indexes in which we are present



What are ethical indexes?

They are a type of index which permits the performance of a company to be evaluated in relation to its ability to meet environmental-protection, corporate-responsibility and governance criteria.



...invest to grow in balance with the territory



The results confirm it

Environmental services

1,082,243 tonnes of waste treated
19,768 TOE saved thanks to the production of electricity and heat from waste-to-energy plants
1,139,000 inhabitants
116 municipalities served
123 equipped ecological stations

Integrated water service

147 million m³ of water distributed
149 million m³ of waste-water treated
2,580 TOE saved in managing the integrated water service
More than **15,400** km of aqueduct network and over **9,100** km of sewerage systems
2,400,000 inhabitants and **177** municipalities served

Gas

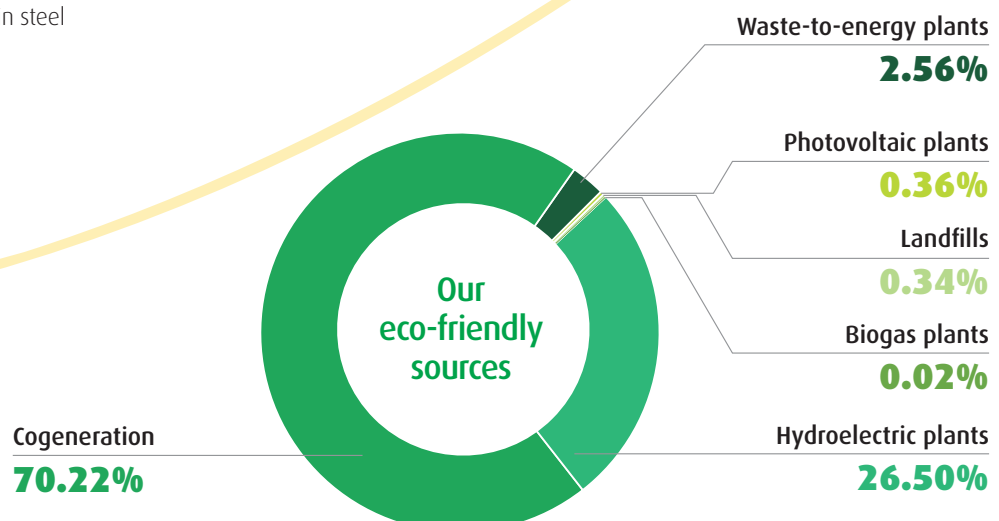
1,119 million m³ of gas distributed
92 municipalities served by the distribution
726,000 gas customers
Gas leaks reduced by **23%** compared to 2013
80% of the gas network in steel

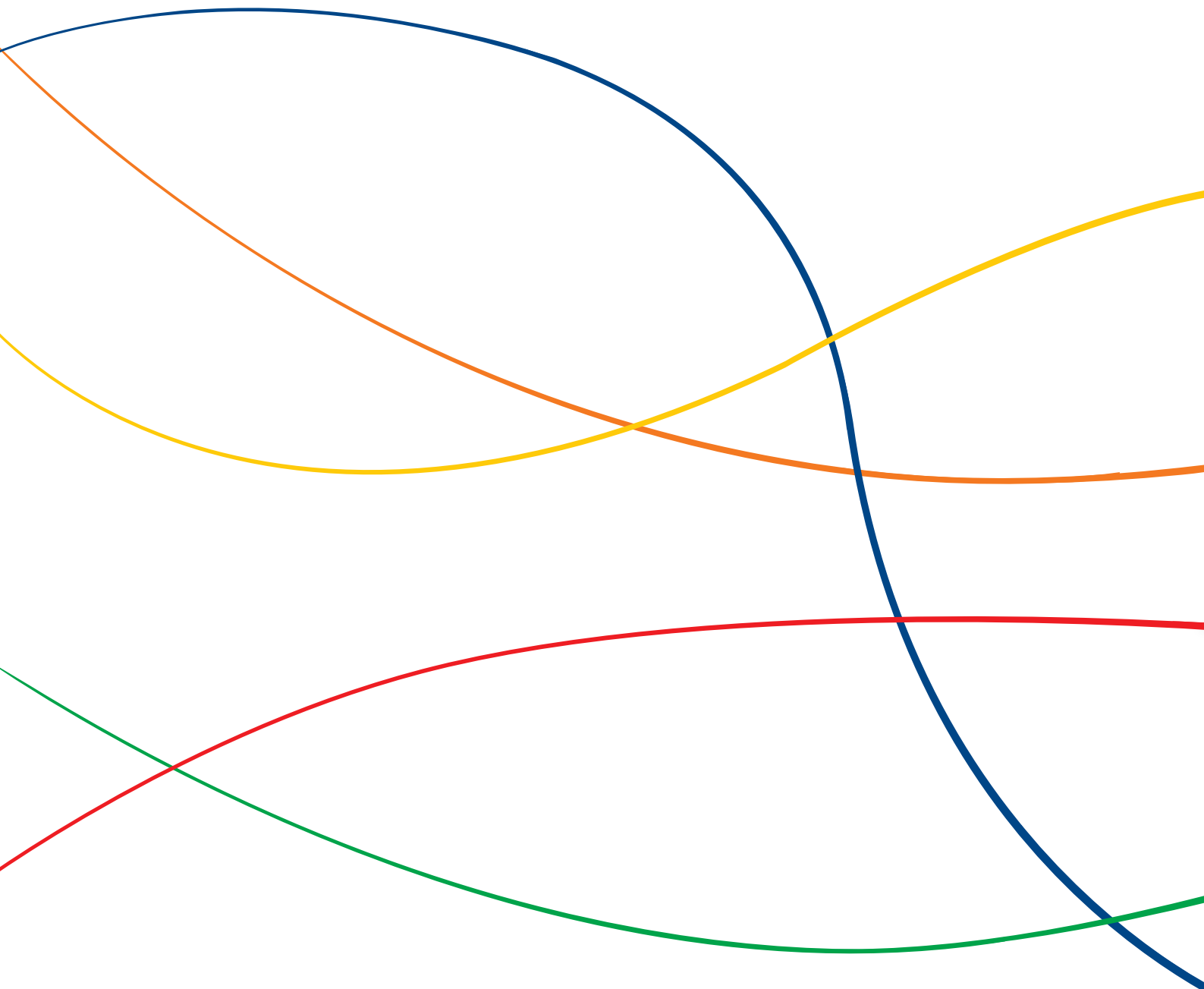
District heating

2,674 GWh of heat produced, of which **82%** from cogeneration
863,895 tonnes of CO₂ avoided thanks to district heating
802,000 inhabitants served
80,000,000 m³ of district heating

Electricity

Over **6,600** GWh of electricity produced, **85%** from environmentally friendly resources (renewable or similar)
772,468 tonnes of CO₂ saved in hydroelectric production
541,689 TOE saved in energy production
1,515 GWh of renewable energy produced (from photovoltaic and hydroelectric sources)
7,253 km of distribution network
712,000 electricity customers





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Sustainability Report 2014

