

The Board of Directors of Iren Group has approved the Sustainability Report/Non-Financial Statement for 2017

- **Almost 2.8 million tonnes of CO₂ emissions avoided in the management of services**
- **86% of energy production from eco-compatible sources (national average 37.3%)**
- **Sorted waste collection at 60.6% (national average 52.5%)**
- **1,171 plants to guarantee water purification**
- **98% of employees with a permanent contract**
- **152 workers hired in 2017**
- **95.6% of energy clients satisfied**
- **Around 90,300 students from more than 700 schools have taken part in the Edu.Iren training projects**

Reggio Emilia, 7 March 2018 – The Iren Board of Directors have today approved, together with the Financial Statements, the 2017 Sustainability Report, which also functions as a Non-Financial Information Statement (NFIS), in accordance with Legislative Decree no. 254/2016.

The Report, which summarises the economic, environmental and social performance of the Group, is a tool for both monitoring the objectives of the 2022 Business Plan, which establishes sustainability as a strategic pillar for development, and for active discussion and exchange with the territory and all the stakeholders.

Managing production processes and investing in **environmental sustainability** is a commitment that Iren Group undertakes with responsibility and with the use of human and economic resources. In 2017 costs were incurred and investments made for environmental protection for over 232 million euros. Investment in this sector was further increased thanks to the issue of the first Green Bond by the Group for 500 million euros. The Green Bond is an innovative tool for financing/refinancing sustainable environmental projects recognised as such through certifications by an independent body (DNV GL)

86% of total energy production was from eco-compatible sources (renewable or assimilated) in 2017, against a national average of 37.3%, generating significant positive impacts on the reduction of emissions.

An important contribution to the reduction of emissions derives from district heating which, thanks to more than 900 km of underground networks, provides a heated volume of over 87 million cubic metres, serving a population of around 871 thousand inhabitants.

In 2017 the Group managed urban waste collection in 145 Municipalities in the provinces of Piacenza, Parma, Reggio Emilia, Vercelli and the city of Turin, for almost 2.1 million inhabitants, obtaining important results in sorted waste collection in the reference area,

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reaching 60.6% against a national average of 52.5%.

In the integrated water service, in which the Group serves more than 2.6 million inhabitants, 181 million cubic metres of water were sold, up compared to 2016. The percentage of leakage was 27.6%, compared to the national average of 40.66%. The purification systems (1,171 plants) treated more than 164 million cubic metres of waste water, improving the conditions of collecting bodies such as rivers, streams and seas. With regards to controls, almost 57 thousand samples were taken for analysing the quality of drinking and waste water in the reference territories in which the Group operates.

Thanks to the so-called “Public water” points for taking free drinkable water (refrigerated and sparkling) the consumption of more than 21 million plastic bottles were saved and more than 1,400 of Toe, and around 1,930 tonnes of CO₂ emissions avoided.

The plant mix, the attention given to their management and processes, together with the energy saving projects, have allowed the Iren Group to obtain, in 2017, a saving of around 553 thousand tonnes of oil equivalent (toe) and to avoid the emission into the atmosphere of almost 2.8 million tonnes of CO₂.

With relation to **social responsibility**, the theme of employment is a key factor for Iren Group which sees human resources as a capital fundamental for its growth. The attention towards its employees – more than 6,280 – is demonstrated in the quality of the employment contracts with 98% of workers hired with a permanent contract, the quantity of training programmes which involved 88% of staff, and the plan for hiring new talent which in 2017 saw the introduction of 152 new staff.

Female workers in the Group accounted for almost 26% of the total (1,603 females work in the Group), a presence affected by the predominantly technical characteristics of the Group’s activities, but not discriminatory: the female component among executives, managers and office workers is around 32% and 46% of the Bod of the parent company is female.

In 2017 purchase orders were made to suppliers for around 677 million euros, 49% of which located in the territory, benefitting the economic and employment development of the provinces in which the Group operates (mainly Genoa, Parma, Piacenza, Reggio Emilia, Torino and Vercelli). The Iren Group assigned business to 28 cooperatives having as their business objective the provision of labour to disadvantaged people, for an overall amount of around 60.5 million euros (equivalent to around 9% of the total value of orders).

The Group acts with a strong focus of its clients; this approach is confirmed in the results of a customer satisfaction survey carried out by Cerved Group. The levels of satisfaction are higher than national ones: 95.6% is the satisfaction index of gas and electricity clients, 94.8% for district heating clients, 93.2% for clients of the integrated water service and 89.3% for the clients of waste services.

With the aim of actively involving all stakeholders and guaranteeing innovative services and solutions to communities, 5 territorial Iren Committees have been set up involving 93 Associations and Bodies representing the main categories of stakeholders: clients, workers, suppliers, economic categories, institutions, shareholders, the environment, local communities, schools and universities. In 2017 the Committee members “launched” 40 projects, 25 of which have already been completed, also thanks to the contributions received

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through IrenCollabora.it – the first example at national level of a platform of participatory planning available to all citizens – with 926 profiles registered.

In 2017 the Group developed and supported more than 240 projects in favour of local communities for innovation, cultural and sports promotion and environmental protection for around 8 million euros.

Educational projects on sustainability are particularly important in relations with local communities. In the territories where the Group operates, 90,300 students from more than 700 schools of every type and level have been involved in such projects. 1,000 students, moreover, have participated in the alternating school-work scheme, 135 of whom have become apprentices in the Group's structures.

Technological innovation is central in strategic choices and in the definition of the services offered: in 2017 Iren took active part in 14 research and innovation projects for an overall multiyear commitment of around 10.5 million euros of which around half is financed by national and international calls for tenders.

With regards to **economic sustainability**, in 2017 the Group generated for the stakeholders an added gross value of 1,277 million euros, an increase of 61 million euros compared to the previous year (+5%). Specifically, staff benefitted by around 399 million euros in wages salaries, the Public Amministrazione by more than 154 million euros (through direct and indirect taxes), while the shareholders have been attributed almost 107 million euros in dividends.

*“The Non-Financial Statement of the Iren Group – declared the Chairman **Paolo Peveraro** – is a fundamental instrument that underlines how the strategic approach to corporate social responsibility is of growing long-term importance for business competitiveness. It serves to reinforce Iren Group's focus both with regards to disclosure transparency and in considering sustainability as a strategic stimulus for growth. In 2017 we updated our vision and our mission, the fundamentals on which the Business Plan to 2022 is based, and in which the guiding concepts underpinning our future actions are defined: the client/citizen, development and efficiency, sustainability and the careful management of human resources. The goals and targets that we have established in these areas are Iren Group's response to the call to action for change in the UN Agenda to 2030, and make non-financial reporting increasingly significant as a tool for monitoring our operations and our economic, environmental and social impacts.”*

*“The integrated and strategic approach to corporate social responsibility – underlines the Vice Chairman, **Ettore Rocchi** – underpins our Sustainability Report and Business Plan to 2022 which commits the Group to playing a proactive role in local communities and with regards to the environment, and serves also to stimulate us to speed up technological, process and social innovation. The integrated reporting system, therefore, eliminates every contrast between the social and economic characteristics of the business and any claim, also implicit, that one aspect is more important than another; all values are equally fundamental. Our objective is basically to unite and harmonise the various interests in a chosen timeframe, also long-term, which is compatible with the different needs and expectations relating to our Group and to make this reporting system properly “understandable” by our stakeholders”.*

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