



WHEN TRUST MATTERS



IREN

SUSTAINABLE FINANCING FRAMEWORK



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Disclaimer

Our assessment relies on the premise that the data and information provided by the client to us as part of our review procedures have been provided in good faith. Because of the selected nature (sampling) and other inherent limitation of both procedures and systems of internal control, there remains the unavoidable risk that errors or irregularities, possibly significant, may not have been detected. Limited depth of evidence gathering including inquiry and analytical procedures and limited sampling at lower levels in the organization were applied as per scope of work. DNV expressly disclaims any liability or co-responsibility for any decision a person or an entity may make based on this Statement.

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¹ DNV Code of Conduct is available from DNV website (www.dnv.com)

DNV'S INDEPENDENT ASSESSMENT

Scope and objectives

IREN S.p.A. (hereafter referred to as "IREN") is one of the largest and most dynamic multiutility companies on the Italian scene and is listed on the Italian Stock Exchange. It operates in the sectors of electricity, thermal energy for district heating and gas, and in the management of integrated water services, environmental services, and technological services. IREN's purpose is to offer its customers and its territories the best integrated management of energy, water, and environmental resources with innovative and sustainable solutions to create value over time. Its strategy is to create value for shareholders and society through a focus on energy transition, use of sustainable resources technological revolution and customer centrality.

IREN has developed a Sustainable Financing Framework in March 2022 (the "IREN SFF Framework" or the "Framework"). The Framework has been developed to highlight how IREN intends to continue to support its sustainability strategy and vision and to combine the use of different Green & Sustainability-Linked financing instruments in alignment with the ICMA Green Bond Principles (GBP) 2021 and the LMA Green Loan Principles (GLP) 2021, ICMA Sustainability-linked Bond Principles (SLBP) 2020, and LMA Sustainability-linked Loan Principles SLLP 2022.

Under the above Sustainable Financing Framework (here after the "Framework"), the Company may issue any type of debt instruments such as bonds, loans, guarantees, derivatives and/or any other type of debt.

IREN with this Framework intends to support the financing of investments and activities across the Group which demonstrate positive environmental or social impacts aligned with the sustainability guidelines of the Group.

The Framework include the following two components:

- ✓ Green Financing Component
- ✓ Sustainability-Linked Component

IREN has identified, for the Green Financing Component the following project categories:

- Renewable Energies
- Energy Efficiency
- Circular Economy
- Sustainable Water and Wastewater Management
- Clean Transportation

IREN has identified, for the Sustainability-Linked Component, four material Key Performance Indicators (KPIs) to the business where Iren commits to future sustainability improvements within a predefined timeline (by 2030). The KPIs outlined below are also in alignment with the UN Sustainable Development Goals (SDGs):

- Carbon intensity (g CO_{2eq}/kWh) (SDG 13-Climate action and SDG 7-Affordable and Clean Energy)
- Scope 3 CO₂ emissions reduction (SDG 13-Climate action and SDG 7-Affordable and Clean Energy)
- Water network leaks (SDG 6-Clean Water and Sanitation and SDG 13-Climate Action)
- Waste treated in Group's material recovery plants (SDG 12-Responsible Consumption and Production and SDG-13 Climate Action).

IREN will assess its sustainability performance against the following Sustainability Performance Targets (SPTs):

- Reduce carbon intensity of electric energy and heat generated by 47%, by 2030 compared to 2020 levels, to 176 gCO_{2eq}/kWh
- Reduce Scope 3 Emissions related to "Use of sold products" by 25% and "Fuel and energy related activities" by 13% by 2030 compared to 2020 levels, thus respectively to 1,848,491 tCO_{2eq} and 417,999 tCO_{2eq}
- Reduce water leaks, calculated as ratio of total water leaks volume to total volume entering the aqueduct system in the year, by 39% by 2030 from a 2020 base year, thus reaching a leakage rate of 20% by 2030
- Increase tons of waste treated in Group's material recovery plants by 4.7 times by 2030 compared to 2020 levels.

DNV Business Assurance Italy S.r.l. ("DNV") has been commissioned by IREN to provide an eligibility assessment of Iren's

Framework. Our objective has been to provide an assessment on whether the Framework meets the criteria established within the International Capital Market Association (ICMA) Green Bond Principles, "GBP" (February 2021) and the Sustainability-Linked Bond Principles "SLBP" (June 2020). Our methodology to achieve this is described under 'Work Undertaken'.

No assurance is provided regarding the financial performance of Bonds issued under the company's Framework, the value of any investments, or the long-term environmental and/or societal benefits of the associated transactions. Our objective has been to provide an assessment that the Framework has met the criteria established on the basis set out below.

Responsibilities of the Management of IREN and DNV

The management of IREN has provided the information and data used by DNV during the delivery of this review. Our statement represents an independent opinion and is intended to inform Iren management and other interested stakeholders in the Framework as to whether the established criteria have been met, based on the information provided to us. In our work we have relied on the information and the facts presented to us by IREN. DNV is not responsible for any aspect of the nominated assets referred to in this opinion and cannot be held liable if estimates, findings, opinions, or conclusions are incorrect.

Thus, DNV shall not be held liable if any of the information or data provided by IREN's management and used as a basis for this assessment were not correct or complete.

Basis of DNV's opinion

We have adapted our eligibility assessment protocol, which incorporates the requirements of the GBP and SLBP to create an IREN-specific Green Bond and Sustainability-Linked Bond Eligibility Assessment Protocols (henceforth referred to as "Protocol"). Our Protocols include a set of suitable criteria that can be used to underpin DNV's opinion.

As per our Protocol, the GBP-related criteria against the Green Financing Component of the Framework has been reviewed are grouped under the four core Principles:

- **Principle One: Use of Proceeds**
The Use of Proceeds criteria are guided by the requirement that an issuer of a green bond must use the funds raised to finance eligible activities. The eligible activities should produce clear environmental benefits.
- **Principle Two: Process for Project Evaluation and Selection**
The Project Evaluation and Selection criteria are guided by the requirements that an issuer of a green bond should outline the process it follows when determining eligibility of an investment using Green Bond proceeds and outline any impact objectives it will consider.
- **Principle Three: Management of Proceeds**
The Management of Proceeds criteria are guided by the requirements that a green bond should be tracked within the issuing organization, that separate portfolios should be created when necessary and that a declaration of how unallocated funds will be handled should be made.
- **Principle Four: Reporting**
The Reporting criteria are guided by the recommendation that at least Sustainability Reporting to the bond investors should be made of the use of bond proceeds and that quantitative and/or qualitative performance indicators should be used, where feasible.

As per our Protocol, the SLBP-related criteria against which the Sustainability-Linked Financing Component of the Framework has been reviewed are grouped under the five Principles:

- **Principle One: Selection of Key Performance Indicators (KPIs)**
The issuer of a sustainability-linked bond should clearly communicate its overall sustainability objectives, as set out in its sustainability strategy, and how these relate to its proposed Sustainability Performance Targets (SPTs). The KPI should be relevant, core and material to the issuer's core sustainability and business strategy, measurable or quantifiable on a consistent methodological basis, externally verifiable; and able to be benchmarked externally.
- **Principle Two: Calibration of Sustainability Performance Targets (SPTs):**

The SPTs should be ambitious, meaningful and realistic. The target setting should be done in good faith and based on a sustainability improvement in relation to a predetermined performance target benchmark.

- **Principle Three: Bond Characteristics**

The bond will need to include a financial and/or structural impact depending on whether the selected KPIs reach (or not) the predefined SPTs. The bond documentation needs to require the definitions of the KPI(s) and SPT(s) and the potential variation of the SLB's financial and/or structural characteristics. Any fallback mechanisms in case the SPTs cannot be calculated or observed in a satisfactory manner, should be explained.

- **Principle Four: Reporting**

Issuers should publish and keep readily available and easily accessible up to date information on the performance of the selected KPI(s), as well as a verification assurance report outlining the performance against the SPT(s) and the related impact and timing of such impact on the bond's financial and/or structural characteristics, with such information to be provided to investors participating in the bond at least once per annum.

- **Principle Five: Verification (Post-issuance)**

The Issuer should have its performance against its SPTs independently verified by a qualified external reviewer with relevant expertise, such as an auditor, environmental consultant and/or independent ratings agency, at least once a year. The verification of the performance against the SPT(s) should be made publicly available.

Work undertaken

Our work constituted a high-level review of the available information, based on the understanding that this information was provided to us by IREN in good faith. We have not performed an audit or other tests to check the veracity of the information provided to us. The work undertaken to form our opinion included:

- Creation of an IREN-specific Protocols, adapted to the purpose of the Framework, as described above and in Schedule 2 and 4 to this Assessment;
- Assessment of documentary evidence provided by Iren on the Framework and supplemented by a high-level desktop research. These checks refer to current assessment best practices and standards methodology;
- Discussions with IREN management, as well as review of relevant documentation and evidence related to the criteria of the Protocol; and
- Documentation of findings against each element of the criteria.

Our opinion as detailed below is a summary of these findings.

Findings and DNV's opinion

Green Financing Component

As what concerns the Green Financing Component, DNV's findings are listed below, with further details in Schedule 2:

1. Principle One: Use of Proceeds.

IREN plans to use the net proceeds of Green Bond/Loan to finance or re-finance, in whole or in part, a pool of nominated Eligible Projects/Activities qualified under the terms of the Green Bond/Loan Principles. The Framework defines the following eligible project categories:

- Renewable Energy (Hydro, Solar PV, Wind);
- Energy Efficiency (Network development, electricity storage, thermal storage capacity, cogeneration, district heating networks, gas network hydrogenation, buildings energy efficiency, waste-to-energy and waste to chemicals facilities);
- Circular economy (waste urban collection, recycling, treatment);
- Sustainable water and wastewater management (wastewater treatment system upgrades, water distribution network efficiency);
- Clean transportation (electric vehicles, e-mobility).

DNV undertook an analysis of the associated project type to determine the eligibility as "Green" in line with the GBP and GLP. Furthermore respective environmental benefits as reported in the Framework have been object of evaluation.

IREN has provided tables mapping its Eligible Green Categories and the United Nations Sustainable Development Goals ("UN SDGs"). The outlined types of project within each category and associated selection criteria is provided in the Framework in order to determine eligibility.

DNV concludes that the eligible categories outlined in the Framework are consistent with the categories outlined in the GBP and GLP and that expected environmental benefits are clear, precise, relevant, measurable and will be quantified for most of the eligible categories in the reporting.

2. Principle Two: Process for Project Evaluation and Selection.

The Framework describes the process for project evaluation and selection. Potential projects to which proceeds is used under the Framework will be identified and selected by IREN. IREN has set out a procedure for this process including a process of technical assessment, accounting/planning assessment, sustainability assessment, ESG risks identification and mitigation, finance assessment. DNV concludes that Green Financing Component of IREN's SFF appropriately describes the process of project evaluation and selection.

3. Principle Three: Management of Proceeds

According to the Framework, to secure the Green Bond/Loan and the coverage through the bond maturity, the Portfolio of Eligible Projects/Activities will be greater than the booked proceeds. The net proceeds after issue will have to be distributed and invested in Eligible Projects/Activities possibly within 24 months of issue date of the Green Bond/Loan. A look-back period of 36 months applies for Eligible Projects/Activities. The details of the disbursement and the outstanding value will be tracked using IREN's internal financial reporting system.

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/Activities in the extent of possible.

In the event of pending application of the net proceeds toward financing of Eligible Projects/Activities, 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 will disclose the amount equal to the net proceeds not yet allocated to Eligible Projects/Activities. Monitoring activities concerning the allocation of the proceeds will be performed by the Sustainable Financing Committee, at least on a yearly basis, to ensure it meets the GBP/GLP.

DNV has reviewed the evidence presented and can confirm that the proceeds arising from the future issuances will be appropriately managed.

4. Principle Four: Reporting

IREN has confirmed that it will report annually on its website and/or in a dedicated part of the non-financial report the following information:

- ✓ the list of Eligible Projects/Activities refinanced with the net proceeds of the Bond/Loan;
- ✓ information on key performance indicators (KPIs) related to such Eligible Projects/Activities;
- ✓ an update of the allocation of the net proceeds described above

DNV can confirm that IREN's Green Financing Components of the Framework appropriately describes the procedures of reporting in line with GBP and GLP.

Sustainability-Linked Financing Component

DNV's summary findings are listed below, with further detail provided in Schedule 4:

1. Principle One: Selection of Key Performance Indicators (KPIs)

Within the Framework, IREN has identified four material Key Performance Indicators (KPIs) to the business where Iren commits to future sustainability improvements within a predefined timeline (by 2030). The KPIs summarized below are also in alignment with the UN Sustainable Development Goals (SDGs):

- KPI#1 – Scope 1 GHG Emissions generated, divided by the electric energy and heat produced by IREN group (gCO_{2eq}/kWh); aligned with SDG 7 Affordable and Clean Energy and SDG 13 – Climate Action
- KPI#2 – Scope 3 GHG Emissions reduction (tons of CO_{2eq}); aligned with SDG 7 Affordable and Clean Energy and SDG 13 Climate Action
- KPI#3 – Water Leaks (%), ratio of total water leaks volume to total volume entering the aqueduct system in the year; aligned with SDGs 6 Clean Water and Sanitation and SDG 13 Climate Action
- KPI#4 – Waste treated in Group's Material Recovery Plants (kt); aligned with SDG 12 Responsible Consumption and Production and SDG 13 Climate Action.

In summary, power generation carbon intensity is deemed material as its reduction is one of the key measures in the focus area "Decarbonization" of *IREN Group's Business Plan to 2021-2030* (hereinafter "IREN Business Plan@2030") and with the long-term strategy to achieve carbon neutrality by 2040. As a significant producer of electricity and heat, IREN recognizes its responsibility to reduce its carbon intensity by establishing ambitious plans as part of its business strategy. Scope 3 emissions is as well deemed material in connection with Decarbonization strategy and with the impacts in terms of "use of sold products (i.e. natural gas)" and of "other fuel and energy related activities": these scope 3 emissions account for 72% of total Scope 3 emissions. Water Leaks is deemed material being water resources management one of the focus areas of IREN's Business Plan and, more in general, given the growing needs to preserve water, due to the effects of climate change in terms of water depletion.

Core to IREN's Business Plan, and thus substantially material, shall be considered the amount of waste treated in Group's material recovery plants: within the focus area "Circular economy", improvement in the capability of IREN's plant to treat waste is key to determine sound environmental benefits.

Based on the work undertaken, DNV can confirm that the KPIs are material to the company's overarching sustainability strategy. The rationale and process for KPI selection, as well as its definition, measurability and verifiability are clearly defined, presented within the Framework, and are deemed to be robust, reliable and in accordance with the SLBP.

2. Principle Two: Calibration of Sustainability Performance Targets (SPTs).

Within the four KPIs outlined above, IREN has set the following SPTs:

- SPT#1: Reduce carbon intensity of electric energy and heat generated, compared to baseline year 2020, by 4.5% by 2024 (to around 317 g CO_{2eq}/kWh), by 10% by 2026 (to around 298 g CO_{2eq}/kWh) and by 47% by 2030 (to around 176 g CO_{2eq}/kWh)
- SPT#2: Reduce, by 2030 compared to 2020 levels, Scope 3 Emissions related to "Use of sold products" by 25% (to 1,848,491 t CO_{2eq}) and "Fuel and energy related activities" by 13% (to 417,999 t CO_{2eq})
- SPT#3: Reduce water leaks, calculated as ratio of total water leaks volume to total volume entering the aqueduct system in the year, compared to baseline year 2020, by 10% by 2024 (to a ratio of 30.1%), by 20% by 2026 (to a ratio of 26.5%) and by 39% by 2030 (to a ratio of 20.0%)
- SPT#4: Increase the quantity of waste treated in Group's material recovery plants, compared to 2020 levels, by 3 times by 2024 (to 1,490 kt), by 3.4 times by 2026 (to 1,670 kt) and by 4.7 times by 2030 (to 2,310 kt).

SPT#1 is aligned with IREN's long-term objective to achieve carbon neutrality by 2040; in particular, the performance target, set with target year 2030, can be confirmed as SBTi approved – well below 2°C scenario which also applies to SPT#2, concerning reduction of Scope 3 emissions connected with Use of sold products (i.e. natural gas) and other fuel and energy related activities: the performance target is well established in the context of IREN's green transition strategy. SPT#3 set IREN's ambitiousness in the context of sustainable water management well above current levels (i.e. "business as usual" trajectory) and far better than the Italian average ratio of network water leakages.

SPT#4 is consistent with the Circular Economy focus of IREN's Business Plan, covering measures in both sorted waste collection and waste treatment and recycling, leading to substantial improvements compared to the business as usual. First two SPTs are science-based with clear calculation methodologies and the entire set of SPTs stands over IREN's previous three-year historic performance as outlined within the Framework.

All SPTs have a defined baseline 2020 and a target year set as 2030 both clearly presented in the Framework.

DNV can also confirm they are leading targets when compared to IREN's peers.

DNV reviewed the evidence demonstrating the above "Business as Usual" trajectory. DNV also reviewed the credibility of IREN's strategies to achieve the SPTs and can conclude that the evidence provided demonstrates IREN has clear roadmaps to meeting the four SPTs outlined in the Framework.

Based on the work undertaken, DNV can confirm that the SPTs represent a material improvement in the respective KPIs and are beyond a "Business as Usual" trajectory, are consistent with IREN's overall strategic sustainability strategy, set on a predefined timeline and refer to science in line with the SLBP.

3. Principle Three: Bond Characteristics.

DNV can confirm the failure by IREN to satisfy SPT#1, SPT#2, SPT#3 or SPT#4, on a set of Observation Dates will trigger a step-up margin or margin adjustment, as applicable. IREN has confirmed the reference date, step-up margin, or margin adjustment will be specified in the relevant documentation of the specific transaction (i.e. Final Terms of the Sustainability Linked Bond/Loan). DNV can confirm IREN's commitment to the bond characteristics is in line with the requirements of the SLBP and SLLP.

4. Principle Four: Reporting.

IREN has committed to reporting annual progress against the KPIs within its sustainability report which is verified externally and available on IREN's website. The reporting may include:

- Up-to-date information on the performance of the selected KPIs, including the baseline where relevant;
- Up-to-date information on Company's performance against the SPTs and the related impact, and timing of such impact, on any financial instrument performance;
- Any relevant information enabling investors to monitor the progress of the SPTs;
- A verification assurance report relative to the reporting including the above points.

Information may also include when feasible and possible:

- Qualitative or quantitative explanations of the contribution of the main factors behind the evolution of the performance/KPI on an annual basis,
- Illustration of the positive sustainability impacts of the performance improvement, and/or
- Any re-assessments of KPIs and/or restatement of the SPT and/or pro-forma adjustments of baselines or KPI scope, if relevant.

DNV can confirm IREN's commitment to reporting is in line with the requirements of the SLBP and SLLP.



5. Principle Five: Verification.

IREN commits to reporting all KPIs on an annual basis as part of IREN's annual report/Non-Financial Disclosure, which is verified by external auditors and available on IREN's website. A verification/assurance statement confirming whether the performance of the KPI meets the relevant SPT will also be published on IREN's website following a relevant target observation date.

DNV can confirm IREN's commitment to verification is in line with the requirements of the SLBP and SLLP.

for DNV Business Assurance Italy S.r.l.
Vimercate, 24 March 2022


A handwritten signature in blue ink that reads "Riccardo Arena".


Riccardo Arena
Lead Assessor




A handwritten signature in blue ink that reads "Mark Robinson".

Mark Robinson
Technical Reviewer

Schedule 1: Description of categories to be financed or refinanced through IREN’s Green Financing transactions

Eligible green category	Eligible Projects/Activities	Eligibility Criteria	Environmental benefits	Contribution to UN-SDGs
<p>RENEWABLE ENERGY</p>	<ul style="list-style-type: none"> ○ Hydroelectric power electricity generation ○ Solar Photovoltaic electricity generation ○ Wind power electricity generation 	<ul style="list-style-type: none"> ○ Projects and assets associated with the generation of electrical energy through Solar PV or wind equipment, ○ Hydropower electricity generating facility with a power density above 5 W/m2 or under 10MW or run-of-river electricity generation facility without artificial reservoir 	<p>Contribution to climate change mitigation</p> <ul style="list-style-type: none"> ○ Reduction of greenhouse gas emissions ○ Increase generation and transmission of electricity from renewable energy 	

<p style="text-align: center;">ENERGY EFFICIENCY</p>	<ul style="list-style-type: none"> ○ Energy network development ○ Electricity storage ○ Thermal storage capacity ○ Cogeneration facilities ○ District heating networks ○ Gas network hydrogenation ○ Building's energy efficiency ○ Waste to Energy facilities ○ Waste-to-chemical facilities 	<ul style="list-style-type: none"> ○ Projects and assets critical to the distribution and transmission of electrical energy related to the interconnected European system. ○ Development of electricity or thermal storage capacity with a focus on technological innovation to promote decarbonization ○ The production achieves primary energy savings of at least 10% compared with the references to separate production of heat and electricity ○ Heating or cooling system using at least 50 % renewable energy, 50 % waste heat, 75 % cogenerated heat or 50 % of a combination of such energy and heat ○ Conversion/retrofitting of gas distribution networks to reduce the methane leakages and enable the integration of hydrogen and other low-carbon gases, totally or in blend, in the network ○ Energy efficiency measures aimed at improving the efficiency such as (but not limited to): <ul style="list-style-type: none"> ✓ replacement of existing windows and doors with new energy efficient windows ✓ installation and replacement of energy efficient light sources ✓ installation, replacement, maintenance and repair of heating, ventilation and air-conditioning (HVAC) and water heating systems ✓ addition of insulation to existing envelope components, such as external walls, roofs, lofts, basements and ground floors and products for the application of the insulation to the building envelope ○ Installation, maintenance and repair of renewable energy technologies, on-site, such as (but not limited to): <ul style="list-style-type: none"> ✓ solar photovoltaic systems and the ancillary technical equipment; ✓ solar hot water panels and the ancillary technical equipment; ✓ heat pumps ○ Waste-to-Energy Projects with materials recovery and recycling prior to incineration and acceptable levels of efficiency (energy production and district heating) ($R1 \geq 0.65$) and a minimum energy efficiency of 25% ○ Waste-to-Chemical plants to produce hydrogen and methanol from waste treatment 	<p style="text-align: center;">Contribution to climate change mitigation</p> <ul style="list-style-type: none"> ○ Reduction of greenhouse gas emissions ○ Improving energy efficiency ○ Increase storage of renewable energy 	
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<p>CIRCULAR ECONOMY</p>	<ul style="list-style-type: none"> ○ Waste urban collection ○ Waste urban recycling ○ Waste Urban treatment 	<ul style="list-style-type: none"> ○ Projects related to separately collected and transported non-hazardous waste that is segregated at source and intended for preparation for reuse or recycling operations ○ Projects related to development of recovery and recycling facilities of paper, cardboard, wood, plastic and other type of waste to be used as secondary raw materials ○ Projects related to biowaste recovery to produce compost and biomethane to be used directly for the generation of electricity or heat, or for injection in the natural gas grid, or as vehicle fuel 	<p>Contribution to transition to circular economy</p> <ul style="list-style-type: none"> ○ Waste prevention, re-use and recycling 	
<p>SUSTAINABLE WATER AND WASTEWATER MANAGEMENT</p>	<ul style="list-style-type: none"> ○ Wastewater treatment system upgrades ○ Water distribution network efficiency 	<ul style="list-style-type: none"> ○ Capacity improvements to wastewater treatment facilities to handle loads higher than baseline performance in term of population equivalent (p.e.) ○ Projects related to construction, extension, maintenance, and operation of water supply systems to reduce water leakages to 20% by 2030 	<p>Contribution to sustainable use of water resources</p> <ul style="list-style-type: none"> ○ Improving water management and efficiency 	
<p>CLEAN TRANSPORTATION</p>	<ul style="list-style-type: none"> ○ Electric Vehicles ○ E-mobility 	<ul style="list-style-type: none"> ○ Zero direct tailpipe CO₂ emissions electric vehicles and dedicated electric recharging stations 	<p>Contribution to climate change mitigation</p> <ul style="list-style-type: none"> ○ Increasing clean or climate-neutral mobility 	

Schedule 2: Green Financing Component - Eligibility Assessment Protocol

1. Use of proceeds

Ref.	Criteria	Requirements	Work Undertaken	DNV Findings
1a	Type of bond / loan	The bond must fall in one of the following categories, as defined by the Green Bond Principles: <ul style="list-style-type: none"> Green Use of Proceeds Bond Green Use of Proceeds Revenue Bond Green Project Bond Green Securitized Bond Loan instrument made available exclusively for Green project (Green use of loan proceeds) 	Review of: <ul style="list-style-type: none"> IREN Business Plan@2030 IREN Sustainable Financing Framework (March 2022) 	The reviewed evidence confirms that the bond/loan fall in the category: Green Use of Bond/Loan proceeds. The specific type of Green Financing transaction will need to be further assessed on an individual basis.
1b	Green Project Categories	The cornerstone of Green Bond/Loan is the utilization of the proceeds of the bond or the loan which should be appropriately described in the legal documentation for the security.	Review of: <ul style="list-style-type: none"> IREN Business Plan@2030 IREN Sustainable Financing Framework (March 2022) 	As specified in the Framework, the net proceeds of Green Bond/Loan will finance or refinance, in whole or in part, a pool of nominated Eligible Projects/Activities qualified under the terms of the Green Bond/Loan Principles. DNV's assessment concluded that the project categories are aligned with the Green Projects categories defined in the Green Bond Principles 2021. DNV is of the opinion that eligible category outlined in the Framework (see also Schedule 1) also contributes to the achievement of the UN SDGs.
1c	Environmental benefits	All designated Green Project categories should provide clear environmentally sustainable benefits, which, where feasible, will be quantified or assessed by the Issuer.	Review of: <ul style="list-style-type: none"> IREN Business Plan@2030 IREN Sustainable Financing Framework (March 2022) Discussions with IREN management	The presented green project categories are aligned with GBP and GLP and detailed explanations are provided in the Green Financing Component of the Framework, in the section "Use of Proceeds" DNV's assessment concluded that environmental benefits are clear, precise, relevant, measurable and will be quantified for most of the eligible categories in the reporting.
1d	Refinancing share	In the event that a proportion of the proceeds may be used for refinancing, it is	Review of: <ul style="list-style-type: none"> IREN Business Plan@2030 	In the Framework, it is clearly indicated that the net proceeds will be used to finance or refinance, in whole or in

Ref.	Criteria	Requirements	Work Undertaken	DNV Findings
		recommended that issuers provide an estimate of the share of financing vs. re-financing, and where appropriate, also clarify which investments or project portfolios may be refinanced.	<ul style="list-style-type: none"> IREN Sustainable Financing Framework (March 2022) <p>Discussions with IREN management</p>	part, a pool of nominated Eligible Projects/Activities qualified under the terms of the Green Bond/Loan Principles.

2. Process for Project Selection and Evaluation

Ref.	Criteria	Requirements	Work Undertaken	DNV Findings
2a	Investment-decision process	<p>The Issuer of a Green Bond and Loan should outline the decision-making process it follows to determine the eligibility of projects using Green Bond and Loan proceeds. This includes, without limitation:</p> <ul style="list-style-type: none"> A process to determine how the projects fit within the eligible Green Projects categories identified in the GBP and GLP; The criteria making the projects eligible for using the Green Bond and Loan proceeds; and <p>The environmental sustainability objectives</p>	<p>Review of:</p> <ul style="list-style-type: none"> IREN Business Plan@2030 IREN Sustainable Financing Framework (March 2022) <p>Discussions with IREN management</p>	<p>As per the Framework, IREN will designate the projects that meet the criteria of GBP and GLP.</p> <p>The decision-making process to determine the eligibility of projects is well explained in the Framework and involve the Sustainable Financing Committee acting as key internal stakeholder. The process for projects evaluation and selection involves:</p> <ul style="list-style-type: none"> ✓ a technical assessment ✓ accounting/planning assessment ✓ sustainability assessment ✓ ESG risk identification and mitigation ✓ Finance assessment <p>DNV concludes that IREN has defined a robust and relevant process for the projects evaluation and selection and that the same is transparently described in the Framework.</p>
2b	Issuer / borrower's environmental and social and governance framework	In addition to information disclosed by an issuer on its Green Bond/Loan process, criteria and assurances, Green Bond and Loan investors may also take into consideration the quality of the issuer's overall framework and performance regarding environmental sustainability.	<p>Review of:</p> <ul style="list-style-type: none"> IREN Sustainability Report 2020 IREN Business Plan@2030 IREN Sustainable Financing Framework (March 2022) 	<p>DNV reviewed the IREN Sustainability Strategy and Governance, as per respective publicly available information in addition to the Sustainable Financing Framework.</p> <p>IREN's Sustainability Strategy, as presented in IREN's Strategic Plan to 2030, outlines a strategy based on three strategic pillars, which undoubtedly set the scene for the Green Financing transactions:</p> <ul style="list-style-type: none"> ✓ Ecological Transition

Ref.	Criteria	Requirements	Work Undertaken	DNV Findings
			Discussions with IREN management	<ul style="list-style-type: none"> ✓ Territoriality ✓ Service Quality <p>Sustainability Strategy and Governance are also disclosed in IREN's Sustainability Report, prepared according to GRI Guidelines and subject to external review. DNV concludes that the overall sustainability strategy is well documented both in the Framework and in publicly available and easily accessible documentation.</p>

3. Management of proceeds









Ref.	Criteria	Requirements	Work Undertaken	DNV Findings
3a	Tracking procedure	<p>The net proceeds of Green Bond should be credited to a sub-account, moved to a sub-portfolio or otherwise tracked by the Issuer in an appropriate manner and attested to by a formal internal process that will be linked to the Issuer's lending and investment operations for Green/Social Projects.</p> <p>The proceeds of a Green Loan should be credited to a dedicated account or otherwise tracked by the borrower in an appropriate manner, so as to maintain transparency and promote the integrity of the product. Where a green loan takes the form of one or more tranches of a loan facility, each green tranche(s) must be clearly designated, with proceeds of the green tranche(s) credited to a separate account or tracked by the borrower in an appropriate manner.</p>	<p>Review of:</p> <ul style="list-style-type: none"> • IREN Business Plan@2030 • IREN Sustainable Financing Framework (March 2022) <p>Discussions with IREN management</p>	<p>The evidence reviewed shows how IREN plans to trace the net proceeds of the Green Financing transactions, from the time of issuance to the time of disbursement.</p> <p>According to the Framework, the details of the disbursement and the outstanding value will be tracked using IREN's internal financial reporting system.</p>

Ref.	Criteria	Requirements	Work Undertaken	DNV Findings
3b	Tracking procedure	So long as the Green Bond/Loan is outstanding, the balance of the tracked proceeds should be periodically reduced by amounts matching eligible green investments or loan disbursements made during that period.	Review of: <ul style="list-style-type: none"> • IREN Sustainable Financing Framework (March 2022) Discussions with IREN management	The evidence reviewed shows that IREN plans to trace the proceeds from the Green Financing transaction, from the time of issuance to the time of disbursement. As specified in the Framework, until full allocation, on each reporting date, IREN will disclose the amount equal to the net proceeds not yet allocated to eligible projects/activities.
3c	Temporary holdings	Pending such investments or disbursements to eligible Green Projects, the issuer should make known to investors the intended types of temporary investment instruments for the balance of unallocated proceeds.	Review of: <ul style="list-style-type: none"> • IREN Sustainable Financing Framework (March 2022) Discussions with IREN management	The Framework specifies that in the event of pending application of the net proceeds toward financing of Eligible Projects/Activities, IREN will hold such amounts, at its discretion, in cash or other liquid marketable instruments in its liquidity portfolio.

4. Reporting

Ref.	Criteria	Requirements	Work Undertaken	DNV Findings
4a	Periodical reporting	<p>Borrowers should make and keep readily available up to date information on the use of proceeds to be renewed annually until fully drawn, and as necessary thereafter in the event of material developments. This should include a list of the Green projects to which the Green Bond/Loan proceeds have been allocated and a brief description of the projects and the amounts allocated and their expected impact. Where confidentiality agreements, competitive considerations, or a large number of underlying projects limit the amount of detail that can be made available, the information is presented in generic terms or on an aggregated project portfolio basis.</p> <p>In addition to reporting on the use of proceeds and the temporary investment of unallocated proceeds, Issuers should provide at least annually a list of projects to which Green Bond/Loan proceeds have been allocated including - when possible with regards to confidentiality and/or competitive considerations - a brief description of the projects and the amounts disbursed, as well as the expected environmentally sustainable impact</p>	<p>Review of:</p> <ul style="list-style-type: none"> IREN Sustainable Financing Framework (March 2022) <p>Discussions with IREN management</p>	<p>IREN has confirmed that, as specified in the Framework, it will report annually on its website and/or in a dedicated part of the Sustainability Report the following information:</p> <ul style="list-style-type: none"> ✓ the list of Eligible Projects/Activities refinanced with the net proceeds of the Bond/Loan; ✓ information on key performance indicators (KPIs) related to such Eligible Projects/Activities; ✓ an update of the allocation of the net proceeds. <p>IREN will establish a register of all eligible projects/activities, including respective impact indicators to track environmental contribution of eligible projects/activities.</p> <p>An external verifier will be appointed to provide an independent opinion as to whether established criteria have been met.</p>

Schedule 3: Description of IREN’s Key Performance Indicators (KPI) Sustainability Performance Targets (SPTs)

KPI	SUSTAINABILITY PERFORMANCE TARGET(S)	SDG ALIGNEMENT
Carbon intensity of electric energy and heat produced	Reduce carbon intensity of electric energy and heat generated, compared to baseline year 2020, by 4.5% by 2024 (to around 317 g CO _{2eq} /kWh), by 10% by 2026 (to around 298 g CO _{2eq} /kWh) and by 47% by 2030 (to around 176 g CO _{2eq} /kWh)	 
Scope 3 GHG emissions reductions	Reduce, by 2030 compared to 2020 levels, Scope 3 Emissions related to “Use of sold products” by 25% (to 1,848,491 t CO _{2eq}) and “Fuel and energy related activities” by 13% (to 417,999 t CO _{2eq})	 
Water leaks	Reduce water leaks (%), calculated as ratio of total water leaks volume to total volume entering the aqueduct system in the year, compared to baseline year 2020, by 10% by 2024 (to a ratio of 30.1%), by 20% by 2026 (to a ratio of 26.5%) and by 39% by 2030 (to a ratio of 20.0%)	 
Waste treated in Group’s material recovery plants	Increase the quantity of waste treated in Group’s material recovery plants, compared to 2020 levels, by 3 times by 2024 (to 1,490 kt), by 3.4 times by 2026 (to 1,670 kt) and by 4.7 times by 2030 (to 2,310 kt).	 

Schedule 4: Sustainability-Linked Component - Eligibility Assessment Protocol

1. Selection of Key Performance Indicators (KPIs)

Ref.	Criteria	Requirements	Work Undertaken	DNV Findings
1a	KPI – material to core sustainability and business strategy	<p>The issuer's sustainability performance is measured using sustainability KPIs that can be external or internal.</p> <p>The KPIs should be material to the issuer's core sustainability and business strategy and address relevant environmental, social and/or governance challenges of the industry sector and be under management's control. The KPI should be of high strategic significance to the issuer's current and/or future operations.</p> <p>It is recommended that issuers communicate clearly to investors the rationale and process according to which the KPI(s) have been selected and how the KPI(s) fit into their sustainability strategy.</p>	<p>Review of:</p> <ul style="list-style-type: none"> • IREN Business Plan@2030 • IREN Sustainable Financing Framework (March 2022) • IREN Sustainable Financing Framework: KPIs identification and SPTs calibration (February 2022) • IREN Sustainability Report 2020 	<p>IREN has set four KPI's that are material to the business and are aligned to IREN's commitment to decarbonization and circular economy.</p> <ul style="list-style-type: none"> • KPI#1 – Scope 1 GHG Emissions Intensity (g CO_{2eq}/kWh) is deemed material as its reduction is one of the key measures in the focus area “Decarbonization” also in the context of the long-term strategy to achieve carbon neutrality by 2040. • KPI#2 – Scope 3 GHG Emissions (tCO_{2eq}), is deemed material in connection with Decarbonization strategy and with the impacts in terms of “use of sold products (i.e. natural gas)” and of “other fuel and energy related activities”. It shall be noted that these scope 3 emissions account for 72% of total Scope 3 emissions. • KPI#3 – Water Leaks (%) is deemed material considering that water resources management is one of the focus areas of IREN's Business Plan and, more in general, given the growing needs to preserve water, due to the effects of climate change in terms of water depletion. • KPI#4 – Waste treated in Group's material recovery plants (kt); the KPI shall be considered as substantially material, belonging to one of the core focus areas of IREN's Business Plan: within the focus area “Circular economy”, improvement in the capability of IREN's plants to recover waste is key to determine sound environmental benefits. <p>In summary, we can conclude that the KPIs set by IREN are consistent with the SLBP and are core & material to the company's overarching sustainability strategy; furthermore, the same are strongly connected with IREN's Business strategy in a</p>

Ref.	Criteria	Requirements	Work Undertaken	DNV Findings
				way that each of them belongs to one specific focus area of IREN's Business Plan 2030.
1b	KPI - Measurability	<p>KPIs should be measurable or quantifiable on a consistent methodological basis; externally verifiable; and able to be benchmarked, i.e. as much as possible using an external reference or definitions to facilitate the assessment of the SPTs level of ambition.</p> <p>Issuers are encouraged, when possible, to select KPI(s) that they have already included in their previous annual reports, sustainability reports or other non-financial reporting disclosures to allow investors to evaluate historical performance of the KPIs selected.</p> <p>In situations where the KPIs have not been previously disclosed, issuers should, to the extent possible, provide historical externally verified KPI values covering at least the previous 3 years.</p>	<p>Review of:</p> <ul style="list-style-type: none"> IREN Business Plan@2030 IREN Sustainable Financing Framework (March 2022) IREN Sustainable Financing Framework: KPIs identification and SPTs calibration (February 2022) IREN Sustainability Report 2020 	<p>After reviewing the evidence, DNV can confirm the KPIs chosen by IREN are measurable, quantifiable, stretching and have clear observation dates for respective SPTs (years 2024, 2026, 2030) in place.</p> <p>From the documents assessed we can confirm:</p> <ul style="list-style-type: none"> there is historical data in place for each KPI over three years period 2018-2019-2020; each KPI is externally verifiable against international or national reporting standards and frameworks (GHG Protocol for KPI#1 and KPI#2, technical regulations by Italian Regulatory Authority for Energy, Networks and Environment ARERA for KPI#3 and Italian normative for monitoring waste management, treatment and recovery); the KPIs are benchmarkable with relevant peers, which facilitate the assessment of the level of ambitious in SPTs setting. <p>DNV can confirm that the measurability of the four KPI's are clearly defined and that there is historical data in place. Information of this is published in the annual sustainability report.</p>
1c	KPI – Clear definition	A clear definition of the KPI(s) should be provided and include the applicable scope or perimeter as well as the calculation methodology	<p>Review of:</p> <ul style="list-style-type: none"> IREN Business Plan@2030 IREN Sustainable Financing Framework (March 2022) IREN Sustainable Financing Framework: KPIs identification and SPTs calibration (February 2022) IREN Sustainability Report 2020 	<p>IREN has provided and included the applicable scope, parameters and calculation methodology as required under the SLB principles for each of the four KPIs:</p> <ul style="list-style-type: none"> KPI#1: Scope 1 GHG Emissions intensity: <ul style="list-style-type: none"> gCO_{2eq}/kWh Scope 1 GHG Emissions generated from power plants divided by the electric energy and heat produced by IREN KPI#2: Scope 3 GHG Emissions: <ul style="list-style-type: none"> tCO_{2eq} 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

Ref.	Criteria	Requirements	Work Undertaken	DNV Findings
				<p style="text-align: right;">dioxide equivalent</p> <ul style="list-style-type: none"> • KPI#3: Water leaks: <ul style="list-style-type: none"> ○ % ○ Ratio of total real water leaks volume to total volume entering the aqueduct system in the year • KPI#4: Waste treated in Group's material recovery plants <ul style="list-style-type: none"> ○ kt ○ Quantity of waste treated in Group's material recovery plants <p>DNV can confirm that the scope, parameters, and calculation methodology for the KPIs are clearly defined within the Framework.</p>

2. Calibration of Sustainability Performance Targets (SPTs)

Ref.	Criteria	Requirements	Work Undertaken	DNV Findings
2a	Target Setting - Meaningful	The SPTs should be ambitious, realistic and meaningful to the issuer's business and be consistent with the issuers' overall strategic sustainability/ESG strategy	Review of: <ul style="list-style-type: none"> • IREN Business Plan@2030 • IREN Sustainable Financing Framework (March 2022) • IREN Sustainable Financing Framework: KPIs identification and SPTs calibration (February 2022) • IREN Sustainability Report 2020 • Science Based Target Initiative Approval Certificate IREN-ITA-001-OFF • Science Based Target Initiative (website / guidance) 	<p>The selected KPI's outlined in 1a are aligned with the following SPTs, and will help IREN on its commitments towards the ecological transition:</p> <ul style="list-style-type: none"> • SPT#1: Reduce carbon intensity of electric energy and heat generated, compared to baseline year 2020, by 4.5% by 2024 (to around 317 g CO_{2eq}/kWh), by 10% by 2026 (to around 298 g CO_{2eq}/kWh) and by 47% by 2030 (to around 176 g CO_{2eq}/kWh) • SPT#2: Reduce Scope 3 Emissions related to "Use of sold products" by 25% and "Fuel and energy related activities" by 13% by 2030 compared to 2020 levels, thus respectively to 1,848,491 tCO_{2eq} and 417,999 tCO_{2eq} • SPT#3: Reduce water leaks, calculated as ratio of total water leaks volume to total volume entering the aqueduct system in the year, compared to baseline year 2020, by 10% by 2024 (to a ratio of 30.1%), by 20% by 2026 (to a ratio of 26.5%) and by 39% by 2030 (to a ratio of 20.0%) • SPT#4: Increase the quantity of waste treated in Group's material recovery plants, compared to 2020 levels, by 3 times by 2024 (to 1,490 kt), by 3.4 times by 2026 (to 1,670 kt) and by 4.7 times by 2030 (to 2,310 kt). <p>The four SPTs set are meaningful as they address key environmental challenges faced by the energy and utilities sectors in Italy to transition to a low carbon and circular economy by the year-2030:</p> <ul style="list-style-type: none"> • SPT 1 is aligned with IREN's long-term decarbonization plan. This target is set as part of IREN's stretching carbon targets and it has been defined in accordance with the SBTi in the "well below 2°C scenario". • SPT 2 supports IREN's overall decarbonization strategy and has been defined in accordance with the SBTi in the "well below 2°C scenario". <p>Both SPT1 and SPT2 ensures IREN is firmly aligned with a carbon</p>

Ref.	Criteria	Requirements	Work Undertaken	DNV Findings
				<p>reduction pathway required to meet the objectives of the Paris agreement and well below 2°C pathway: both targets have been officially approved by SBTi.</p> <ul style="list-style-type: none"> • SPT 3 has been set to ensure substantial progresses will be made in sustainable water use, given the capillary presence of IREN as aqueduct operator in the served areas. • SPT 4 is undoubtedly central in the context of IREN's strategy towards a multi-circular economy and has been set to reach ambitious but credible performances in waste recovering with a key role of plastic materials. <p>DNV reviewed the credibility of IREN's strategies to achieve the SPTs and can conclude that the evidence provided demonstrates IREN has clear roadmaps to meeting the three SPTs.</p> <p>DNV also notes that IREN has an internal review process in place. The targets set for each SPT are to be recalculated as needed, to reflect significant changes that would otherwise compromise the target's relevance.</p> <p>DNV can confirm that the four SPTs are consistent with IREN's overall strategic sustainability strategy.</p>
2b	Target Setting - Material	SPTs should represent a material improvement in the respective KPIs and be beyond a "Business as Usual" trajectory; where possible be compared to a benchmark or an external reference and be determined on a predefined timeline, set before (or concurrently with) the issuance of the bond.	<p>Review of:</p> <ul style="list-style-type: none"> • IREN Business Plan@2030 • IREN Sustainable Financing Framework (March 2022) • IREN Sustainable Financing Framework: KPIs identification and SPTs calibration (February 2022) • IREN Sustainability Report 2020 	<p>After reviewing the evidence, DNV can confirm that the four SPTs represent a material improvement in the respective KPIs. We can confirm that all four SPTs are science-based with clear calculation methodologies and with three-year historic performance, as outlined within the Framework.</p> <p>DNV can also confirm they are leading targets when compared to IREN's peers. Also, based on the evidence reviewed including management discussions around possible interventions, DNV can confirm all four SPTs are beyond "Business as Usual" trajectory.</p>

Ref.	Criteria	Requirements	Work Undertaken	DNV Findings
2c	Target Setting – benchmarks	<p>The target setting exercise should be based on a combination of benchmarking approaches:</p> <ol style="list-style-type: none"> 1. The issuer’s own performance over time for which a minimum of 3 years, where feasible, of measurement track record on the selected KPI(s) is recommended and when possible forward-looking guidance on the KPI 2. The SPTs relative positioning versus the issuer’s peers where comparable or available, or versus industry or sector standards <p>Systematic reference to science-based scenarios, or absolute levels (e.g. carbon budgets) or official country/regional/international targets or to recognized Best-Available-Technologies or other proxies.</p>	<p>Review of:</p> <ul style="list-style-type: none"> • IREN Business Plan @2030 • IREN Sustainable Financing Framework (March 2022) • IREN Sustainable Financing Framework: KPIs identification and SPTs calibration (February 2022) <p>Peer Analysis</p>	<p>DNV can confirm that the Framework reports on three-years of historical performance for each SPT.</p> <p>DNV can also confirm they are leading targets when compared to IREN’s peers.</p>

Ref.	Criteria	Requirements	Work Undertaken	DNV Findings
2d	Target setting – disclosures	<p>Disclosures on target setting should make clear reference to:</p> <ol style="list-style-type: none"> 1. The timelines of target achievement, the trigger event(s), and the frequency of SPTs 2. Where relevant, the verified baseline or reference point selected for improvement of KPIs as well as the rationale for that baseline or reference point to be used 3. Where relevant, in what situations recalculations or pro-forma adjustments of baselines will take place <p>Where possible and taking into account competition and confidentiality considerations, how the issuers intend to reach such SPTs.</p>	<p>Review of:</p> <ul style="list-style-type: none"> • IREN Business Plan@2030 • IREN Sustainable Financing Framework (March 2022) • IREN Sustainable Financing Framework: KPIs identification and SPTs calibration (February 2022) • IREN Sustainability Report 2020 	<p>DNV can confirm that the relevant disclosures on target setting are described within the Framework with a predefined timeline that aligns with science:</p> <ul style="list-style-type: none"> • Timeline to achieve target is clearly referenced as the year-2030 for all four KPIs • Baseline is defined as 2020 year for all four KPIs • Scope 1 and Scope 3 targets have been defined in compliance with SBTi “well below 2°C scenario” and approved by SBTi accordingly. • IREN outlines its interim observation dates set for the years 2024, 2026 with the only exception of Scope 3 target, not presenting an interim observation date • Re-calculations, if needed, will take place to be in line with best science and the calculation methodology will be outlined. <p>DNV can confirm that all four SPTs are science-based with clear calculation methodologies, three-year historic performance has been outlined within the Framework, and they are set on a predefined timeline (baseline year of 2020 and target year of 2030).</p>

3. Bond Characteristics

Ref.	Criteria	Requirements	Work Undertaken	DNV Findings
3a	Bond/Loan Characteristics – SPT Financial/structural impact	The SLB will need to include a financial and/or structural impact involving trigger event(s) based on whether the KPI(s) reach the predefined SPT(s).	Review of: <ul style="list-style-type: none"> • IREN Sustainable Financing Framework (March 2022) • IREN Sustainable Financing Framework: KPIs identification and SPTs calibration (February 2022) 	<p>We have reviewed the relevant documents and Framework and can confirm that the failure of IREN to satisfy SPT 1, SPT 2, SPT3 or SPT4, at the observation date, will trigger an increase in the coupon of the notes or a margin adjustment of the interest rate for other Sustainability-Linked financing instruments (loans, Revolving Credit Facilities, etc.).</p> <p>The Increase amount in the coupon or the margin adjustment will be specified in the documentation of the Sustainability-Linked Finance Instruments payable from the first coupon payment date following the target observation date until maturity or at the point of maturity as specified in the documentation.</p> <p>DNV can confirm that the inclusion of trigger event(s) under the Framework is in line with the requirements outlined by SLBP and SLLP.</p>
3b	Bond/Loan Characteristics – Fallback mechanism	Any fallback mechanisms in case the SPTs cannot be calculated or observed in a satisfactory manner should be explained. Issuers may also consider including, where needed, language in the bond documentation to take into consideration potential exceptional events	Review of: <ul style="list-style-type: none"> • IREN Sustainable Financing Framework (March 2022) • IREN Sustainable Financing Framework: KPIs identification and SPTs calibration (February 2022) 	<p>If, for any reason, the performance level against the SPT cannot be calculated or observed, or not in a satisfactory manner (non-satisfactory manner to be understood as a verification assurance certificate provided by the independent auditor containing a reservation or the independent auditor not being in the position to provide such certificate), the change in the financial and/or structural characteristics of the notes (as defined in 3a) will be applicable.</p> <p>DNV confirms this is in line with relevant requirements outlined by SLBP and SLLP.</p>

4. Reporting commitments

Ref.	Criteria	Requirements	Work Undertaken	DNV Findings
4a	Reporting	<p>Issuers of SLBs / borrowers should publish*, and keep readily available and easily accessible:</p> <ol style="list-style-type: none"> 1. Up-to-date information on the performance of the selected KPI(s), including baselines where relevant 2. A verification assurance report relative to the SPT outlining the performance against the SPTs and the related impact, and timing of such impact, on the bond's financial and/or structural characteristics 3. Any information enabling investors to monitor the level of ambition of the SPTs <p>This reporting should be published regularly, at least annually, and in any case for any date/period relevant for assessing the SPT performance leading to a potential adjustment of the SLB's financial and/or structural characteristics.</p> <p>*In the case of Loans, however, a borrower may choose to share this information privately with the lenders (rather than making this publicly available). Borrowers are also encouraged to provide details of any underlying methodology of SPT calculations and/or assumptions when reporting to lenders and/or publicly</p>	<p>Review of:</p> <ul style="list-style-type: none"> • IREN Business Plan@2030 • IREN Sustainable Financing Framework (March 2022) • IREN Sustainable Financing Framework: KPIs identification and SPTs calibration (February 2022) • IREN Sustainability Report 2020 	<p>We can confirm that IREN has committed to annual public reporting against the KPIs within its Sustainability Report/annual report and/or on its website.</p> <p>Reporting may include:</p> <ol style="list-style-type: none"> 1. Up-to-date information on the performance of the selected KPIs, including the baseline where relevant; 2. Up-to-date information on Company's performance against the SPTs and the related impact, and timing of such impact, on any financial instrument performance; 3. Any relevant information enabling investors to monitor the progress of the SPTs; 4. A verification assurance report relative to the reporting including the above points; and <p>Information may also include when reasonably feasible and available:</p> <ol style="list-style-type: none"> 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; and/or 3. Any re-assessments of KPIs and/or restatement of the SPTs and/or pro-forma adjustments of baselines or KPI scope, if relevant. <p>DNV can confirm IREN's commitment to reporting is in line with the requirements of the SLBP and SLLP.</p>
4b	Second party opinion	<p>Publication of any pre-issuance external review, such as a second party opinion, or if relevant a verification of baselines</p>	<p>Review of:</p> <ul style="list-style-type: none"> • IREN Sustainable Financing Framework (March 2022) 	<p>IREN has committed to conducting a second party opinion on the Framework, meeting the SLBP and SLLP. This includes an assessment of the KPIs selected, benchmark and baselines selected, and the credibility of the strategy to achieve them.</p>



5. Verification

Ref.	Criteria	Requirements	Work Undertaken	DNV Findings
5a	External verification	Issuers should have its performance against each SPT for each KPI independently verified by a qualified external reviewer with relevant expertise, at least once a year, and for each SPT trigger event	Review of: <ul style="list-style-type: none"> • IREN Business Plan@2030 • IREN Sustainable Financing Framework (March 2022) • IREN Sustainable Financing Framework: KPIs identification and SPTs calibration (February 2022) 	IREN has committed to providing up to date information on all four KPIs performance an annual basis, disclosing information in its annual report/sustainability report. The data that IREN presents is also verified on an annual basis by external auditors as part of assurance process of the Sustainability Report. We can confirm that IREN publishes a verification/assurance certificate, accessible on IREN's corporate website, that confirms whether the performance of the KPI's meet the relevant SPTs. DNV can confirm IREN's commitment to verification is in line with the requirements of the SLBP and SLLP.