Integrated Annual Report 2025

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Introduction

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Corporate officers

Board of Directors [1]	
Chairperson	Luca Dal Fabbro [2]
Deputy Chairperson	Moris Ferretti [3]
Chief Executive Officer and General Manager	Gianluca Bufo [4]
Directors	Sandro Mario Biasotti [5]
	Stefano Borotti [6]
	Francesca Culasso [7]
	Daniele De Giovanni [8]
	Paola Girdinio [9]
	Giacomo Malmesi [10]
	Giuliana Mattiazzo [11]
	Patrizia Paglia [12]
	Davide Piccioli [13]
	Cristina Repetto [14]
	Elisabetta Ripa [15]
	Elisa Rocchi [16]
Board of Statutory Auditors [17]	
Chairperson	Sonia Ferrero
Standing Auditors	Ugo Ballerini
	Donatella Busso
	Simone Caprari
	Fabrizio Riccardo Di Giusto
Alternate Auditors	Lucia Tacchino
	Carlo Bellavite Pellegrini
Independent auditors	KPMG S.p.A. [18]
Financial Reporting Manager	Giovanni Gazza
Sustainability Reporting Manager	Selina Xerra

(1) Appointed by the Shareholders' Meeting of 24 April 2025 for the 2025-2026-2027 three-year period.
(2) Chair of the Board of Directors for the 2022–2024 term and reappointed to the same position for the 2025–2027 term by the Shareholders' Meeting of 24 April 2025. By resolution of the Board of Directors of Iren S.p.A. held on the same date, 24 April 2025, Mr. Dal Fabbro was also confirmed as Chief Strategy Officer – Finance, Delegated Areas and Strategy.
(3) Deputy Chair of the Board of Directors during the 2019–2021 and 2022–2024 terms, and reappointed to the same position for the 2025–2027 term by the Board of Directors on 24 April 2025. By resolution of the Board of Directors of Iren S.p.A. held on the same date, Mr. Ferretti was also confirmed as Chief Strategy Officer – Human Resources, Corporate Social Responsibility and Delegated Areas Strategy.
(4) Chief Executive Officer and General Manager from 10 September 2024, and reappointed to the same position for the 2025–2027 term by the Board of Directors of Iren S.p.A. on 24 April 2025.
(5) Member of the Related Party Transactions Committee.
(6) Member of the Control, Risk and Sustainability Committee.
(7) Chair of the Control, Risk and Sustainability Committee (position also held during the 2022–2024 term).
(8) Member of the Control, Risk and Sustainability Committee.
(9) Member of the Control, Risk and Sustainability Committee (position held since 10 September 2024).
(10) Member of the Remuneration and Appointments Committee.
(11) Member of the Related Party Transactions Committee (position also held during the 2022–2024 term) and Lead Independent Director of the Company from 30 October 2025.
(12) Member of the Remuneration and Appointments Committee (position also held during the 2022–2024 term).
(13) Member of the Remuneration and Appointments Committee.
(14) Member of the Related Party Transactions Committee (position also held during the 2022–2024 term).
(15) Chair of the Related Party Transactions Committee.
(16) Chair of the Remuneration and Appointments Committee.
(17) Appointed by the Shareholders' Meeting of 27 June 2024 for the 2024-2025-2026 three-year period.
(18) Appointed by the Shareholders' Meeting of 22 May 2019 for the 2021-2029 nine-year period.

Letter to Shareholders and Stakeholders

Dear Shareholders and Stakeholders,

the consolidated results at 31 December 2025 confirm the solidity of Iren's industrial model, capable of intrinsically combining economic dimensions with those of sustainability, as stated in the Integrated Report, a document encompassing the synergy between industrial, human and environmental development that guides all our strategic actions.

The 2025 was a year of significant growth in both economic and financial indicators: the Gross Operating Margin (EBITDA) rose to 1,353 million euros (+6%) and the Net Profit grew by 12%, reaching 301 million euros. These milestones, together with an improving net debt-to EBITDA ratio to 3.1x, demonstrate our ability to generate value in a still complex and uncertain macroeconomic environment.

Our industrial strategy is based on the transition for which we have developed a long-term plan until 2040: in 2025 we have allocated 63% of our 925 million euros of technical investments to sustainable projects eligible for the European Taxonomy in the areas of decarbonisation, circular economy, water resources and resilient cities. We have achieved an installed renewable capacity of 851 MW and reduced the carbon intensity of energy production to 313 gCO2/kWh. As part of the circular economy, separate waste collection grew further, reaching 70.5% at Group level and 73% in historical territories.

Financial operations, as the early consolidation of the EGEA Group and the acquisition of the minority stake of Iren Acqua, supported by the issue of a 500 million euros hybrid bond, have given a strong acceleration to our economic and industrial growth in the "core" sectors, strengthening our territorial presence.

People are a fundamental pillar for Iren's success, a team of 11,900 employees and with over 940 hires during the year. We constantly invest in human capital, as demonstrated by more than 260 thousand training provided and a constant commitment to safety, which has led to a further reduction in the accident incidence index.

The solid bond with communities and our 2.3 million customers in the energy sector has been further strengthened through a widespread and capillary territorial presence with 208 physical stores and the enhancement of digital channels such as the IrenYou App, which has exceeded 2.1 million users.

We have fortified our partnership with our suppliers, by means of 6,500 actives during the year, an engagement plan on sustainability matters and commitments and also through the adoption of environmental and social standards in both selection and evaluation systems.

We look to 2026 with indisputable confidence. Leveraging a 74% regulated or semi-regulated business portfolio, we expect EBITDA growth of +4% and a technical investment plan of around 950 million euros and thus focusing on the resilience of electricity grids, the modernisation of water infrastructure to further reduce losses and the development of new photovoltaic and waste treatment plants.

With your constant support, we will continue to build a Group that is increasingly resilient and close to the needs of communities. We confirm our dividend policy discussed in the Business Plan with a proposed dividend growth of +8% compared to the previous year.

Together, we shape tomorrow, every day.

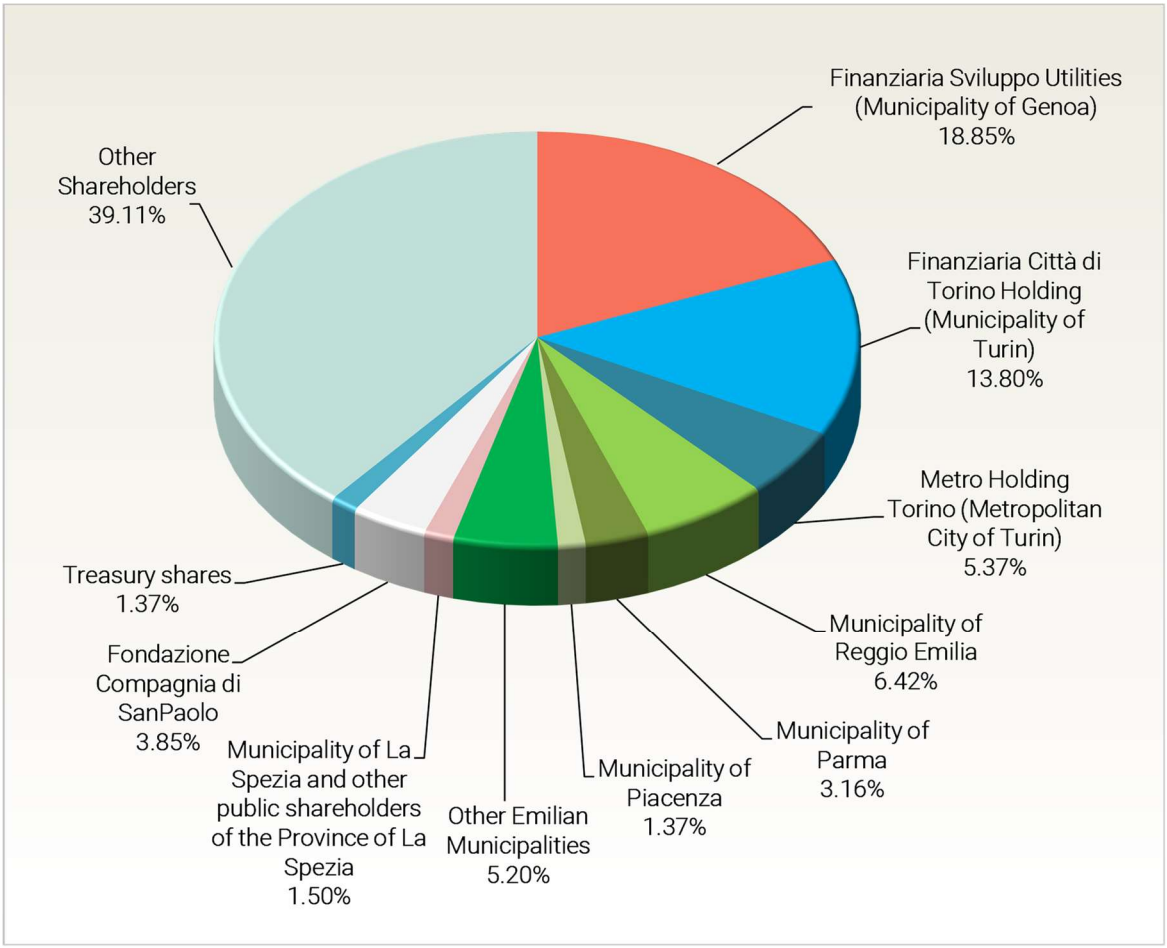
The Chairperson	The Deputy Chairperson	The Chief Executive Officer
Luca Dal Fabbro	Moris Ferretti	Gianluca Bufo

(signed on the original)

Ownership structure

The Company's share capital amounts to 1,300,931,377 euro, fully paid-up, and is made up of ordinary shares with a nominal value of 1 euro each.

At 31 December 2025, based on available information, the Iren ownership structure was as follows:



A century of history

A company for over 110 years focused on the development of its territories and the needs of its customers.

1905 — Parma's municipal electric lighting company is born

1907 — The Turin municipal company AEM is born

1922 — Genoa's municipal gas company is created

1936 — AMGA is born from municipal gas company of Genoa

2000 — AEM Turin listed on the Stock Exchange and ASM Piacenza become TESA

2005 — AMPS, TESA and AGAC establish ENIA

2006 — AEM Turin and AMGA Genoa form IRIDE

2007 — ENIA listed on the Stock Exchange

2010 — IRIDE and ENIA constitute IREN

Mission

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

For everyone, every day.

1962 — The Reggio Emilia municipal company AMG is born

1965 — The Parma municipal company becomes AMPS

1972 — The Piacenza municipal company ASM is born

1994 — AGAC was set up from the Reggio Emilia municipal company

1996 — AMGA Genoa listed on the Stock Exchange

2015 — AMIAT joins the Iren Group

2016 — Ireti is born, TRM and ATENA Vercelli enter the Group

2018 — ACAM La Spezia joins the Group

2020 — The Group acquires Unieco Waste Management Division

2022 — Iren Green Generation for renewables development is born

2025 — EGEA joins the Group

Vision

Improving people's quality of life, making businesses more competitive. To look at territorial growth with a focus on change. Merging development and sustainability into one unique value. We are the multi-utility company that wants to build this future through innovative choices.

For everyone, every day.

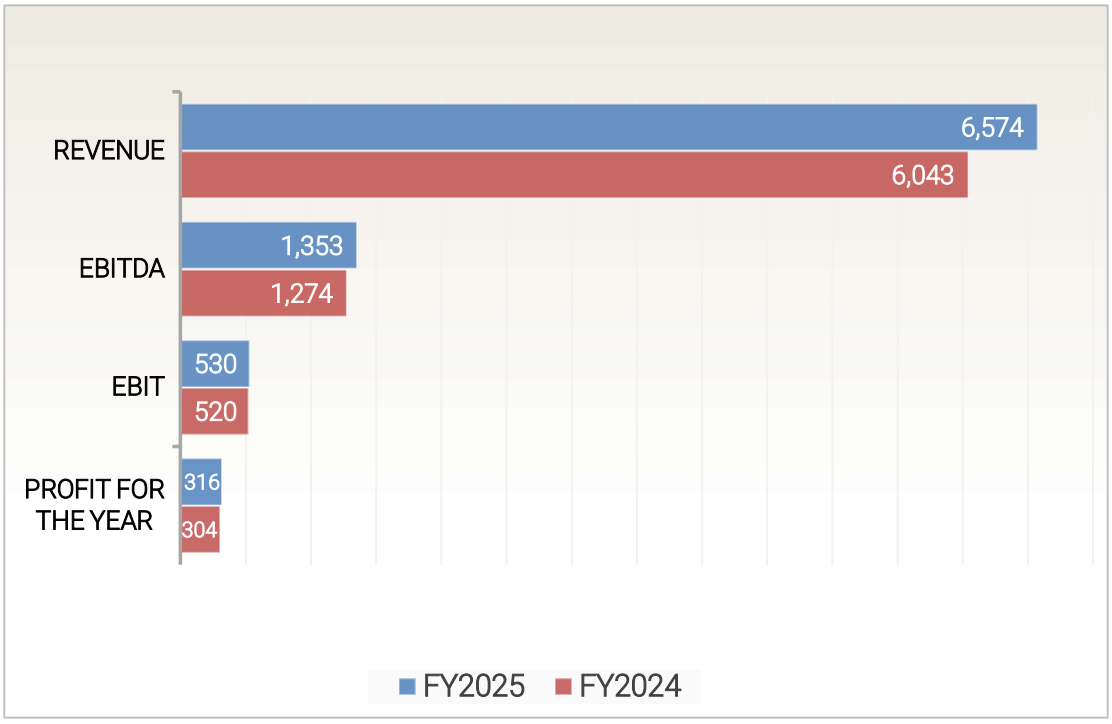
Iren Group in numbers: Highlights 2025

Results

millions of euro

	FY 2025	FY 2024	Changes %
Revenue	6,574.1	6,043.1	8.8
Gross operating profit (EBITDA)	1,353.0	1,274.1	6.2
Operating profit (EBIT)	530.0	519.7	2.0
Profit for the year	316.3	303.6	4.2
EBITDA Margin (EBITDA/Revenue)	20.6%	21.1%	

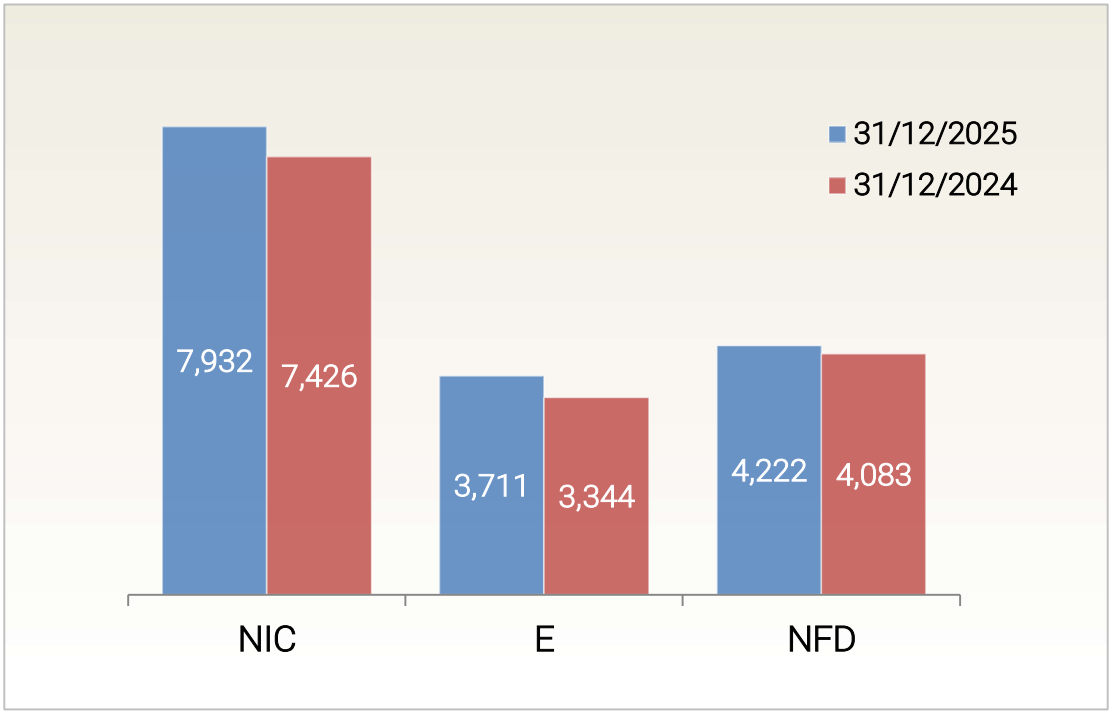
For definitions of Alternative Performance Measures, see the relevant chapter in this Report.



Financial position data

millions of euro

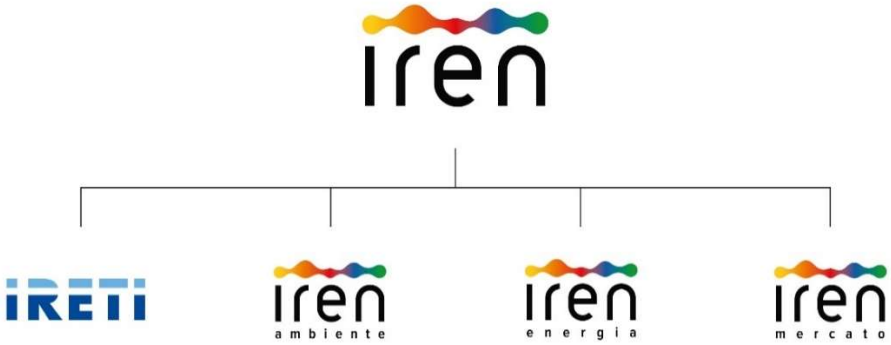
	31.12.2025	31.12.2024	Changes %
Net Invested Capital (NIC)	7,932.3	7,426.4	6.8
Equity (E)	3,710.6	3,343.7	11.0
Net Financial Debt (NFD)	4,221.7	4,082.7	3.4
Debt/Equity (Net Financial Debt/Equity)	1.14	1.22	



Scale of the organisation

Value				
Revenue (M€) 6,574	Technical investments (M€) 925	Green Bonds issued (M€) 3,050	Added value distributed (M€) 2,050	Orders to suppliers (M€) 1,530
Net energy output				
Electricity produced (GWhe) 9,344	Thermal energy produced (GWht) 3,126	Renewable/high-efficiency electricity (% on total) 72%	Energy production carbon intensity ($gCO2_{eq}$/kWh) 313	Energy saving from electricity and heat production (toe/000) 482
Electricity and gas distribution				
Electricity distributed (GWh) 3,873	Electricity network (km) 7,939	Gas distributed (Mm^3) 1,144	Gas network (km) 9,578	Gas network inspected 100%
Integrated water service				
Citizens served (no.) 3,310,136	Water sold (Mm^3) 190.9	Water mains network (km) 24,044	Aqueduct network losses (historical territories) (%) 30.9%	Wastewater treatment plants (no.) 1,511
Environmental services				
Citizens served (no.) 4,499,523	Total waste managed (t) 4,129,210	Sorted waste collection (historical areas) (%) 73%	Biomethane produced (m^3) 13,166,000	Emissions avoided from waste recovery (tCO_{2eq}) 1,550,000
District heating				
Citizens served (no.) 707,861	District heating network (km) 1,288	District heating volume (Mm^3) 115	Heat sold (GWht) 3,065	Networks inspected 93%
Customers				
Energy service customers (no.) 2,359,620	Electricity sold (GWh) 6,560	Gas sold (Mm^3) 2,347	Counters active in local areas (no.) 208	Responses to customers from call centres (no.) 2,620,181
Iren people				
Employees (no.) 11,908	Permanent employees and apprenticeships 98%	New hires during the year (no.) 942	Women managers 25.5%	Female presence on Iren Board of Directors 47%
Employees involved in training 93%	Average training hours per capita (no.) 22	New hires under 30 (progressive since 2020) 52.1%	Personnel evaluated on performance 84%	Accident incidence index 42.9

Iren Group Business Model



[SBM-1_01, SBM-1_02, SBM-1_03]
Iren Group, which had 11,908 employees as at 31 December 2025, operates in Italy in the sectors of electricity (generation, distribution, and sales), district heating (heat generation, distribution, and sales), gas (distribution and sales), integrated water services management, environmental services (waste collection and disposal), and integrated solutions (smart solutions) for energy efficiency. The Group operates primarily on the Italian market, in various regions, serving a diversified customer base comprising households, businesses and public authorities.
In 2025, thanks to the expansion of its consolidation scope following the acquisition of the EGEA Holding Group, Iren expanded the services it manages, particularly in the Piedmont region.

The Group, which adopts a structure aimed at integrating the various business chains and strengthening its local roots, is structured according to the model of:

- an industrial holding company (the parent Iren S.p.A., listed on the Italian Stock Exchange, with registered office in Reggio Emilia) that groups together all corporate staff activities;
- four Business Units (BU) governed by four lead companies, which preside over the activities by business line according to a model based on competencies and digitalisation of processes, which is highly scalable with the immediate integration of all acquired entities.

Specifically, Iren S.p.A. is responsible for strategic planning, development, coordination and control, while the four Business Units (BUs) are tasked with steering and coordinating the companies operating in their respective sectors:

Networks BU	• Integrated water service • Gas distribution • Electricity distribution
Waste Management BU	• Waste collection and transportation • Urban sanitation • Design and management of waste treatment and disposal plants
Energy BU	• Electricity generation from renewable sources • Combined heat and power generation (CHP) • Thermoelectric power generation • District heating management • Smart solutions: services for energy efficiency, public lighting, global service and heat management
Market BU	• Sale of electricity, gas and heat • Products/services for energy saving and home automation • Electric mobility services for customers

The Group also provides a range of **additional services**, including laboratory services, telecommunications, and other minor services, both for Group companies and external customers.

As mentioned, in January 2025, Iren S.p.A. acquired control of EGEA Holding, increasing its shareholding from 50% to 52.77% with the consequent line-by-line consolidation, and finalised the purchase of the remaining 47.23% in May.
Through its member companies, the EGEA Holding group operates in all of the aforementioned sectors: the contribution, where relevant to the understanding of the results for the year, is also explained later in this Report in the chapter "Segment reporting".

Some summary information on the size of the organisation is given below, while for information on employees, see the chapter Iren People.

NETWORKS BU

Integrated Water Service

The Networks BU operates in water supply, sewerage and wastewater treatment in the provinces of Genoa, Savona, Piacenza, Parma, Reggio Emilia, Vercelli, La Spezia, Enna and Cuneo (through EGEA Acque). Overall, in the Optimal Local Areas (ATO) managed, the service is provided in 311 municipalities, serving over 3 million residents.

Service quality	
Residents served (no.)	3,310,136
Municipalities served (no.)	311
Water sold (Mm^3)	190.9

The Networks BU manages the service through a distribution network of approximately 24,000 kilometres and a sewerage network of nearly 13,000 kilometres, with over 1,500 wastewater treatment plants.

Networks and plants managed	
Aqueduct networks (km)	24,044
Sewage systems (km)	12,981
Wastewater treatment plants (no.)	1,511

It should also be noted that, as of 1 January 2025, IRETI will no longer manage the Integrated Water Service of the Piacenza provincial area directly but through its subsidiary Iren Acqua Piacenza.

Gas distribution

The distribution service, managed in 171 municipalities, guarantees the withdrawal of natural gas from SNAM Rete Gas pipelines and its transportation through local networks for delivery to end users. In particular, the Networks BU distributes methane gas in the provinces of Reggio Emilia, Parma and Piacenza (including the provincial capitals), in the municipality of Genoa and other municipalities in Liguria, as well as in various municipalities in Piedmont, including the cities of Vercelli and Alba.
The distribution network, made up of 9,578 kilometres of high, medium and low-pressure pipes, serves a catchment area of approximately 800 thousand redelivery points.
Lastly, the Networks BU manages the distribution and sale of LPG, particularly in the province of Reggio Emilia and in the province of Genoa, via specific storage plants, located in towns that are still not reached by the natural gas network.

	Network managed (km)	End-users (no.)	Gas distributed (Mm^3)
Emilia-Romagna	6,196	394,830	727
Liguria	1,848	324,023	284
Piedmont	1,317	64,711	105
Other areas	217	17,161	28
Total	**9,578**	**800,725**	**1,144**

Electricity distribution

The Networks BU provides the electricity distribution service in the cities of Turin, Parma and Vercelli with 7,939 kilometres of network in high, medium and low voltage, and a total of more than 734 thousand connected users.

	Network managed (km)	End-users (no.)	Electricity distributed (GWh)
Parma	2,616	132,488	1,008
Turin	4,772	573,182	2,632
Vercelli	551	28,964	233
Total	**7,939**	**734,634**	**3,873**

WASTE MANAGEMENT BU

The Business Unit carries out all the activities of the municipal waste management cycle (collection, sorting, treatment, recovery and disposal), with particular attention to sustainable development and environmental protection confirmed by increasing levels of sorted waste collection; it also manages an important portfolio of customers to whom it provides all services and plant availability for the treatment, recovery, and disposal of special waste.

The activities are carried out in various geographical areas, from the historic Emilia region (provinces of Reggio Emilia, Parma, and Piacenza) to Piedmont, specifically Turin and the province of Vercelli (areas where the Waste Management BU is responsible for waste collection and has treatment and disposal facilities), and the provinces of Asti and Cuneo, and Liguria, in the areas of collection (province of La Spezia) and treatment and recovery. Moreover, in the Tuscan area, the Waste Management BU is present in all stages of the supply chain, with a significant presence in the provinces of Siena, Grosseto and Arezzo, where the Group also manages the collection service. The Business Unit also operates as a contracted waste collection operator in specific areas of Sardinia, Marche and Lombardy and has disposal facilities in the Marche and Apulia regions.

Finally, via I.Blu, it is active in the sorting of plastic waste for recovery and recycling and in the treatment of plastic waste for the production of Blupolymer (polymer for civil uses) and Bluair (reducing agent for steel plants).

The Waste Management BU serves a total of 659 municipalities with nearly 4.5 million residents.
The Group's infrastructure for the integrated waste cycle consists primarily of 4 waste-to-energy plants (TRM in Turin, Parma, Piacenza, and the facility in the locality of Foci in Poggibonsi, Province of Siena), 4 active landfills, 62 plants for sorting, storage, recovery, anaerobic digestion and composting, and 463 collection centres/equipped technological stations. The EGEA Holding Group companies operating in the waste management sector contribute 2 treatment plants located in the province of Cuneo and 28 equipped technological stations/waste collection centres located across Piedmont, Liguria and Lombardy.

Service quality	
Waste managed (t)	4,129,210
Urban waste treated (t)	3,220,407
Sorted waste collection [1] (%)	73%
Plants managed (no.)	70
Residents served (no.)	4,499,523
Municipalities served (no.)	659
Collection centres managed (no.)	463

[1] Figure for historical areas served

ENERGY BU

The Business Unit operates in the production of electricity and heat, the latter distributed through district heating networks, and in energy efficiency services to public and private entities.

Production of electricity and heat

The Energy BU directly operates 165 electricity generation plants: 27 hydroelectric plants (including reservoir, run-of-river and mini-hydro facilities), mostly located in Piedmont and Campania; 24 cogeneration thermoelectric plants (Piedmont and Emilia-Romagna); one conventional thermoelectric plant in Turbigo (Milan); and, finally, 113 photovoltaic and wind power plants (the latter with a total installed capacity of 228 MW, the largest of which are located in Apulia and Basilicata).

Electricity generated by plants powered by renewable sources or high-efficiency cogeneration accounts for approximately 72% of total production.
Regarding thermal generation, on average, 73% of the heat destined for district heating is produced by high-efficiency cogeneration plants at Group level, while only 16% comes from conventional heat generators, while the remaining portion (11%) is produced by plants outside the Business Unit (primarily waste-to-energy plants, as part of their waste-to-energy operations).

In addition to the information provided for the Energy BU, the Group's electricity and heat generation facilities also include plants belonging to other Business Units, notably the waste-to-energy plants and biogas plants located at landfill sites, which belong to the Waste Management BU, and the hydroelectric plants located on reservoirs managed for drinking water purposes, which belong to the Networks BU: the table below shows the total number of plants at Group level, together with their annual generation.

Power generation plants	no.	Electricity production 2025 (MWh)	Thermal production 2025 (MWh)
Hydroelectric	35	1,341,484	-
Photovoltaics and wind power	137	306,896	-
Thermoelectric cogeneration	28	4,732,978	2,281,087
Thermoelectric	1	2,334,981	-
Thermal	103	-	509,967
Waste-to-energy plants	4	581,205	334,111
From biogas, biomass and other renewables	20	46,392	407
Total	**328**	**9,343,936**	**3,125,572**

Finally, the table below, again at the overall Group level, shows the total installed capacity figures.

Installed power	MW
Total electric power (electricity set-up)	3,486
Renewable power	851
Thermal power	3,237

District heating

The Energy BU has the most extensive district heating network in Italy (1,288 kilometres), with a total heated volume of 115 million cubic metres.

In addition to the areas where district heating has historically been established, following the acquisition of the EGEA Holding group, the scope of operations has been extended to include the areas of Cuneo (Alba, Canale, Bra, Cortemilia, Narzole and Magliano Alfieri), Alessandria, Acqui Terme, and the metropolitan city of Turin (Piossasco and Carmagnola, Piobesi and Salice d'Ulzio), Nizza Monferrato (Asti) and Cairo Montenotte (Savona).

	Network managed (km)	Volumes (Mm³)	Residents served (1)
Turin and metropolitan area	801	80.6	537,341
Reggio Emilia	220	13.9	56,745
Parma	104	6.5	35,801
Piacenza	36	2.6	11,188
Genoa	8	1.6	7,911
Province of Cuneo	71	6.2	32,970
Province of Asti	6	0.3	2,137
Province of Alessandria	37	2.9	21,280
Province of Savona	4	0.3	2,488
Total	1,288	115	707,861

(1) Estimated data for residential utilities.

Energy efficiency services

The Energy BU, through its subsidiary Iren Smart Solutions, addresses companies, private condominiums, Public Administration and third sector entities, with an articulated portfolio of services:

- energy efficiency, carrying out design and implementation of energy requalification interventions: insulation, co-insulation, replacement of windows, innovative technological services, efficiency improvement of heating and air conditioning systems;
- installation of photovoltaic, solar thermal and self-generation energy systems;
- management of heating systems;
- realisation of Renewable Energy Communities (RECs);
- energy consultancy, energy management and monitoring for energy saving;
- global service for the integrated management of electrical and technological plants of complex property assets;
- relamping LEDs through energy efficiency projects in lighting, public and artistic lighting, efficient management of traffic light systems.

With the acquisition of Ardea, a company of the EGEA Holding group, the Energy BU carries out the activity of managing public lighting systems, with the supply of the energy carrier, also in 21 municipalities in the province of Cuneo.

MARKET BU

The Market BU operates in the sale of electricity, gas and heat for district heating, and of extra-commodity services and products, in particular for energy efficiency. It is present throughout Italy, with a greater concentration in the central-northern area.

Sale of electricity

The Market BU operates, in the context of the free market, all over the country, with a higher concentration of customers in the Centre-North, and handles the sale of the energy provided by the Group's various sources on the market of final customers and wholesalers.
The number of retail electricity customers exceeds 1.4 million, distributed mainly in the Group's traditional areas of operation (Turin, Parma, Reggio Emilia, Piacenza, Vercelli and Genoa), in lower Piedmont (Cuneo and Asti, following the acquisition of EGEA Energie), and in other commercially served areas (Alessandria, Salerno and various provinces in southern Italy).

Electricity	
Electricity sold (GWh)	13,863
to end customers and wholesalers (GWh)	6,560
on the stock exchange (GWh)	7,303
Retail customers (no.)	1,412,746

Sale of Natural Gas

The retail gas portfolio of the Market Business Unit mainly covers the Group's traditional markets of Genoa, Turin and Emilia, neighbouring development areas, as well as Vercelli, Alessandria and La Spezia. It also includes the Campania region (almost all provinces), and some municipalities in the regions of Basilicata, Calabria, Tuscany and Lazio, serving a total of about 934,000 customers.
With the acquisition of EGEA Energie, the Market BU consolidated its presence in Piedmont, mainly in the provinces of Cuneo and Asti.

Natural gas	
Gas supplied (Mm^3)	2,347
gas sold to end customers (Mm^3)	863
gas consumption by the Group (Mm^3)	1,474
gas in storage as at 31/12 (Mm^3)	10
Retail customers (no.)	933,847

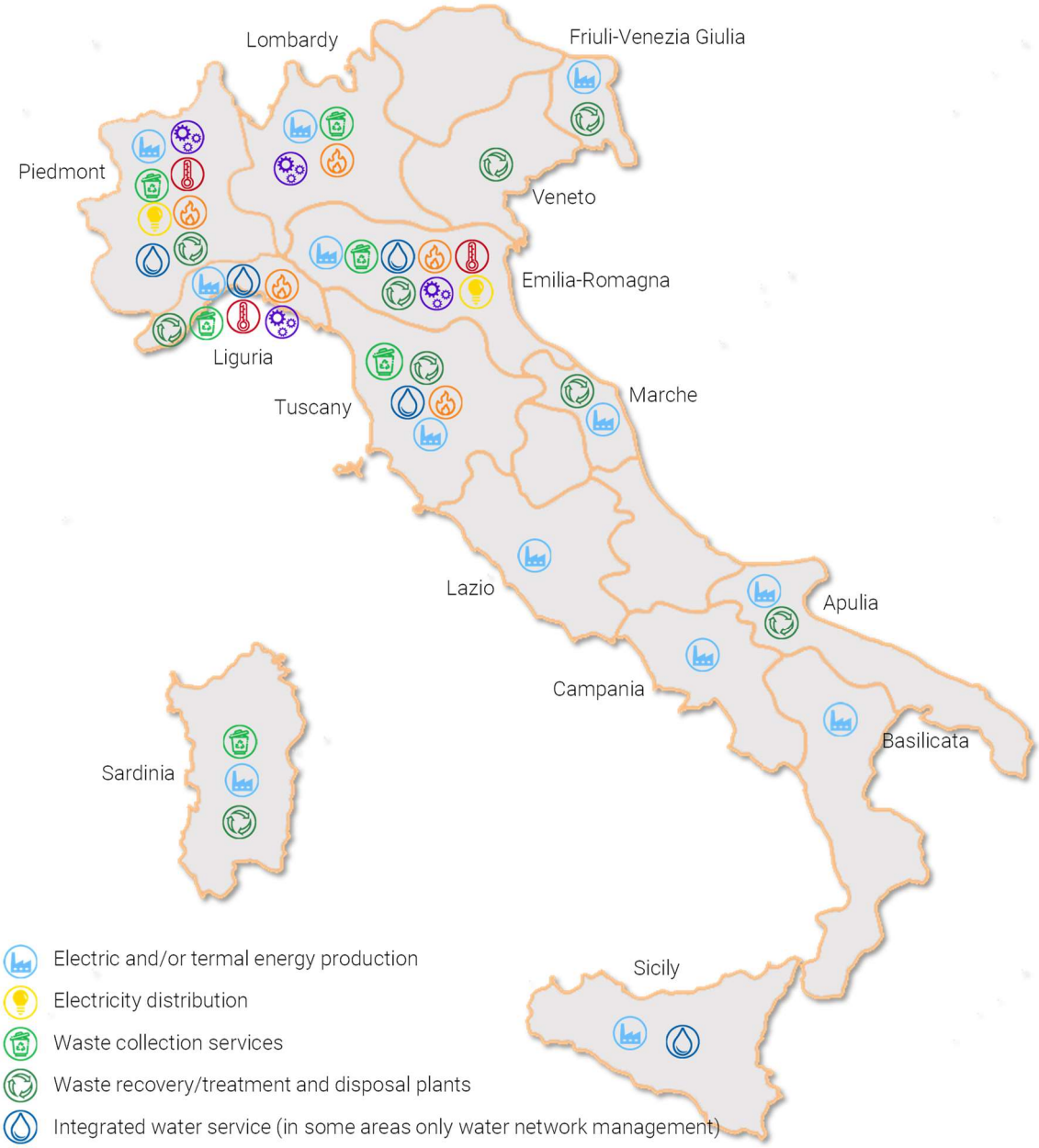
Sale of heat through the district heating network

Iren Mercato markets heat supplied by Iren Energia mainly to customers connected to the district heating network in the municipalities of Turin and neighbouring areas, Reggio Emilia, Parma, Piacenza and Genoa.

Heat	
Heat sold (GWh)	3,065
Customers served (no.)	58,003

Among the commercial proposals complementary to the sale of commodities, we highlight the business lines intended for the sale to retail customers of innovative products in the area of home automation, energy saving and maintenance of domestic systems, in addition to e-mobility, with the aim of reducing the environmental impact of travel, including through the installation of charging infrastructure at Group offices and the progressive introduction of electric vehicles.

Main areas served



Information on the Iren stock in 2025

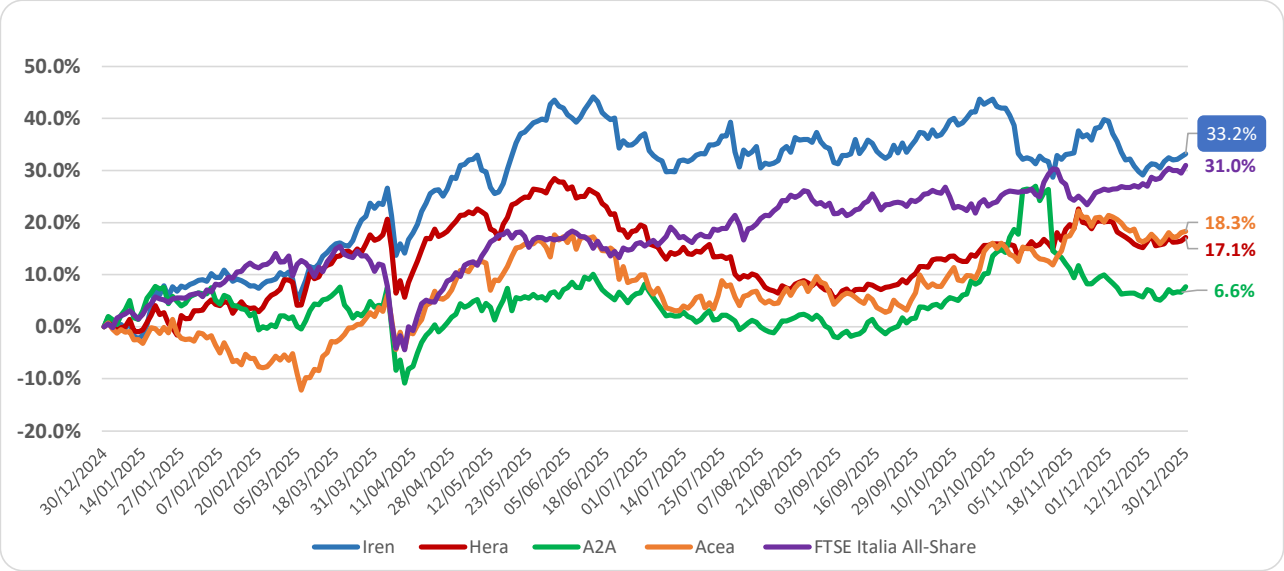
IREN stock performance on the stock exchange

In 2025, the world's major stock markets posted positive results, although performance varied across regions and sectors. These performances were influenced by factors such as the customs tariffs imposed by the United States, geopolitical tensions and the differing monetary policies adopted by central banks.

The FTSE Italia All-Share, the main index of the Italian stock market, was up 31.0%, driven mainly by the good performance of the banking sector (due to renewed sector consolidation activity).

In this context, Iren Group stood out among Italian utilities, recording the best growth, above 33%. This result was supported by the Group's strong financial performance, partly driven by external growth transactions, and by the update of the strategic plan to 2030, which envisages robust development focused on core businesses, along with an attractive dividend policy.

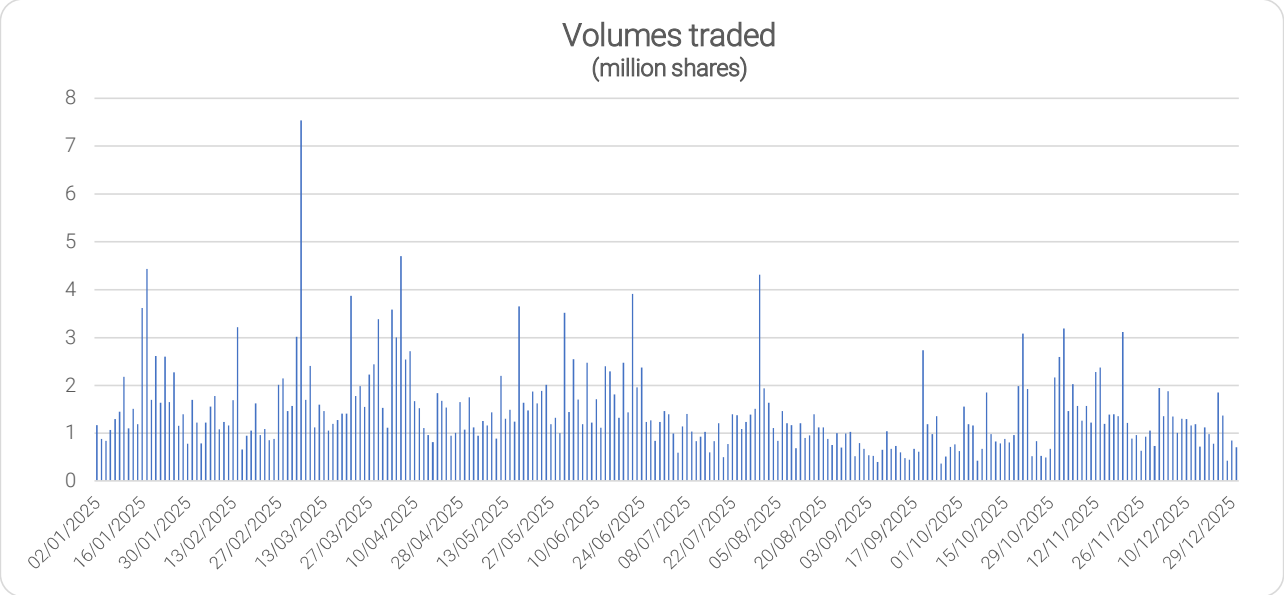
Performance of Iren stock compared to competitors



At 30 December 2025, the last trading day in the period, the price of IREN share stood at 2.556 euro/share, up by 33.2% compared to the price at the beginning of the year, with average trading volumes during the year amounting to 1.5 million units.

The average price for the year was 2.4499 euro per share. The highest share price during the year was recorded on 13 June (2.766 euro per share), while the lowest, 1.875 euro per share, was recorded on 13 January.

The two charts below show the price performance and volumes traded in Iren stock in the year.



Share coverage

During the year, Iren Group was followed by six brokers: Banca Akros, Equita, Intermonte, Intesa Sanpaolo, Kepler Cheuvreux and Mediobanca.

Integrated Directors' Report at 31.12.2025

2

2

Directors' Report

2

2.1

Market Context

Macroeconomic scenario

The year 2025 closed with global growth exceeding the expectations and forecasts of the first part of the year, with the world economy demonstrating resilience despite various sources of tension, and demand supported by an overall improvement in financial conditions compared to the previous two years. Furthermore, the new technologies sector, with significant investments and commercial activity in the field of artificial intelligence and across the various stages of the supply chain, also provided a substantial positive boost to macroeconomic data.[1]
Economic growth was also driven by the fact that the impact of tariffs and new trade barriers was less significant than expected, with the main impact being felt on the cost of consumer goods in the US.
Against this background, global GDP growth in 2025 was 3.2%, in line with the previous year; slightly more moderate growth is forecast for 2026 (+2.9%), with growth expected to return to +3.1% in 2027.[2]
The Euro area is expected to have a lower GDP growth rate than the global economy, with an annual increase of 1.3% in 2025, although this is still higher than the 2024 figure (0.8%). This growth is primarily driven by a recovery in domestic consumption, which is in turn due to a recovery in household purchasing power, largely explained by an average annual inflation rate of 2.1% in 2025 (core inflation, which excludes highly volatile goods such as food and energy, stands at 2.4%). Furthermore, less restrictive financial conditions than in recent years have been a second factor supporting private spending, with the European Commission aiming to keep them unchanged in the short term as well, in an effort to strike a balance between the need to encourage investment and the need to avoid exacerbating price increases. In this regard, the critical aspects of the European macroeconomic environment are linked to the prolonged weakness of the industrial sector, which continues to be affected by less than fully favourable international demand conditions and by certain structural constraints related to energy costs and the ongoing technological transitions in production-intensive sectors.[3]
In Italy, economic growth performed worse than in the Euro area, with annual growth of 0.5% in 2025 and slightly higher increases expected in the short term (0.6% and 0.7% in 2026 and 2027, respectively). As in Europe, growth is being held back primarily by stagnation in the industrial sector, a decline in imports and, despite an increase in real wages, private consumption that has only partly translated into an increase in gross domestic product.

Household spending

In 2025, household spending increased in trend terms in each quarter[4], registering year-on-year growth of 0.8%. According to ISTAT data, gross household disposable income increased during the year (+2% when comparing the second and third quarters), consequently leading to an increase in purchasing power over the same period[5]. However, as was also the case in the first part of the year, there was also an increase in households' propensity to save, a factor that explains why the increase in disposable income was greater than the increase in consumption. This trend is supported by a positive economic situation in the labour market, both in terms of the number of people in employment (+1.2% in 2025) and as a result of various contract renewals and adjustments.

Investments

The year 2025 was a positive year from the point of view of gross fixed capital formation, which increased in all three quarters of the year, with estimated annual growth in 2025 compared to 2024 of 3.4%. In this regard, the increase in investment was most pronounced in the construction and plant and machinery sectors.
Compared to previous years, the factors that supported investment were an inflation rate of less than 2% and the European Union's decision not to tighten monetary policy following the gradual easing in 2024, not to mention the funding allocated under the National Recovery and Resilience Plan (NRRP).

Exports

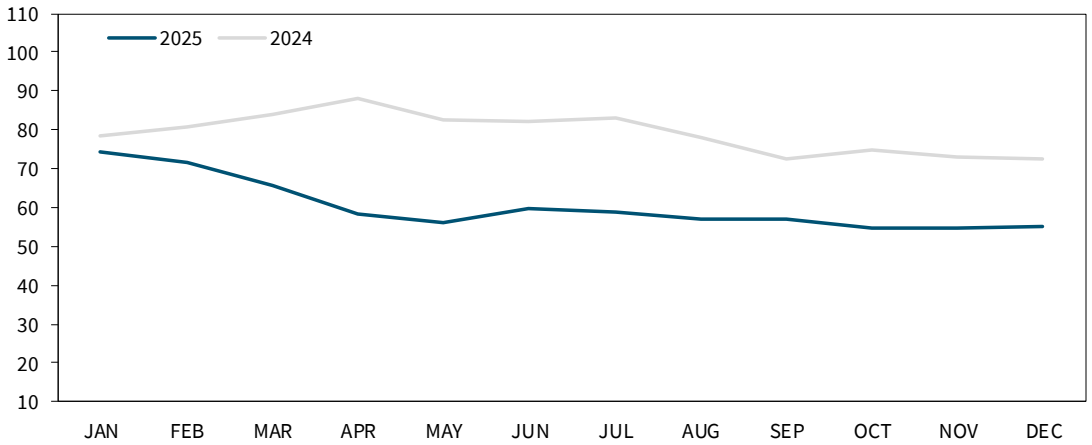
Export levels fluctuated in 2025, mainly as a result of the trade strategies of Europe's major powers and various announcements of increased trade barriers, which did not always materialise. However, the available data for 2025 indicate an increase in total exports of 1.1% compared to 2024, demonstrating that the increase in tariffs had a smaller impact than expected.

[1] Source: OECD Economic Outlook, Volume 2025 Issue 2
[2] Source: OECD Economic Outlook, Volume 2025 Issue 2
[3] Source: OECD Economic Outlook, Volume 2025 Issue 2
[4] Source: ISTAT data, December 2025.
[5] Source: ISTAT, Quarterly Accounts of the Public Administrations: Household Income and Savings and Corporate Profits, January 2025

Oil market

In 2025, the price of oil followed a downward trend, which was more pronounced in the first part of the year and led to an 18.7% decrease in the price from January to December.
The average price of Brent crude was 67.6 $/bbl, down 15.5% from 80 $/bbl in 2024. Considering an average euro/dollar exchange rate of 1.13, the average price of Brent crude was 60.3 €/bbl.
In this regard, the downward trend in prices observed in the second half of 2024 continued in the first half of 2025. In the second half of the year, the oil price stabilised at around 60 $/bbl, driven by weak demand and broadly stable supply. Furthermore, high inventory levels and the OPEC+ decision to phase out the production cuts introduced in late 2023 to support prices limited upward pressure, helping to keep the oil price at contained levels, in line with expectations.

BRENT PRICE TRENDS
($/mt)



Data processed by MBS Consulting

Natural gas market

Supply and Demand

In 2025, there was a recovery in gas consumption, after it had reached its lowest level in recent years (61.7 billion cubic metres) in 2024. With an increase of 4.4% compared to the previous year, consumption in 2025 amounted to 64.4 billion cubic metres, a figure also higher than that of 2023.
However, this increase is not linked to a recovery in industrial production, which continues to remain in a phase of stagnation, with gas consumption in the manufacturing sector remaining broadly in line with 2024 levels, at 11.7 Mcm.
The difference compared to 2024 is mainly due to consumption in the thermoelectric sector, with an increase in residual demand in certain months of the year characterised by low renewable generation. In fact, in 2025, the gas used in the thermoelectric sector amounted to 22.3 billion cubic metres, an increase of 6.7% compared to 2024 (20.9 billion cubic metres). On the other hand, residential consumption remained stable, at 27.0 Mcm.

The increase in consumption led to a concomitant rise in total gas imports, which amounted to 60.6 Mcm, an increase of 3.2% compared to 58.7 Mcm in 2024. Domestic production also increased (+14.3%), with a total volume of 3.2 billion Mcm.

GAS WITHDRAWN (Bln m3)*	2025	2024	2023	Change % 2025 vs 2024	Change % 2024 vs 2023
Industrial uses	11.7	11.6	11.4	0.9%	1.8%
Thermoelectric uses	22.3	20.9	21.1	6.7%	-0.9%
Distribution plants	27.0	27.2	26.8	-0.7%	1.5%
Third party network and system consumption / *line pack*	3.4	2.0	3.8	70.0%	-47.4%
Total withdrawn	**64.4**	**61.7**	**63.1**	**4.4%**	**-2.2%**

**Cumulative amounts as at 31 December processed by MBS Consulting*

GAS INPUT (Bln m3)*	2025	2024	2023	Change % 2025 vs 2024	Change % 2024 vs 2023
Imports	60.6	58.7	60.6	3.2%	-3.1%
National production	3.2	2.8	2.8	14.3%	0.0%
Storage	0.6	0.2	-0.3	(**)	(**)
Total input (including storage)	**64.4**	**61.7**	**63.1**	**4.4%**	**-2.2%**
Maximum capacity	127.1	127.4	127.1		
Load factor	**47.7%**	**46.1%**	**47.7%**		

**Cumulative amounts as at 31 December processed by MBS Consulting*

The storage figure indicates net movement

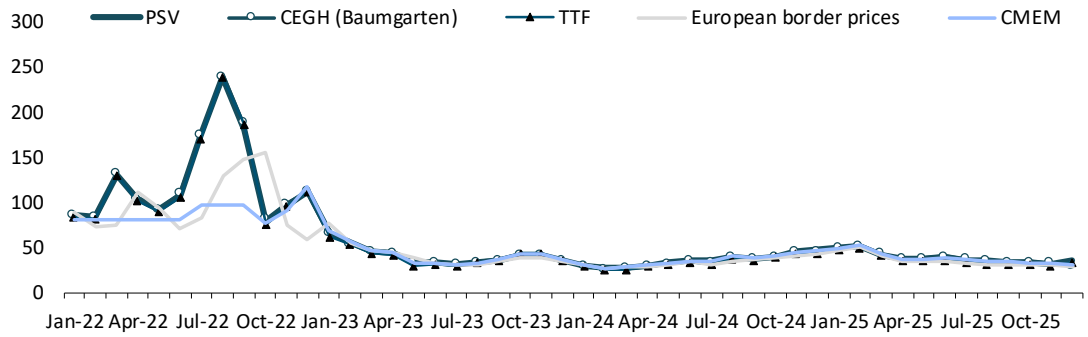
***Change of more than 100%*

Wholesale gas prices

In 2025, the upward trend in wholesale natural gas prices on the main European hubs continued, confirming the interruption of the downward trend observed in the previous year. Indeed, although only moderately, all major prices in 2025 were on average higher than in 2024.
The average spot price of the Dutch TTF was 36.8 €/MWh, a 7% increase compared to 2024. The same percentage increase was also observed in Italian and German prices, with the PSV trading at 39.2 €/MWh (36.3 €/MWh in 2024) and the average CEGH (Baumgarten) price standing at 39.2 €/MWh (35.6 €/MWh in 2024). Given the consistent increase in the average prices at TTF and PSV, the spread between the two prices remained unchanged compared to the 2024 average, holding at 2.4 €/MWh.
Prices at the border also followed a trend in 2025 in line with the prices discussed above, again increasing by 4.7% to an average of 35.9 €/MWh, compared to 34.3 €/MWh in 2024. A similar increase can also be observed in the average Italian prices at the border, which stood at 36.6 €/MWh, approximately 2% higher than the European average.

WHOLESALE PRICES IN EUROPE

(€/MWh)



Latest data 31 december 2025

Data processed by MBS Consulting

Imbalance Price and the Protected Market

In the first quarter of 2025, the imbalance price remained in line with the levels seen at the end of 2024, consistently above 40 €/MWh, peaking at 53 €/MWh in February. In the second half of the year, the price gradually decreased, settling at an average price for 2025 of 38.7 €/MWh, an increase of 6.3% compared to 2024, in line with the trend in spot gas prices.

In 2025, the total volume traded on the MGAS platform (DAM-GAS and MI-GAS), which is used to determine the imbalance price, amounted to 16.4 Mcm, of which 3.7 Mcm was traded on the MI-GAS intra-day market. Compared to 2024, there was a significant increase in the volumes traded on the platform, with an annual growth of 18.0%.

Lastly, the average price of the CMEM component, intended to reflect the cost of gas procurement in the protected market (calculated by ARERA as the monthly average of the PSV Day Ahead price identified by ICIS-Heren), was 38.6 €/MWh in 2025, up 6.3% compared to 2024 (36.3 €/MWh).

Electricity market

Supply and demand

In 2025, cumulative electricity demand was in line with the previous year (310.3 TWh in 2025 and 311.9 TWh in 2024), showing a slight decrease of 0.5%. The difference between the two years is due to the peak in summer demand, which was not as pronounced in 2025 as in the previous year, partly as a result of lower temperatures in August. During the rest of the year, the level of demand was broadly in line with 2024.
The main reason for the lack of recovery in consumption is the continued stagnation of the industrial sector, with manufacturing output still not recovering. The only area that showed a slight increase in demand was the North (+0.4%), while the Centre and the Islands experienced a net decrease in demand compared to 2024 (–1.7% and –3.2%, respectively).

Net Italian production stood at 265.4 TWh, an increase of 17.3% compared to 2024, which was sufficient to meet 85.5% of demand. The direct consequence of the increase in domestic generation was a parallel drop in imports, with the external balance decreasing by 45.7%.
Specifically, while hydroelectric production fell by 16.8%, solar and wind power led to an overall increase in renewable production, with a combined output of 65.7 TWh in 2025 (+29.9%). In months when weather conditions were not favourable, residual demand for fossil-fuel power plants increased significantly, with thermoelectric generation reaching 153.1 TWh in 2025 (a net increase of 26.8% compared to 2024). This energy source met approximately 58% of demand, while wind and solar power combined accounted for around 25%.

	until 31/12/2025	until 31/12/2024	Change %
Demand	**310,253**	**311,921**	**-0.5%**
Northern Italy	174,974	174,332	0.4%
Centre	78,552	79,948	-1.7%
Southern Italy	29,678	29,711	-0.1%
The Islands	27,049	27,930	-3.2%
Net production	**265,401**	**226,324**	**17.3%**
Hydro power	41,366	49,696	-16.8%
Thermal power	153,121	120,725	26.8%
Geothermoelectric	5,260	5,347	-1.6%
Wind and photovoltaic	65,654	50,556	29.9%
Pumping consumption	**-2,323**	**-1,214**	**91.4%**
Foreign balance	**47,175**	**86,811**	**-45.7%**

Data processed by MBS Consulting

Day-Ahead Market (DAM) prices

In 2025, the average Single National Price (PUN) was 116.2 €/MWh, an increase of 7.3% compared to the previous year (108.3 €/MWh in 2024).
The annual average electricity price was influenced by prices in excess of 135 €/MWh in the first few months of the year, due to low renewable generation and the lingering effects of the tensions observed in the latter part of 2024 in the natural gas market, the price of which still predominantly drives the electricity price.
In the months that followed, partly thanks to an increase in solar generation resulting from the growth in installed capacity in recent years, the price gradually fell. As a result, from June onwards, the price remained between 110-115 €/MWh, partly due to a recovery in thermoelectric demand in the final quarter of the year.

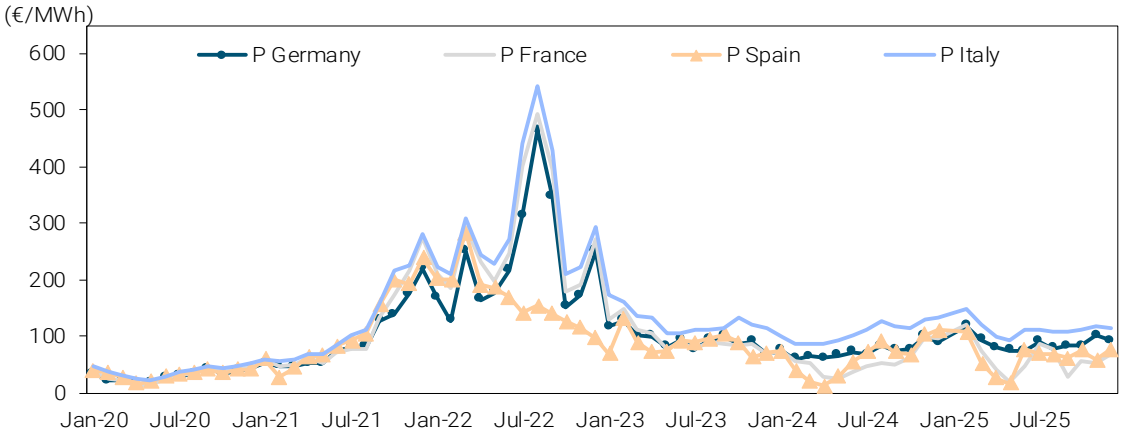
The highest average zonal price in 2025 was recorded in the Centre-North, with an average premium of 0.8 €/MWh above the PUN, while, as in 2024, Sardinia was the area with the lowest price, with an average discount of 3.8 €/MWh. The island has historically had a lower price than the PUN, due to a combination of higher renewable generation and low demand.

Trend in the main European energy exchanges

In line with the trends that have influenced the Italian electricity price, prices on European power exchanges also rose compared to the previous year, with an observed average price of approximately 73.8 €/MWh, an increase of 12.8% compared to the 2024 average (65.4 €/MWh). Despite the rise in European prices, the concomitant increase in the PUN meant that the average differential between the Italian price and the European average remained effectively unchanged, with a difference of +42.4 €/MWh, compared with 42.9 €/MWh in 2024.

Despite an increase compared to the 2024 price, France remains the country with the lowest electricity price (65.4 €/MWh), thanks to a mix of renewable generation and the full operation of its nuclear reactors. In 2025, the Spanish price was also just over 65 €/MWh, primarily due to the contribution of solar generation and renewable energy in general, which is the result of the development of new capacity over recent years.

EUROPEAN ELECTRICITY PRICE TRENDS



Data processed by MBS Consulting

Futures related to Baseload PUN on the EEX

The following table shows the future prices related to the PUN traded in the last quarter of 2025.
During the quarter, the monthly prices for the first months of 2026 remained broadly stable, as did the quarterly prices, which showed a marked decrease in the PUN for the second quarter of 2026, although they rose slightly in the final price for December 2025.
In contrast, towards the end of 2025, there was a significant drop in the annual futures price, which fell by 5.8% between November and December.

Oct-25 Futures		Nov-25 Futures		Dec-25 Futures	
Monthly	€/MWh	Monthly	€/MWh	Monthly	€/MWh
Nov-25	112.4	Dec-25	112.9	Jan-26	113.6
Dec-25	113.0	Jan-26	113.0	Feb-26	114.1
Jan-26	114.2	Feb-26	115.4	Mar-26	118.2
Quarterly		Quarterly		Quarterly	
Q1 26	121.1	Q1 26	121.1	Q1 26	106.4
Q2 26	95.8	Q2 26	95.8	Q2 26	102.1
Q3 26	108.5	Q3 26	108.5	Q3 26	110.0
Yearly		Yearly		Yearly	
Y1 26	109.2	Y1 26	109.2	Y1 26	102.9

Data processed by MBS Consulting

Significant events of the year

Integrated Water Service of the Province of Piacenza

Following the signing of the agreement for the management of the Integrated Water Service of the provincial area of Piacenza, which took place on 16 December 2024, Iren Acqua Piacenza S.r.l. became the new service provider as of 1 January 2025, for a duration of 16 years, replacing the previous operator, IRETI.
Iren Acqua Piacenza is a local operating company specifically established for this purpose and is wholly owned by IRETI, which was awarded the public tender. Its industrial plan includes significant investments in the networks and infrastructure of the integrated water cycle—primarily aimed at reducing water losses and energy consumption—as well as the restructuring, upgrading, and construction of works and plants within the sewerage network.

Full Consolidation of EGEA Holding

Following the receipt of Antitrust and Golden Power clearances, on 10 January 2025, Iren S.p.A. subscribed and paid a capital increase of 10 million euro in EGEA Holding (2,941 euro in share capital and 9,997,059 euro in share premium), increasing its shareholding from 50% to 52.77%.
On the same date, a shareholders' meeting was held which approved the appointment of a new board member nominated by Iren. By nominating four out of the seven members of the Board of Directors, Iren acquired control of EGEA Holding and its subsidiaries, resulting in their full consolidation.

Lastly, following the announcement of the exercise of the call option at the end of March, on 22 May 2025, Iren S.p.A. finalised the acquisition of the remaining 47.23% of EGEA Holding held by the other shareholder MidCo 2024 S.r.l., thus achieving total control. At the end of the transactions envisaged since the agreements signed on 1 August 2024, MidCo 2024 and the financial creditors of the EGEA group have therefore decided to accept the minimum price quantification of 74.8 million euro as indicated by Iren in the notice of exercise of the call option itself.
The terms of the agreement provide for the payment of a portion of the price paid at the closing in the amount of 68.9 million euro and a residual portion of 6.7 million euro deferred to 31 March 2029, including financial expenses in consideration of the unwillingness of certain creditor parties to apply the so-called "minimum price discount mechanism".

Hybrid Bonds

On 16 January 2025, Iren S.p.A. successfully placed its first Hybrid Bonds, with a nominal value of 500 million euro, issued in a single tranche for the full amount. The settlement date was 23 January 2025. As outlined in the relevant terms and conditions, the instrument is a non-convertible, subordinated, perpetual bond, redeemable only in the event of the Company's dissolution or liquidation.
The fixed annual coupon, payable annually in arrears in April starting in April 2025, is 4.5% and will be paid until the first reset date of 23 April 2030. From that date, unless fully redeemed, the security will accrue interest equal to the five-year Euro Mid Swap rate, increased by an initial margin of 221.2 basis points. The margin will increase by 25 basis points from 2035 and by a further 75 basis points from 2050, for a cumulative amount of 100 basis points.
The issue price was set at 99.448% and, therefore, the effective yield at the first reset date is 4.625% per annum.
The securities, intended for qualified investors, are listed on the regulated market of the Irish Stock Exchange (Euronext Dublin). They have been assigned a rating of BB+ by both Standard & Poor's Global Ratings and Fitch Ratings, with an equity content of 50%.

The transaction, which received almost eight times more requests for subscription than the amount offered, totalling orders for 4 billion euro, is aimed at further strengthening the capital structure and sustaining the Group's financial flexibility, and is consistent with the Iren growth strategy aimed at the integration of EGEA, new potential development opportunities for external lines and the realisation of the investments envisaged in the Business Plan, confirming the commitment of Iren to maintaining its current investment grade rating.

Acquisition of the non-controlling interest in Iren Acqua

On 20 February 2025, IRETI finalised the acquisition of the remaining 40% investment in Iren Acqua (the operator of the Integrated Water Service in 39 municipalities within the Genoa ATO), previously held by F2i SGR through its managed funds. The total consideration for the transaction amounts to 282.5 million euro, of which 100 million euro was paid at closing. The remainder is deferred to 4 years and three months, and bears interest at a compound annual rate of 4.5%.
From a financial perspective, the transaction allows for a reduction in third-party dividend payments and an increase in the Group's profit for the year. This results in a favourable financial impact due to the lower cost of Group debt compared to dividends previously paid to the non-controlling investor, ultimately contributing to an increase in earnings per share to the benefit of Iren shareholders.
Finally, Iren Acqua was merged into IRETI with effect from 1 July 2025, with accounting and tax effects backdated to 1 January.

Capacity Market Auction for 2027

At the beginning of March 2025, the result of the Capacity Market's parent auction for 2027 confirmed, as it did for 2022 to 2026, the allocation of 100% of the capacity offered by the Group: 2,055 MW in the Northern Zone, awarded at a price of 47,000 euro/MW/year.

Shareholders' Meeting

On 24 April 2025, the Ordinary Shareholders' Meeting approved the Statutory Financial Statements of Iren S.p.A. at 31 December 2024, and resolved to distribute a dividend of 0.1283 euro per ordinary share, confirming the proposal made by the Board of Directors.
The Shareholders' Meeting also:

- approved the first section ("2025 Remuneration Policy") of the Report on the 2025 Remuneration Policy and on fees paid for 2024;
- issued a favourable vote on the second section ("Fees paid for 2024") of the same Report;
- appointed the Board of Directors and its Chair for the 2025–2026–2027 term (expiring upon approval of the financial statements for 2027), and defined the related remuneration.

Renewal of the EMTN Programme

Iren renewed its EMTN (Euro Medium Term Notes) Programme, which is used to issue bonds, increasing the maximum amount from 4 to 5 billion euro.
On 23 July 2025, the Prospectus relating to the Programme was approved by CONSOB for the first time and obtained a judgement of admissibility for listing on the Electronic Bond Market (MOT) by Borsa Italiana.
The Programme was rated "BBB" by the rating agencies Fitch Ratings and S&P Global Ratings.

Upgrade of Fitch's Iren debt rating following the improvement of Italy's rating

On 25 September 2025, following the recent improvement in Italy's sovereign Long-Term Issuer Default Rating (IDR), Fitch Ratings upgraded its debt rating for Iren S.p.A., specifically:

- the Iren S.p.A. senior unsecured debt rating from "BBB" to "BBB+," a one-notch upgrade from the Iren long-term rating (unchanged at "BBB"), to reflect the lower risks associated with debt instruments issued by service companies with more than 50% of their revenue derived from regulated activities;
- hybrid bond rating (subordinated debt) from "BB+" to "BBB-," reaching Investment Grade.

Business Plan 2025-2030

On 13 November 2025, the Board of Directors approved the 2030 Business Plan, which is characterised by a balanced distribution of investments over the years, low execution risk, high predictability of results, and significant investments in sustainable projects and activities.
The Iren growth strategy, which involves strengthening the workforce through 2,400 new hires, is confirmed in the three fundamental pillars:

- ecological transition, which takes an even more targeted and resilient approach. In response to the altered market conditions and the authorisation duration for new renewable capacity, priority will be given to initiatives that safeguard the environment and the ecosystems in which the Group operates, such as developing material and energy recovery plants or building wastewater treatment plants;
- creation of value for the local areas, which translates into the development of infrastructure essential to local growth and the strengthening of the Group's local presence, responding in a timely manner to the needs of the communities in which the Group operates;
- service quality, aiming to increase the resilience of distribution networks to minimise disruptions, improve the customer experience through widespread local presence, and optimise business processes for efficiency.

In line with the strategic guidelines, the three pillars are expressed in an advanced and more focused business model. The Group's transformation from an extended multi-utility to a focused multi-utility will occur through a more selective capital allocation focused on core businesses, with the aim of maximising the value generated, concentrating resources on higher-return activities, and reducing exposure to activities where a competitive advantage has not yet been developed.

In this regard, Iren targets:

- EBITDA of 1.6 billion euro by 2030, with a CAGR of +4% thanks to organic growth, synergies, and the expansion of the consolidation scope;
- total investments of 6.4 billion euro (60% for maintenance and 40% for development), mainly allocated to the regulated sectors (Integrated Water Service and electricity grids), new energy recovery capacity from municipal waste, the extension of district heating, the renewal of hydropower concessions, the development – albeit at a slower pace than in the previous plan – of 200MW of installed photovoltaic generation capacity, the consolidation of the customer base, and the improvement of the customer experience. The visibility of the return on investment from these investments is based on the high percentage dedicated to regulated businesses, equal to 80% of the total.

Of the total investment amortisation, a significant portion (4.3 billion euro, or 70%) is earmarked for sustainable projects aligned with the European Taxonomy (of which 33% for sustainable water management, 28% for supporting the transformation of resilient cities, 26% for decarbonisation, and 13% for the circular economy).
Finally, in addition to the planned investments, there are further potential upsides linked to the organic and inorganic development opportunities that the Group is now in a position to seize;

- a Net Financial Position/EBITDA ratio that is gradually improving to 3.0x in 2030. Despite the significant investment plan, the financial profile is expected to be balanced, ensuring a broad scope of financial flexibility compared to the maximum threshold of 3.5x, established in line with current ratings and supported by the increased incidence of regulated activities, expected to reach 75% by the end of the plan.
  The average cost of debt is expected, as in the previous plan, to be below 2.9% in 2030. Furthermore, 80% of the debt will consist of sustainable finance instruments by 2030.
  Finally, it should be noted that the expected financing sources do not include asset disposals;
- a Group profit for the year of 400 million euro by 2030, with a CAGR of +7%;
- an increase of +8% in the annual dividend until 2027 and +6% from 2028 to 2030, ensuring stable and predictable returns for shareholders.

Fitch and S&P rating

Following the presentation of the 2025-2030 business plan, the rating agencies Standard & Poor's and Fitch Ratings issued the following assessments:

- on 27 November 2025, Standard & Poor's affirmed the Iren long-term credit rating (BBB/Stable), commenting that the new plan reinforces the focus on regulated activities while maintaining prudent 'headroom', in line with the current rating level;
- on 22 December 2025, Fitch Ratings confirmed the Iren long-term credit rating (BBB/Stable). This confirmation reflects the prudent strategy of Iren, which prioritises financial discipline and selective capital allocation. Thanks to the prevalence of regulated and semi-regulated activities, the business profile is characterised by high predictability of cash flows. The 'Stable' outlook reflects expectations that the company will maintain sufficient financial flexibility to support the stability of its rating, with key indicators well below the thresholds. The ratings for senior bond debt (BBB+) and subordinated bond debt (BBB-) were also affirmed.

Alternative Performance Measures

Iren Group uses alternative performance measures (APM) in order to convey more effectively the information on the profitability of its business lines, and on its financial position and financial performance. These measures are different from the financial measures explicitly required by the International Financial Reporting Standards (IFRS) adopted by the Group.
On the subject of these measures, CONSOB issued Communication no. 92543/15 which makes applicable the Guidelines issued by the European Securities and Markets Authority (ESMA) on their presentation in the regulated information distributed or in prospectuses published. These Guidelines are aimed at promoting the usefulness and transparency of the alternative performance measures included in regulated information or prospectuses that fall within the scope of application of Directive 2003/71/EC, in order to improve their comparability, reliability and comprehensibility.
In line with the aforementioned communications, the criteria used to construct these measures presented in this report are provided below.

Net invested capital (NIC): determined by the algebraic sum of non-current assets, other non-current assets (liabilities), net working capital, deferred tax assets (liabilities), provisions for risks, and employee benefits and assets held for sale (liabilities associated with assets held for sale).
For further details on the development of the individual items that make up the indicator, please refer to the reconciliation statement, included in the annexes to the Consolidated Financial Statements, between the reclassified statement of financial position and the statement of financial position.
This APM is used by the Group in the context of documents both internal to the Group and external and is a useful measure for the purpose of measuring total net assets, both current and non-current, also through comparison between the period with which the report is concerned and previous periods or financial years. This indicator also makes it possible to carry out the analyses of operating trends and to measure performance in terms of operating efficiency over time.

Net financial debt: calculated as the sum of non-current financial liabilities net of non-current financial assets and current financial liabilities net of current financial assets, excluding the fair value of commodity derivatives, and cash and cash equivalents.
For further details on the development of the individual items that make up the indicator, please refer to the reconciliation statement, included in the annexes to the Consolidated Financial Statements, between the reclassified statement of financial position and the statement of financial position.
This APM is used by the Group in the context of both internal and external documents and represents a useful tool to assess the Group's financial structure, including by comparing the reporting period with that of the previous periods or years.

Non-current Assets: calculated as the sum of property, plant and equipment, investment property, intangible assets with finite useful life, goodwill, equity-accounted investments and other investments.
For further details on the development of the individual items that make up the indicator, please refer to the reconciliation statement, included in the annexes to the Consolidated Financial Statements, between the reclassified statement of financial position and the statement of financial position.

Other non-current assets (liabilities): calculated as the sum of other non-current assets net of sundry liabilities and other non-current liabilities and the non-current portion of the fair value of commodity derivatives.
For further details on the development of the individual items that make up the indicator, please refer to the reconciliation statement, included in the annexes to the Consolidated Financial Statements, between the reclassified statement of financial position and the statement of financial position.

Net Working Capital (NWC): calculated as the algebraic sum of current and non-current contract assets and liabilities, current and non-current trade receivables, inventories, current tax assets and liabilities, sundry and other current assets, trade payables and sundry and other current liabilities and the current portion of the fair value of commodity derivatives.
For further details on the development of the individual items that make up the indicator, please refer to the reconciliation statement, included in the annexes to the Consolidated Financial Statements, between the reclassified statement of financial position and the statement of financial position.
This APM is used by the Group in the context of both internal and external documents and represents a useful tool to assess the Group's operational efficiency, including by comparing the reporting period with those related to the previous periods or years.

Gross operating profit or loss (EBITDA): calculated as the sum of pre-tax profit or loss, share of profit or loss from equity-accounted investees, impairment gains and losses on equity investments, financial income and expense, and amortisation, depreciation, provisions and impairment losses. EBITDA is explicitly shown as a subtotal in the financial statements.
This APM is used by the Group in the context of documents both internal to the Group and external and is a useful tool for assessing the Group's operating performance (both as a whole and at the individual Business Units level), including by comparing the operating results for the reporting period with those for previous periods or years. This indicator also makes it possible to carry out the analyses of operating trends and to measure performance in terms of operating efficiency over time.

Operating profit or loss (EBIT): calculated as the sum of pre-tax profit or loss, share of profit or loss of equity-accounted investees, impairment gains and losses on equity and financial income and expense. Operating Profit or loss is explicitly shown as a subtotal in the financial statements.

Investments: represents the sum of investments in property, plant and equipment, intangible assets and financial assets (equity investments), presented gross of grants related to assets.
This APM is used by the Group in both internal and external documents and represents a useful tool to assess the financial resources used for the purchase of durable goods during the period.

Cash Flow from Investing Activities: determined by the algebraic sum of cash flows related to capital expenditure, realisation of investments, changes in assets held for sale and dividends collected, as well as the effect on Net Financial Debt resulting from the acquisition of subsidiaries and non-controlling interests, as indicated in the Statement of Changes in Net Financial Debt.

Free Cash Flow: determined by the sum of net cash from operating activities and cash flow from investing activities as shown in the Statement of Changes in Net Financial Debt.

Gross operating profit or loss (EBITDA) margin: calculated by dividing the adjusted gross operating profit or loss by revenue.
This APM is used by the Group in both internal and external documents and is a useful tool to assess the Group's operating performance (both as a whole and for individual Business Units), also by comparison with previous periods or years.

Net financial debt: determined as the ratio between net financial debt and equity including non-controlling interests.
This APM is used by the Group in the context of documents both internal to the Group and external and is a useful instrument for assessing the financial structure in terms of relative proportion of financing sources between third-party funds and own funds.

Investors should note that:

- these measures are not recognised as performance criteria under IFRS;
- they shall not be adopted as alternatives to operating profit, profit for the year, operating and investing cash flow, net financial position or other measures consistent with IFRS, Italian GAAP or any other generally accepted accounting principles; and
- they are used by management to monitor the performance of the business and its management, but are not indicative of historical operating results, nor are they intended to be predictive of future results.

Iren Group's financial position, financial performance and cash flows

Income statement

IREN GROUP INCOME STATEMENT

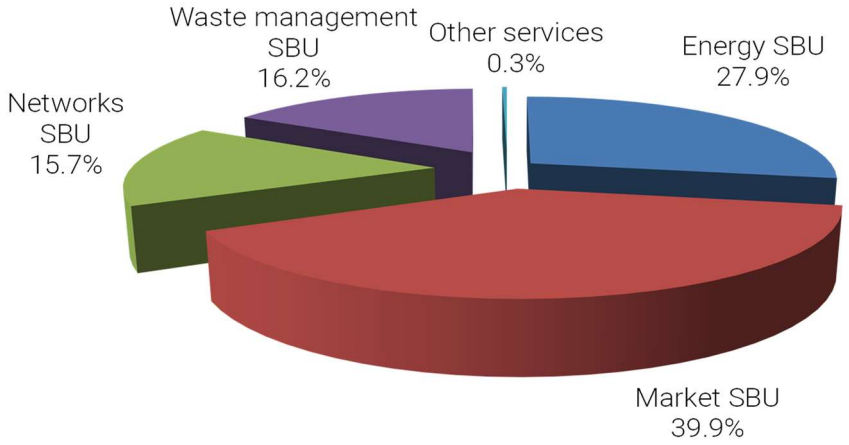
thousands of euro

	FY 2025	FY 2024	Change %
Revenue			
Revenue from goods and services	6,333,392	5,903,454	7.3
Other income	240,665	139,671	72.3
Total revenue	**6,574,057**	**6,043,125**	**8.8**
Operating expenses	-	-	
Raw materials, consumables, supplies and goods	(2,380,325)	(2,224,054)	7.0
Services and use of third-party assets	(2,115,665)	(1,860,883)	13.7
Other operating expenses	(117,117)	(102,657)	14.1
Capitalised costs for internal work	60,537	60,193	0.6
Personnel expense	(668,532)	(641,605)	4.2
Total operating expenses	**(5,221,102)**	**(4,769,006)**	**9.5**
GROSS OPERATING PROFIT (EBITDA)	**1,352,955**	**1,274,119**	**6.2**
Depreciation, amortisation, provisions and impairment losses			
Amortisation and Depreciation	(716,266)	(655,475)	9.3
Impairment losses on loans and receivables	(86,231)	(74,482)	15.8
Other provisions and impairment losses	(20,486)	(24,462)	(16.3)
Total depreciation, amortisation, provisions and impairment losses	**(822,983)**	**(754,419)**	**9.1**
OPERATING PROFIT	**529,972**	**519,700**	**2.0**
Financial management			
Financial income	38,336	45,701	(16.1)
Financial expense	(146,138)	(136,333)	7.2
Net financial expense	**(107,802)**	**(90,632)**	**18.9**
Gains on equity-accounted investments	2,359	(1,260)	(*)
Share of profit or loss of equity-accounted investees, net of tax effects	13,895	7,471	86.0
Pre-tax profit	**438,424**	**435,279**	**0.7**
Income taxes	(122,164)	(131,697)	(7.2)
Profit from continuing operations	**316,260**	**303,582**	**4.2**
Profit (loss) from discontinued operations	-	-	-
Profit for the year	**316,260**	**303,582**	**4.2**
attributable to:			
- Profit for the year attributable to the owners of the parent	300,546	268,471	11.9
- Profit for the year attributable to non-controlling interests	15,714	35,111	(55.2)

(*) Change of more than 100%

Revenue

For the year ended 31 December 2025, the Group booked revenue of 6,574.1 million euro, up by +8.8% compared to 6,043.1 million euro in 2024. The main drivers of the turnover increase are linked to the consolidation of the EGEA Holding Group for more than 370 million euro and energy revenue, influenced by approximately 40 million euro due to rising commodity prices and more than 100 million euro from higher energy supply volumes. Energy efficiency activities contributed approximately 53 million euro to the increase in turnover.



Gross Operating Profit (EBITDA)

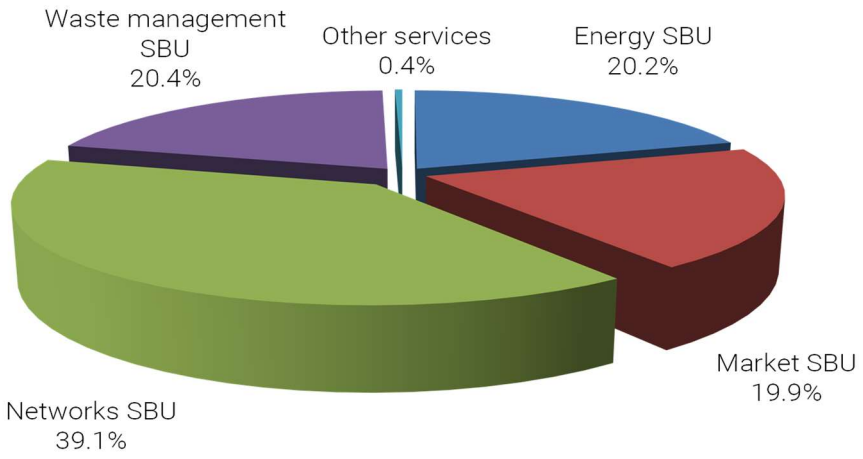
Gross operating profit (EBITDA) amounted to 1,353 million euro, up +6.2% compared to 1,274.1 million euro in 2024. The increase for the year is primarily attributable to the consolidation of the EGEA Holding group (+59 million euro) and to the organic growth (+22 million euro) of the Networks Business Unit, which also benefited from a number of positive one-off items (quality awards in the water sector and ARERA Resolution 570/R/gas).

The energy scenario was characterised by growing commodity prices compared to 2024, but these slowed during the third quarter of 2025. Price trends, for energy production margins, led to contrasting effects throughout the year and were overall negative (-5 million euro).
The decline is also due to lower production levels, particularly in hydroelectric generation (-21 million euro) owing to the limited hydraulic capacity during the summer, partially offset by higher heat production (+4 million euro) and the activities of the Environment business unit (+2 million euro) and renewables, also thanks to the commissioning of the Noto photovoltaic plant starting September 2025. Conversely, the positive contribution of the 'Capacity market' fee (+17 million euro) is particularly noteworthy, moreover almost entirely absorbed by the reduced contribution from the Dispatching Services Market - DSM - (-15 million euro).

The trading business for energy commodities saw a decline (-17 million euro), primarily due to the anticipated reduction in margin from gas sales (-22 million euro), an activity that had benefited from an extraordinary positive margin in the early months of 2024, which cannot be replicated, whereas margins from electricity sales showed improvement (+2 million euro), as did other services (+3 million euro).

As previously mentioned, a particularly positive contribution to the margin was generated by organic growth in the Networks BU (Integrated Water Service and Electricity Distribution), mainly related to tariff awards as a result of investments made in recent years (+22 million euro) partially compensated by the regulatory effects of the revision of tariff parameters (-7 million euro).
In 2025, two non-recurring items also emerged, namely the recognition of premiums recognised by ARERA for the technical/commercial quality level of the Integrated Water Service during the period 2022-2023 (+10 million euro) and the recognition by the Council of State of the appeals against ARERA Resolution 570/19 concerning certain components of the gas tariff method for the 2020-2024 period (+11 million euro). These items more than offset the absence of the gains related to the tariff adjustments for the recovery of inflation of the Integrated Water System, which had positively characterised the year 2024 (-9 million euro) and are no longer repeatable beyond the reduction, from the start of the year, of the WACC recognised in the gas and electricity distribution sectors.
There was also a non-recurring item in the Environment BU (+13 million euro) relating to the settlement of waste management fees for previous years, which will therefore no longer be repeatable.

The change in gross operating profit with reference to the individual business units is broken down as follows: Networks business unit +10.5%, Waste +8.3%, Market +4.5% and Energy -1.3%.



Operating profit

Operating profit amounted to 530 million euro, up +2% compared to 519.7 million euro in 2024. Amortisation and depreciation for the year rose by 61 million euro, due to the start-up of new investments and expansion of the consolidation scope, which can be traced to the EGEA Holding Group (33 million euro), higher impairment losses on loans and receivables for 12 million euro and lower impairment losses for approximately 4 million euro.

Financial management

Net financial expense came to 107.8 million euro, an increase (+18.9%) compared to the figure for 2024, which stood at 90.6 million.
In particular, despite higher income from the discounting of provisions, financial income declined overall (standing at 38.3 million euro compared to 45.7 million euro in the comparative year, -7.4 million), mainly due to lower interest income from cash investments.
The increase in financial expense (146.1 million euro in 2025 compared to 136.3 million euro in 2024, +9.8 million) is mainly due to the adjustment of the financial component in the discounting of risk provisions, the effect of the increase in debt, and charges related to the repayment of certain loans.

Gains on equity-accounted investments

The amount of this item (+2.4 million euro) mainly refers to the effect of the remeasurement at fair value, at the date of acquisition of control, of the prior interest in CSAI.
In the comparative year (-1.3 million euro), this figure was primarily attributable to the impairment loss on non-controlling interests (-4.3 million euro) and to the effect of the remeasurement of the investment in Siena Ambiente prior to its full consolidation (+3.3 million euro).

Share of profit or loss of equity-accounted investees, net of tax effects

This item, which amounts to +13.9 million euro (+7.5 million euro in 2024), includes the share of the pro-rata profit or loss of the Group's associates and joint ventures, the most significant of which regard ASA, Aguas de San Pedro, SETA and Asti Servizi Pubblici.

Pre-tax profit

As a result of the above trends, consolidated pre-tax profit amounted to 438.4 million euro, up slightly compared to 435.3 million euro in the comparative year.

Income taxes

Income taxes for 2025 amounted to 122.1 million euro (131.7 million euro in 2024). The effective tax rate is 27.9%, down from 30.3% in the previous year, as a result of the recognition of the effects of non-recurring transactions that led to the recognition of higher deferred tax assets.

Profit for the year

As a result, profit for the year totalled 316.3 million euro, an increase (+4.2%) compared to 2024, when it amounted to 303.6 million euro.
Of this amount, 300.6 million euro is attributable to the owners of the parent (268.5 million euro in 2024), and 15.7 million euro is attributable to non-controlling interests (35.1 million euro in the comparative year). The decrease in the portion attributable to non-controlling interests is due to the acquisition of the remaining 40% investment in Iren Acqua in February 2025.

Statement of Financial Position

RECLASSIFIED STATEMENT OF FINANCIAL POSITION OF IREN GROUP

thousands of euro

	31.12.2025	31.12.2024	Change %
Non-current assets	8,818,759	8,414,310	4.8
Other non-current assets (liabilities)	(765,712)	(619,491)	23.6
Net Working Capital	241,417	(11,778)	(*)
Deferred tax assets (liabilities)	293,248	272,676	7.5
Provisions for risks and employee benefits	(740,798)	(630,067)	17.6
Assets held for sale (liabilities associated with assets held for sale)	85,397	790	(*)
Net invested capital	**7,932,311**	**7,426,440**	**6.8**
Equity	3,710,567	3,343,697	11.0
Non-current financial assets	*(148,393)*	*(124,355)*	*19.3*
Non-current financial debt	*4,490,480*	*4,460,915*	*0.7*
Non-current net financial debt	4,342,087	4,336,560	0.1
Current financial assets	*(239,280)*	*(867,975)*	*(72.4)*
Current financial debt	*118,937*	*614,158*	*(80.6)*
Current net financial position	(120,343)	(253,817)	(52.6)
Net financial debt	4,221,744	4,082,743	3.4
Own funds and net financial debt	**7,932,311**	**7,426,440**	**6.8**

(*) Change of more than 100%

For a reconciliation of the reclassified statement of financial position with that of the financial statements, please refer to the specific annex to the Notes to the Consolidated Financial Statements.

The main changes in the statement of financial position are commented on below.

Non-current assets at 31 December 2025 amounted to 8,818.8 million euro, up compared to 31 December 2024, when they were 8,414.3 million euro. The increase (+404.5 million euro) is mainly due to the effect of the following:

- assets arising from M&A transactions during the year:
  - the acquisition of control of the EGEA Holding Group for 382.9 million euro, including goodwill. These assets mainly consist of: networks and plants related to district heating, integrated water services, and gas distribution; electricity, biogas, and biomethane generation plants; waste collection vehicles; and equity investments. These amounts are net of the elimination of the pre-existing interest (-85.0 million);
  - the acquisition of control of CSAI, which operates in the waste management sector through two landfills for municipal, similar and special non-hazardous waste (9.5 million euro, including goodwill);
- investments in property, plant and equipment and intangible assets (+925.4 million euro) and depreciation and amortisation (-716.3 million euro) in the year;
- the impairment loss (-6.3 million euro) on a property located in the Municipality of Genoa, used as the company's head office until February 2025, and its subsequent reclassification as "Assets held for sale" (-9.5 million euro);
- the impairment loss on certain plants in the Waste Management sector for a total of -2.8 million euro;
- the disposal of assets (networks and plants) related to the management of the Integrated Water Service in certain municipalities in the Province of Imperia, which were transferred to another operator (-8.5 million euro);
- the reclassification as "Assets held for sale" of the assets related to the concessions for the management of the Integrated Water Service in 43 municipalities of the ATO 4 in the Cuneo area, currently operating under an extension regime, pending the planned transfer to the successor operator, COGESI (-86.6 million euro);
- the change in right-of-use assets in application of IFRS 16 – Leases for +7.9 million, largely relating to rental and lease contracts for vehicles and buildings instrumental to operating activities;

For more detailed information on the sector-specific breakdown of technical investments during the year, please refer to the following chapter, "Segment reporting".

Changes in "Other non-current assets (liabilities)" (-146.2 million euro) mainly refer to deferred income components related to grants received for investments (-64.4 million), including those related to NRRP funds for network efficiency and the circular economy, the long-term portion of the tax liability from the settlement agreement reached with the Revenue Agency under the negotiated crisis resolution procedure pursuant to the Italian "Corporate Crisis Code", applied to the EGEA Group (-58.6 million), and the reduction of the long-term portion of tax credits relating to the Superbonus 110 incentives (-35.0 million).

Net working capital stood at 241.4 million euro, against -11.8 million euro as at 31 December 2024. The increase (+253.2 million) is essentially attributable to the trend in trade items and the increase in Superbonus tax credits.

Provisions for risks and employee benefits amounted to 740.8 million euro, an increase compared to the figure at the end of 2024, when they stood at 630.1 million (+110.7 million). The main changes relate to the change in the consolidation scope following the acquisition of the EGEA Group and CSAI, and to the provision set aside to cover the obligation arising from CO_2 emissions (Emission Trading System).

The item Assets held for sale (Liabilities associated with assets held for sale) increased by 84.6 million euro, primarily as a result of the aforementioned reclassifications of assets, liabilities and rights related to the concessions for the management of the Integrated Water Service of the ATO 4 in the Cuneo area and a disused property located in Genoa.

Equity amounted to 3,710.6 million euro, compared with 3,343.7 million at 31 December 2024 (+366.9 million). The change is essentially due to the following:

- net profit for the year (+316.3 million);
- dividends paid (-176.7 million);
- issuance of the perpetual hybrid bonds, recognised as an equity component net of transaction costs (+493.8 million) and the recognition of coupons for the year (-5.6 million);
- change in the consolidation scope due to the consolidation of CSAI and the consequent effect of the change in equity interest in companies already controlled (-3.5 million);
- acquisition of the non-controlling interest in Iren Acqua (-283.2 million, including ancillary charges);
- acquisition of the non-controlling interest in EGEA Holding group (-9.2 million);
- change in the hedging reserve, related to interest rate and commodity hedging derivatives (+35.3 million).

Net Financial Debt amounted to 4,221.7 million euro as at 31 December 2025, an increase of 139.0 million compared to 31 December 2024. For further details, please refer to the analysis of the statement of cash flows presented below.

CHANGE IN NET FINANCIAL DEBT OF IREN GROUP

The following table shows the changes in the Group's net financial debt during the year.

thousands of euro

	FY 2025	FY 2024	Change %
Opening net financial debt	**(4,082,743)**	**(3,933,805)**	**3.8**
Profit for the year	316,260	303,582	4.2
Non-monetary adjustments	1,285,298	1,200,971	7.0
Payment of employee benefits	(7,741)	(9,876)	(21.6)
Utilisations of provisions for risks and other charges	(224,296)	(298,068)	(24.8)
Change in other non-current assets and liabilities	108,884	66,478	63.8
Taxes paid	(115,202)	(174,775)	(34.1)
Other changes in equity	88	93	(5.4)
Cash flows from changes in NWC	(322,857)	50,953	(*)
Change in market exposure for commodity derivatives	37,430	(56,183)	(*)
Cash flows from operating activities	**1,077,864**	**1,083,175**	**(0.5)**
Investments in property, plant and equipment and intangible assets	(925,414)	(830,217)	11.5
Investments in financial assets	(1,552)	(87,911)	(98.2)
Proceeds from the sale of investments and changes in assets held for sale	4,286	7,044	(39.2)
Acquisition (Disposal) of Subsidiaries and non-controlling Interests	(479,035)	(24,002)	(*)
Dividends collected	3,958	2,039	94.1
Total cash flows used in investing activities	**(1,397,757)**	**(933,047)**	**49.8**
Free cash flow	**(319,893)**	**150,128**	**(*)**
Cash flows from own capital	311,501	(178,684)	(*)
Other changes	(130,609)	(120,382)	8.5
Change in Net financial debt	**(139,001)**	**(148,938)**	**(6.7)**
Closing Net financial debt	**(4,221,744)**	**(4,082,743)**	**3.4**

(*) Change of more than 100%

The change in Net Financial Debt compared to 31 December 2024 of +139.0 million euro is due to the following factors:

- *Cash flows from operating activities* of +1,077.9 million (+1,083.2 million in 2024). The flow includes, among its determinants, disbursements related to energy bonds for the fulfilment of obligations allocated to provision for charges;
- *Cash flows used in investing activities* totalled -1,397.8 million (-933.0 million in 2024), and includes, in particular:
  - technical investments during the year (925.4 million, up 11.5% compared to the comparative year);
  - under the items "Investments in financial assets" and "Acquisition (Disposal) of subsidiaries and non-controlling interests" (totalling -480.6 million):
    - acquisition of the non-controlling interest in Iren Acqua (-283.2 million, including ancillary charges);
    - acquisition of control over EGEA Holding Group, including recognition of the call option and the net financial debt assumed (-236.0 million);
    - acquisition of minor investments (-1.6 million);
    - acquisition of control over Cierre (-0.6 million);
    - positive net financial position resulting from the consolidation of CSAI (+29.8 million);
    - consideration received for the sale of the business unit related to the management of the Integrated Water Service in certain municipalities in the Province of Imperia (+11.0 million).

    The amount in the comparative year (111.9 million) referred mainly to the acquisition of the initial 50% investment in EGEA Holding, to the net financial debt arising from the full consolidation of Siena Ambiente and the acquisition of Agrovoltaica;
- *cash flows from own capital* of +311.5 million, referring to the issuance of the hybrid perpetual bonds (+493.8 million), the payment of related coupons (-5.6 million) and the payment of dividends (-176.7 million). In the comparative year, the amount (-178.7 million) related only to dividends;
- the item *other changes*, equal to -130.6 million (-120.4 million in the comparison year), mainly related to the effect of net financial expense, fair value gains on hedging derivatives and the recognition of IFRS 16 leases for the year.

Finally, the statement of cash flows prepared according to the model expressed as a change in cash and cash equivalents is presented at the beginning of the section "Consolidated Financial Statements at 31 December 2025".

Segment reporting

Iren Group operates in the following operating segments:

- Networks (Electricity distribution networks, Gas distribution networks, Integrated Water Service)
- Waste Management (Waste collection, treatment and disposal)
- Energy (Hydroelectric Production and production from other renewable sources, Combined Heat and Power, District Heating Networks, Thermoelectric Production, Public Street Lighting, Global services, Energy efficiency services)
- Market (Sale of electricity, gas and other customer services)
- Other services (Laboratories, Telecommunications and other minor services).

These operating segments are disclosed pursuant to IFRS 8, which requires the disclosure about operating segments to be based on the elements which management uses in making operational and strategic decisions.
For a proper interpretation of the income statements relating to individual businesses presented and commented on below, revenue and expense referring to general activities were fully allocated to the businesses based on actual usage of the services provided or according to technical and economic drivers.
Given the fact that the Group mainly operates in one area, the following segment reporting does not include a breakdown by geographical segment.
Net invested capital at 31 December 2025, compared to the figures at 31 December 2024, and the income statements for 2025 (up to the operating profit or loss) are presented below by operating segment, compared with the figures for 2024.
At 31 December 2025, non-regulated activities contributed 26.3% to EBITDA (30.4% at 31 December 2024), regulated activities accounted for 57.1% (up from 54.3% in 2024), and semi-regulated activities contributed 16.6% (15.3% in 2024).

Reclassified statement of financial position by operating segment as at 31 December 2025

millions of euro

	Networks	Waste Management	Energy	Market	Other services	Non-allocable	Total
Non-current assets	4,035	1,687	2,429	428	26	214	8,819
Net Working Capital	174	36	107	(79)	3		241
Other non-current assets and liabilities	(625)	(257)	(178)	(62)	(5)		(1,128)
Net invested capital (NIC)	3,584	1,466	2,357	287	24	214	7,932
Equity							3,710
Net financial debt							4,222
Own funds and net financial debt							7,932

Reclassified statement of financial position by operating segment as at 31 December 2024

millions of euro

	Networks	Waste Management	Energy	Market	Other services	Non-allocable	Total
Non-current assets	3,800	1,645	2,302	359	17	291	8,414
Net Working Capital	114	9	(11)	(128)	4	-	(12)
Other non-current assets and liabilities	(675)	(182)	(139)	19	1	-	(976)
Net invested capital (NIC)	3,239	1,472	2,152	250	22	291	7,426
Equity							3,343
Net financial debt							4,083
Own funds and net financial debt							7,426

Income Statement by operating segment for 2025

millions of euro

	Networks	Waste Management	Energy	Market	Other services	Non-allocable	Total
Total revenue and income	1,378	1,424	2,449	3,506	35	(2,218)	6,574
Total operating expenses	(849)	(1,147)	(2,176)	(3,237)	(30)	2,218	(5,221)
Gross Operating Profit (EBITDA)	529	277	273	269	5	-	1,353
Net amortisation, depreciation and impairment losses	(252)	(224)	(194)	(151)	(2)	-	(823)
Operating profit (EBIT)	277	53	79	118	3	-	530

Income Statement by operating segment for 2024

thousands of euro

	Networks	Waste Management	Energy	Market	Other services	Non-allocable	Total
Total revenue and income	1,269	1,291	2,141	3,444	35	(2,137)	6,043
Total operating expenses	(791)	(1,035)	(1,864)	(3,187)	(29)	2,137	(4,769)
Gross Operating Profit (EBITDA)	478	256	277	257	6	-	1,274
Net amortisation, depreciation and impairment losses	(227)	(217)	(182)	(125)	(3)	-	(754)
Operating profit (EBIT)	251	39	95	132	3	-	520

Networks SBU

For the year ended 31 December 2025, the Networks operating segment, which includes the Gas Distribution, Electricity and Integrated Water Service businesses, recorded revenue of 1,378.5 million euro, up by +8.6% compared to 1,268.7 million euro in 2024. The increase is mainly attributable to positive changes in tariff revenue constraints for the Integrated Water Service and the Electricity Network, as well as to the positive effects of the premiums for technical and commercial quality recognised by ARERA and the recognition by the Council of State of the appeals against ARERA Resolution 570/19, which were partly offset by the absence of the tariff adjustments for the recovery of 2023 inflation that had characterised 2024 and are no longer repeatable. Revenue also benefited from the change in the consolidation scope following the inclusion of the EGEA Holding Group companies as of 1 January 2025, which are also active in the Networks sector (integrated water cycle, gas networks).

The Gross Operating Profit reached Euro 528.9 million, marking a +10.5% increase from Euro 478.5 million in the previous year, primarily due to higher tariff constraints and the aforementioned technical and commercial quality premiums of the integrated water cycle and consolidation of EGEA Holding Group.

Operating profit amounted to 277.4 million euro, up +10.6% compared to 250.8 million euro in 2024. The result was impacted by: higher depreciation and amortisation of approximately 20 million euro and higher impairment losses on loans and receivables and lower releases from provisions for risks, for a combined effect of approximately 2 million euro.

		FY 2025	FY 2024	Changes %
Revenue	€/mln	1,378.5	1,268.7	8.6
Gross Operating Profit (EBITDA)	€/mln	528.9	478.5	10.5
% of revenue		*38.4%*	*37.7%*	
from Electricity Networks	*€/mln*	102.1	88.8	14.9
from Gas Networks	*€/mln*	115.7	95.3	21.4
from Integrated Water Service	*€/mln*	311.1	294.4	5.7
Operating profit	€/mln	277.4	250.8	10.6
Investments	€/mln	391.6	363.0	7.9
in Electricity Networks	*€/mln*	98.1	81.7	20.0
in Gas Networks	*€/mln*	44.5	39.2	13.7
in Integrated Water Service	*€/mln*	239.0	228.4	4.6
Other	*€/mln*	10.0	13.7	(27.1)
Electricity distributed	GWh	3,872.8	3,608.7	7.3
Gas distributed	Mcm	1,143.6	1,058.8	8.0
Water sold	Mcm	190.9	176.9	8.0

Networks SBU - Electricity

Gross operating profit (EBITDA) amounted to 102.1 million euros, up +14.9% compared to 88.8 million euro in 2024. The improvement is attributable to organic growth resulting from the investments made, a development that led to an increase in the revenue constraint, and to the updating of tariff parameters.

Investments in the year amounted to 98.1 million euro, an increase of +20% compared to 81.7 million euro in 2024. These were mainly related to new service connections; resilience enhancements of the low/medium voltage distribution network to improve service quality; construction of new primary and secondary substations, some of which are included in the National Recovery and Resilience Plan (NRRP); and continued replacement of electronic meters with 2G technology.

Networks SBU - Gas Distribution

Gross operating profit (EBITDA) amounted to 115.7 million euro, up +21.4% from the 95.3 million euro of 2024. The increase was mainly generated by the recognition by the Council of State of the appeals against ARERA Resolution 570/19, which were related to some components of the tariff method (standard and customised X-factor) for the regulatory periods 2020 - 2025, and by the change in the consolidation scope, which from 1 January, also includes the gas distribution area of EGEA Holding group.

Investments amounted to 44.5 million euro, up +13.7% compared with 39.2 million euro in 2024, and involved mainly upgrading the network to cathodic protection and installing electronic meters.

Networks SBU - Integrated Water Service
Gross operating profit (EBITDA) amounted to 311.1 million euro, up +5.7% from the 294.4 million euro of 2024. The improvement is attributable to the organic growth in realised investments and to the introduction of the new MTI-4 tariff method valid for the fourth regulatory period 2024-2029, to the recognition by ARERA of the technical and commercial quality premiums for the period 2022-2023, partially offset by the elimination of the positive effects on 2024 of the tariff adjustments inherent in the 2023 inflationary effects that can no longer be repeated.

Investments amounted to 239 million euro, up +4.6% compared to 228.4 million euro in 2024. These activities relate to the construction, development and extraordinary maintenance of distribution networks and plants and of the sewerage network, as well as the installation of measuring units mainly with new technology involving remote reading, as well as the construction and modernisation of wastewater treatment plants.

Additionally, investments of 10 million euro were recorded, a decrease from 13.7 million euro in 2024, mainly related to digitalisation projects and the renovation of operational buildings.

Waste Management SBU

For the year ended 31 December 2025, the segment revenue amounted to 1,424.4 million euro, up by +10.3% compared to 1,291.5 million euro in 2024. The increase in revenue is attributable to waste collection activities as a result of the new financial plans approved by the municipalities, and the change in the consolidation scope with the entry of the environmental companies of EGEA Holding group as of 1 January 2025.

		FY 2025	FY 2024	Changes %
Revenue	€/mln	1,424.4	1,291.5	10.3
Gross Operating Profit (EBITDA)	€/mln	276.8	255.6	8.3
% of revenue		*19.4%*	*19.8%*	
Operating profit	€/mln	52.5	38.5	36.4
Investments	€/mln	193.5	177.7	8.9
Electricity sold	GWh	505.8	502.0	0.8
Thermal energy produced	GWht	388.9	320.5	21.4
Waste managed	tonnes	4,129,210	4,020,016	2.7
Sorted waste collection	%	70.5	69.6	

Gross operating profit (EBITDA) of the segment amounted to 276.8 million euro, up +8.3% compared to 255.6 million euro in 2024. The increase is characterised by improved results in the waste collection segment, mainly due to the approval of new economic and financial plans and the balance relative to environmental hygiene fees for previous years. On the other hand, the gross operating profit decreased for waste-to-energy plants, due to a drop in energy revenue, for landfill sites, due to lower incoming waste flows and a less profitable waste mix, and for the treatment and recovery of materials derived from sorted waste collection.
Contributing positively to the increase for the year was the contribution of the companies EGEA Ambiente and Sisea of the EGEA Holding group.

Operating profit amounted to 52.5 million euro, an improvement of 36.4% compared to 38.5 million euro in 2024. During the year, higher depreciation and amortisation were recorded for approximately 11 million euro, higher impairment losses on loans and receivables for 6 million euro, and lower impairment losses for 10 million euro.

Investments amounted to 193.5 million euro, up +8.9% compared to 177.7 million euro in the previous year. Investments relate to the purchase of waste collection vehicles and equipment and the construction of waste treatment plants; in particular, the OFMSW plant in La Spezia, the paper treatment plant (IRM) in Collegno (Turin) and the Costa di Rovigo plastic materials recycling plant.

Energy SBU

For the year ended 31 December 2025, the revenue of the Energy SBU, which includes the production of electricity and heat, management of district heating, activities related to public lighting and energy efficiency, amounted to 2,448.7 million euro, an increase of +14.4% compared to 2,140.6 million euro in 2024.

The increase in revenue is mainly attributable to the increase in the sale prices of electricity and heat, the higher quantities of heat produced, and the consolidation of EGEA Holding group companies active in the power generation, heat and district heating sectors. Revenue from energy efficiency activities also increased by about 53 million euro due to more upgrading work on buildings.

		FY 2025	FY 2024	Changes %
Revenue	€/mln	2,448.7	2,140.6	14.4
Gross Operating Profit (EBITDA)	€/mln	273.2	276.7	(1.3)
% of revenue		*11.2%*	*12.9%*	
Operating profit	€/mln	78.6	94.5	(16.9)
Investments	€/mln	176.5	151.9	16.2
Electricity generated	GWh	8,679.5	8,686.3	(0.1)
from hydroelectric sources	*GWh*	1,311.1	1,479.0	(11.4)
from photovoltaic	*GWh*	306.9	302.0	1.6
from cogeneration sources	*GWh*	4,726.5	4,720.7	0.1
from thermoelectric sources	*GWh*	2,335.0	2,184.7	6.9
Heat produced	GWht	2,733.7	2,553.5	7.1
from cogeneration sources	*GWht*	2,278.6	2,147.9	6.1
from non-cogeneration sources	*GWht*	455.1	405.6	12.2
District heating volumes	Mcm	115.0	102.3	12.4

In 2025, electricity produced was 8,679.5 GWh, essentially in line compared to 8,686.3 GWh (+0.1%) of 2024.
Electricity production from cogeneration sources amounted to 4,726.5 GWh, essentially in line (+0.1%) compared to 4,720.7 GWh in 2024, while thermoelectric production was equal to 2,335 GWh, an increase of +6.9% compared to 2,184.7 GWh in 2024.
Production from renewable sources amounted to 1,618 GWh, down -9.2% from 1,781 GWh in 2024. The decrease recorded relates to hydroelectric generation, which amounted to 1,311.1 GWh compared to 1,479 GWh (-11.4%) in 2024, due to low water availability in 2025, while photovoltaic and wind generation amounted to 306.9 GWh, an increase of +1.6% compared to the previous year, partly thanks to the commissioning of the Noto photovoltaic plant from September 2025.
The heat produced amounted to 2,733.7 GWht, an increase of +7.1% compared to the 2,553.5 GWht in 2024 due to a more favourable thermal season, network developments and the integration of Egea group companies, which brought the district heating volumes to 115 Mcm compared to 102.3 Mcm in 2024 (+12.4%).

Gross operating profit (EBITDA) amounted to 273.2 million euro, down -1.3% compared to 276.7 million euro in 2024.

The trend in the energy scenario was characterised by an upward trend in commodity prices compared to 2024, with positive effects on electricity production margins, although these were partially offset by the hedges put in place to secure production margins in advance. This led to positive effects on thermoelectric and cogeneration production margins, also thanks to increased revenue from the 'capacity market' service fee, partially compensated by a decline in the Dispatching Services Market (MSD).
In contrast, the hydroelectric production profits declined sharply, primarily due to a reduction in output (-11.4%) because of low water availability during the summer period.
Heat production intended for district heating also shows improvement due to the increased production volumes, which enabled the absorption of the declining sales margins, also because of the non-repeatable positive effects on hedging, from which the 2024 profit had benefited.
Energy efficiency activities for the construction sites related to the so-called 'Superbonus 110%' of the non-profit organisations, now in the final phases, have contributed to the improvement.

Gross operating profit (EBITDA) amounted to 78.6 million euro, down -16.9% compared to 94.5 million euro in 2024. During the year, higher depreciation and amortisation of approximately 11 million euro was recorded, mainly due to the inclusion of the district heating companies of EGEA Holding group in the consolidation scope as of 1 January 2025, and higher provisions for risks of 4 million euro.

Investments amounted to 176.5 million euro, up +16.2% compared to 151.9 million euro in 2024. Major projects include the development of district heating networks and photovoltaic plants.

Market SBU

As at 31 December 2025, the segment revenue amounted to 3,505.5 million euro, up by +1.8% compared to 3,444.5 million euro in 2024. The increase in turnover is attributable to the increase in electricity and gas prices. and the change in the scope due to the consolidation of EGEA Energie in the EGEA Holding group as of 1 January 2025.

Gross Operating Profit amounted to 268.6 million euro, an increase of +4.5% compared to 257.1 million euro in 2024, taking into account the positive contribution of EGEA Energie, consolidated from 1 January 2025.

Operating profit amounted to 118 million euro, down -10.5% compared to 131.8 million euro in 2024. During the year, higher depreciation and amortisation of 22 million euro were recorded, taking into account the consolidation of EGEA Energie, and higher net provisions of 2 million euro.

		FY 2025	FY 2024	Changes %
Revenue	€/mln	3,505.5	3,444.5	1.8
Gross Operating Profit (EBITDA)	€/mln	268.6	257.1	4.5
% of revenue		*7.7%*	*7.5%*	
from Electricity	*€/mln*	138.2	122.8	12.5
from Gas	*€/mln*	119.9	126.4	(5.1)
from Heat and other services	*€/mln*	10.5	7.9	33.2
Operating profit	€/mln	118.0	131.8	(10.5)
Investments		97.7	74.7	30.7
Electricity Sold	GWh	6,559.5	6,978.4	(6.0)
Gas Purchased	Mcm	2,346.8	2,512.1	(6.6)
Gas sold by the Group	*Mcm*	862.6	1,014.7	(15.0)
Gas for internal use	*Mcm*	1,474.2	1,450.5	1.6
Gas in storage	*Mcm*	10.0	46.9	(78.7)

Sale of electricity

The volumes of electricity sold amounted to 6,559.5 GWh, a decrease of -6% compared to 6,978.4 GWh in 2024.

The free market amounted to 6,474.5 GWh, down -5.4%, compared to 6,843.8 GWh in 2024.
This growth was driven by the operating segment, which recorded sales of 1,899.6 GWh, an increase of +27.7% compared to 1,487.4 GWh in 2024, and the retail and small operating segment, which recorded sales of 3,438.2 GWh, up +1.8% from 3,378.6 GWh in 2024.
Conversely, the wholesale segment declined, with sales of 1,136.6 GWh, down -42.5% compared to 1,977.8 GWh during the previous year.

The market for greater protection amounted to 85 GWh, down by -36.9% compared to 134.6 GWh in 2024 mainly due to the liberalisation of part of the market.

The gross operating profit (EBITDA) from electricity sales is equal to 138.2 million euro, up +12.5% compared to 122.8 million euro in 2024.

The table below shows the quantities sold by class of customer sector:

Market SBU – Sale of Electricity - GWh

	FY 2025	FY 2024	Changes %
Business	1,899.6	1,487.4	27.7
Retail and small business	3,438.2	3,378.6	1.8
Wholesalers	1,136.6	1,977.8	(42.5)
Free market	**6,474.5**	**6,843.8**	**(5.4)**
Protected market	**85.0**	**134.6**	**(36.9)**
Total Electricity sold	**6,559.5**	**6,978.4**	**(6.0)**

Sale of Natural Gas
Purchased volumes amounted to 2,346.8 Mcm, down -6.6%, compared to 2,512.1 Mcm in 2024.
Gas sold to third parties by the Group amounted to 862.6 Mcm, down by -15.0% compared to 1,014.7 Mcm sold in 2024, while gas used for internal consumption within the Group amounted to 1,474.2 Mcm, a slight decrease of -1.6% compared to 1,450.5 Mcm in 2024.

Gross operating profit (EBITDA) from the sale of gas amounted to 119.9 million euro, down -5.1% compared to 126.4 million euro in 2024. The effects of lower unit margins and lower quantities sold due to the lower propensity to consume in the winter period were only partially absorbed by the efficiency of operating costs and the positive contribution of EGEA Energie.

Other sales services
Other sales services show a Gross Operating Profit of 10.5 million euro, an improvement on the 7.9 million euro of 2024, mainly due to increased sales of Iren Plus branded products and services.

Investments of the Market SBU amounted to 97.7 million euro, up +30.7% from the 74.7 million euro in 2024.

Other services

For the year ended 31 December 2025, revenue of the segment, which includes the activities of the analysis laboratories, telecommunications and other minor activities, was 35 million euro, substantially in line with the 35.3 million euro in 2024.

		FY 2025	FY 2024	Changes %
Revenue	€/mln	35.0	35.3	(0.7)
Gross Operating Profit (EBITDA)	€/mln	5.5	6.4	(5.1)
% of revenue		*15.6%*	*18.0%*	
Operating profit	€/mln	3.5	3.5	(*)
Investments	€/mln	66.1	62.9	5.2

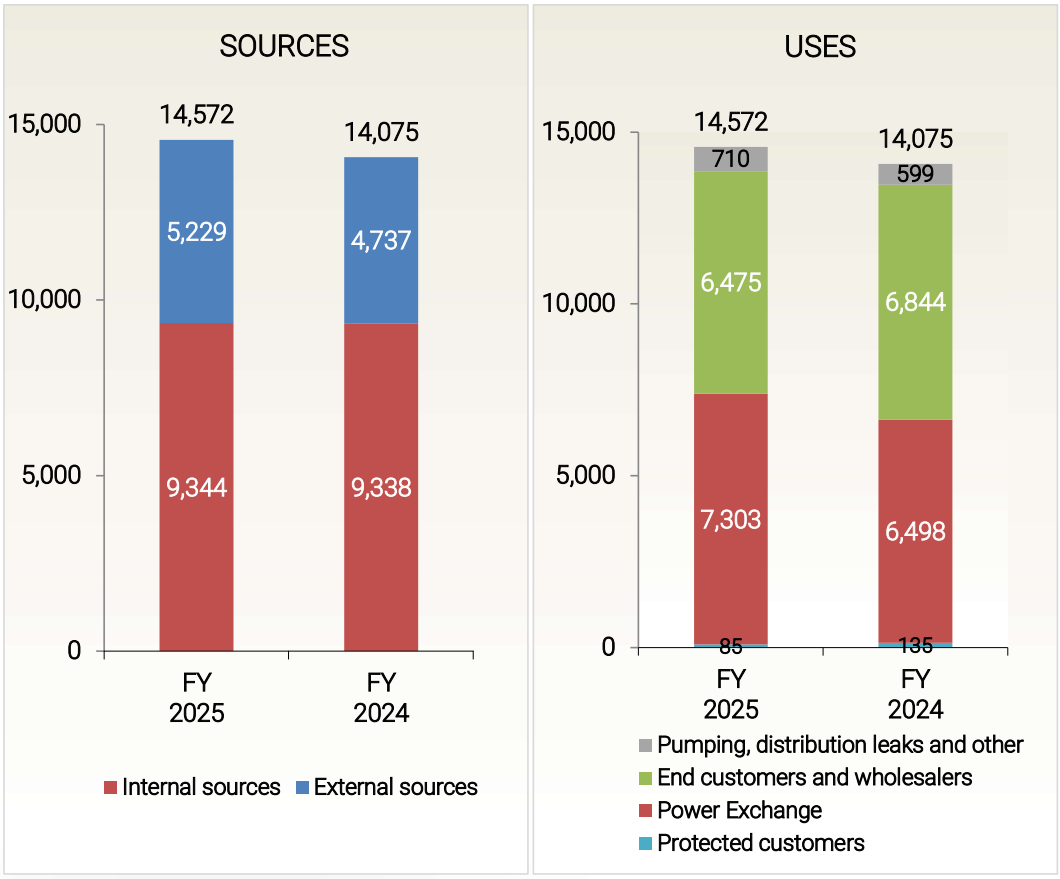
Gross operating profit (EBITDA) amounted to 5.5 million euro, down -5.1% compared to 6.4 million euro in 2024.

Investments in the year amounted to 66.1 million euro, up compared to 62.9 million euro in 2024 and mainly related to information systems and buildings.

Energy balances

Electricity balance

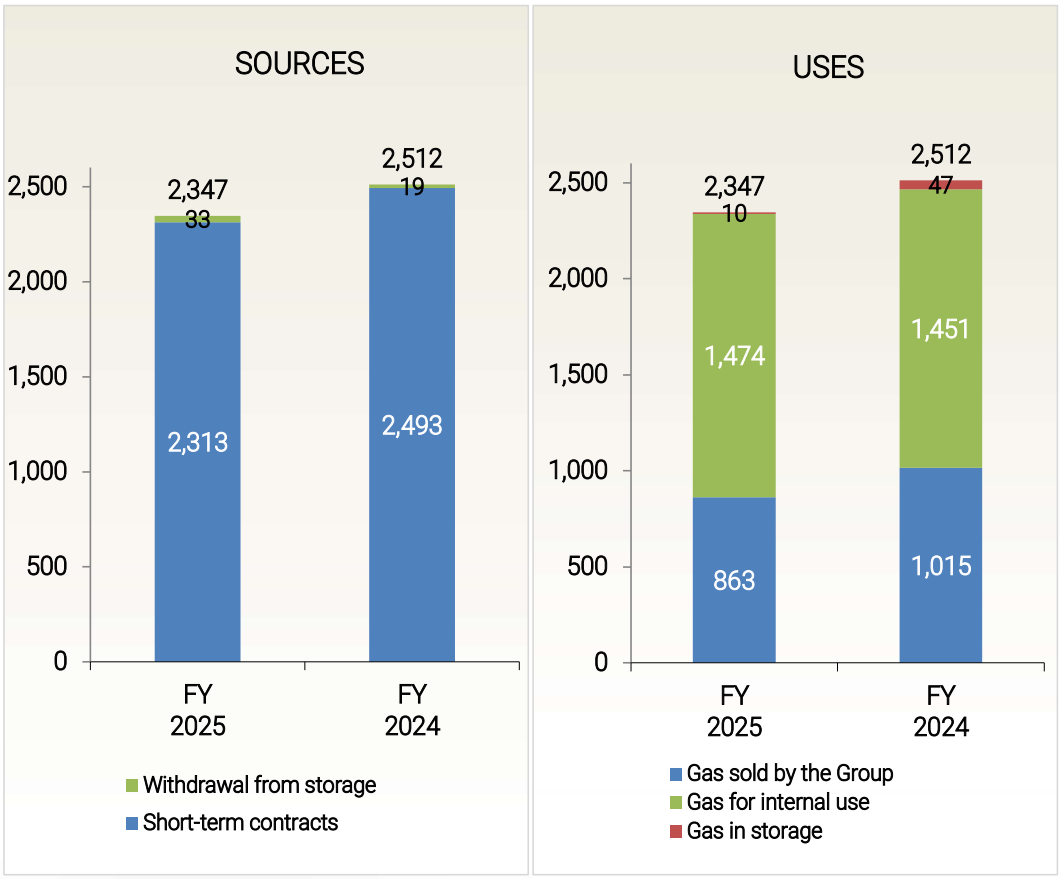
GWh	FY 2025	FY 2024	Changes %
SOURCES			
Group's gross production	9,343.9	9,338.0	0.1
a) Hydroelectric	1,341.5	1,512.1	(11.3)
b) Photovoltaic and wind	306.9	302.0	1.6
c) Cogeneration	4,727.1	4,721.2	0.1
d) Thermoelectric	2,335.0	2,184.7	6.9
e) Production from WTE	581.2	564.2	3.0
f) Biogas, biomass and other renewables	52.2	53.7	(2.7)
Purchases from Acquirente Unico [Single Buyer]	93.5	148.1	(36.9)
Energy purchased on the Power exchange	4,149.3	3,227.1	28.6
Energy purchased from wholesalers and imports	985.8	1,361.9	(27.6)
Total Sources	**14,572.5**	**14,075.0**	**3.5**
USES			
Sales to protected customers	85.0	134.6	(36.9)
Sales to end customers and wholesalers	6,474.5	6,843.8	(5.4)
Sales on the Power exchange	7,302.6	6,497.9	12.4
Pumping, distribution losses and other	710.5	598.7	18.7
Total Uses	**14,572.5**	**14,075.0**	**3.5**



Gas balance

Millions of m³	FY 2025	FY 2024	Changes %
SOURCES			
Short-term market condition contracts	2,313.4	2,493.3	(7.2)
Withdrawals from storage	33.4	18.8	77.7
Total Sources	**2,346.8**	**2,512.1**	**(6.6)**
USES			
Gas sold by the Group	862.6	1,014.7	(15.0)
Gas for internal use (1)	1,474.2	1,450.5	1.6
Gas in storage	10.0	46.9	(78.7)
Total Uses	**2,346.8**	**2,512.1**	**(6.6)**

(1) Internal use concerns thermoelectric plants and use for heat services and internal consumption



Financial position, financial performance and cash flows of Iren S.p.A.

Income statement

IREN S.p.A. INCOME STATEMENT

thousands of euro

	FY 2025	FY 2024	Change %
Revenue			
Revenue from goods and services	333,744	319,499	4.5
Other income	16,948	11,798	43.7
Total revenue	**350,692**	**331,297**	**5.9**
Operating expenses			
Raw materials, consumables, supplies and goods	(12,573)	(8,930)	40.8
Services and use of third-party assets	(187,358)	(184,722)	1.4
Other operating expenses	(9,385)	(9,461)	(0.8)
Capitalised costs for internal work	8,394	8,064	4.1
Personnel expense	(89,456)	(94,950)	(5.8)
Total operating expenses	**(290,378)**	**(289,999)**	**0.1**
GROSS OPERATING PROFIT (EBITDA)	**60,314**	**41,298**	**46.0**
Depreciation, amortisation, provisions and impairment losses			
Amortisation and Depreciation	(68,374)	(57,876)	18.1
Impairment losses on loans and receivables	100	-	-
Other provisions and impairment losses	(6,267)	2,009	(*)
Total depreciation, amortisation, provisions and impairment losses	**(74,541)**	**(55,867)**	**33.4**
OPERATING LOSS	**(14,227)**	**(14,569)**	**(2.3)**
Financial management			
Financial income	344,718	344,353	0.1
Financial expense	(111,941)	(115,386)	(3.0)
Net financial income	**232,777**	**228,967**	**1.7**
Gains (losses) on equity-accounted investments	-	-	-
Pre-tax profit	**218,550**	**214,398**	**1.9**
Income taxes	(75)	(1,890)	(96.0)
Profit from continuing operations	**218,475**	**212,508**	**2.8**
Profit (loss) from discontinued operations	-	-	-
Profit for the year	**218,475**	**212,508**	**2.8**

(*) Change of more than 100%

Revenue
Iren S.p.A. total revenue amounted to 350.7 million euro (up from 331.3 million euro in the previous year) and mainly refers to services provided to subsidiaries, including EGEA Holding group companies acquired at the beginning of the year, of a corporate nature (financial, administrative, technical, fiscal, and legal), the implementation and management of information systems, and energy management.

Operating expenses
Total operating expenses amounted to 290.4 million euro, essentially unchanged compared to 2024: there was an increase in external costs (mainly consisting of services related to the management of corporate activities provided to Group companies) and lower personnel expense, which, in the previous year, included provisions for future social security contributions and higher expenses associated with the incentivised early retirement of some employees.

Gross Operating Profit (EBITDA)
Based on the trends set out, the Gross Operating Profit (EBITDA) therefore stood at 60.3 million euro, up from 41.3 million euro compared to 2024.

Depreciation, amortisation, provisions and impairment losses
Depreciation, amortisation, provisions and impairment losses amounted to 74.5 million euro (55.9 million in 2024).
Depreciation and amortisation increased mainly due to the release in the operational phase of the recent significant investments in the IT area and the commencement of operations at the new headquarters in Genoa.
The item "Other provisions and impairment losses", amounting to 6.3 million euro, relates to the impairment loss on the former Genoa headquarters, no longer in use. In the previous year, the item showed a positive balance of +2.0 million euro, mostly referring to releases of provisions to suppliers due to the non-occurrence of related risks.

Financial management
Net financial income came to 232.8 million euro.

Analysing the composition of the items, financial income, equal to 344.7 million euro (substantially unchanged compared to the 2024 figure), mainly includes dividends from subsidiaries for 218.2 million (-4.1 million compared to 2024) and interest income on loans to subsidiaries for 114.2 million (+15.7 million compared to the previous year). Also worth mentioning is the interest income from banks for the investment of liquidity, amounting to 11.6 million euro, down 11.7 million compared to the amount in the previous year (23.3 million).

Financial expense came to 111.9 million euro and refers essentially to interest expense on debt (bank loans and bonds). It decreased slightly compared to the comparative figure, when it stood at 115.4 million.

Pre-tax profit
As a consequence of the trends illustrated above, the pre-tax profit was 218.6 million euro (214.4 million in 2024).

Income taxes
Income taxes are equal to 0.1 million euro (1.9 million in 2024), due to a taxable income resulting from the non-taxability of 95% of the dividends received.

Profit for the year
Including taxes for the year, there was a profit of 218.5 million euro.

Statement of Financial Position

RECLASSIFIED STATEMENT OF FINANCIAL POSITION OF IREN S.P.A.

thousands of euro

	31.12.2025	31.12.2024	Change %
Non-current assets	3,065,064	2,994,660	2.4
Other non-current assets (liabilities)	157	(83)	(*)
Net Working Capital	(39,265)	(16,012)	(*)
Deferred tax assets (liabilities)	11,145	8,777	27.0
Provisions for risks and employee benefits	(26,726)	(31,070)	(14.0)
Assets held for sale (liabilities associated with assets held for sale)	9,462	-	-
Net invested capital	**3,019,837**	**2,956,272**	**2.2**
Equity	2,834,737	2,286,708	24.0
Non-current financial assets	*(4,142,367)*	*(3,687,506)*	*12.3*
Non-current financial debt	*4,244,096*	*4,272,104*	*(0.7)*
Non-current net financial debt	101,729	584,598	(82.6)
Current financial assets	*(195,857)*	*(708,850)*	*(72.4)*
Current financial debt	*279,228*	*793,816*	*(64.8)*
Current net financial debt	83,371	84,966	(1.9)
Net financial debt	185,100	669,564	(72.4)
Own funds and net financial debt	**3,019,837**	**2,956,272**	**2.2**

(*) Change of more than 100%

The reconciliation of the reclassified statement of financial position with the statement of financial position is provided in the annex to the Separate Financial Statements.

The items subject to significant changes in the statement of financial position in the year are commented on below.

Non-current assets at 31 December 2025 amounted to 3,065.1 million euro, up compared to 31 December 2024, when they were 2,994.7 million euro. The increase (+70.4 million euro) was mainly due to the effect of the following determinants:

- acquisition of the remaining 50% of EGEA Holding for 85.0 million euro (thus achieving full ownership), primarily through a capital increase (10.0 million) and, following the announcement of the exercise of the call option, through the acquisition of the shares held by the other shareholder, MidCo 2024, for 75.0 million, including ancillary charges;
- technical investments in property, plant and equipment and intangible assets (+67.3 million), mainly relating to IT implementations with related equipment, redevelopment and construction of properties and purchase of vehicles, and depreciation and amortisation (-68.4 million) for the year;
- impairment loss on the former Genoa headquarters, no longer in use, in the amount of -6.3 million, and its subsequent reclassification as "Assets held for sale" (-9.5 million);
- recognition of right-of-use assets in application of IFRS 16 - Leases for 1.6 million, relating to lease contracts for buildings used for management activities as well as vehicle rentals;
- acquisition of minor investments for 0.7 million.

The decrease in Net Working Capital (-23.3 million euro) is largely attributable to trade receivables from subsidiaries.

The decrease in Provisions for risks and employee benefits (-4.4 million euro compared to 31 December 2024) is mainly due to the utilisation of the provision set aside for long-term incentive plans.

The item Assets held for sale (liabilities held for sale) was created following the aforementioned reclassification of the former Genoa headquarters, no longer in use (9.5 million euro).

Equity amounted to 2,834.7 million euro, compared with 2,286.7 million at 31 December 2024 (+548.0 million). The change in the year refers to:

- profit for the year (+218.5 million);
- dividends paid (-164.6 million);

- issuance of the perpetual hybrid bond, recognised as an equity component net of transaction costs (+493.8 million) and the recognition of coupons for the year (-5.6 million);
- hedging reserve for cash flow hedge derivatives (+3.7 million);
- other minor changes for a total of +2.2 million.

Net financial debt at the end of the year amounted to 185.1 million euro, a change of -484.5 million compared to 31 December 2024, which includes, among other elements, the issuance of the perpetual "hybrid" bonds. For more details please see the analysis of the statement of cash flows presented below.

CHANGE IN NET FINANCIAL DEBT OF IREN S.p.A.

The statement below details the movements in the net financial debt of Iren S.p.A. that occurred in the year.

thousands of euro

	FY 2025	FY 2024	Change %
Opening net financial debt	**(669,564)**	**(625,258)**	**7.1**
Profit for the year	218,475	212,507	2.8
Adjustments for non-financial transactions	(156,961)	(165,658)	(5.2)
Payment of employee benefits	(1,069)	(1,306)	(18.1)
Utilisations of provisions for risks and other charges	(4,931)	(322)	(*)
Change in other non-current assets and liabilities	(241)	116	(*)
Other changes in equity	104	-	-
Taxes collected (paid)	(2,066)	2,174	(*)
Cash flows from changes in NWC	24,981	(2,540)	(*)
Cash flows from operating activities	**78,292**	**44,971**	**74.1**
Investments in property, plant and equipment and intangible assets	(67,297)	(62,724)	7.3
Investments in financial assets	(85,686)	(87,742)	(2.3)
Investment realisation	28	221	(87.3)
Dividends collected	218,242	222,346	(1.8)
Total cash flows from investing activities	**65,287**	**72,101**	**(9.5)**
Free cash flow	**143,579**	**117,072**	**22.6**
Cash flows from own capital	323,622	(152,430)	(*)
Other changes	17,264	(8,948)	(*)
Change in Net financial debt	**484,465**	**(44,306)**	**(*)**
Closing Net financial debt	**(185,100)**	**(669,564)**	**(72.4)**

(*) Change of more than 100%

The change in financial debt (-484.5 million euro) derives from the following determinants:

- *cash flows from operating activities* of +78.3 million euro, which include a positive cash flow from changes in NWC;
- *cash flows from investing activities* (+65.3 million), which substantially includes dividends received from subsidiaries (218.2 million) net of technical investments (-67.3 million) and equity investments (-85.7 million), firstly EGEA Holding;
- *cash flows from own capital* of +323.6 million, relating to the payment of dividends (-164.6 million), the issuance of the perpetual hybrid bonds (+493.8 million) and the payment of the associated coupons (-5.6 million);
- the item *other changes*, amounting to +17.3 million euro, which includes financial income and expense respectively received and paid, the positive change in the fair value of derivative instruments hedging interest rate risk and the effect of the recognition of new lease agreements falling within the scope of IFRS 16.

We can note finally that the statement of cash flows prepared according to the format of a change in cash and cash equivalents is presented in the Separate Financial Statements at 31 December 2025.

The table below reconciles the equity and profit for the year of the Parent Iren S.p.A. at 31 December 2025 and 31 December 2024 with those of the consolidated financial statements.

thousands of euro

31.12.2025	Equity	Profit for the year
Equity and profit in the Parent's separate financial statements	**2,834,737**	**218,475**
Difference between the carrying amount and value of equity-accounted associates	64,389	15,555
Higher value from consolidation compared to the carrying amount of consolidated equity investments	595,422	283,928
Elimination of dividends from subsidiaries/associates	-	(218,242)
Elimination of intra-group profits	(35,498)	830
Equity and profit for the year attributable to the owners of the parent	**3,459,050**	**300,546**

"Elimination of intra-group profits" refers to the elimination of capital gains from the sale of business units or companies within the Group. In particular, it is worth noting the transaction related to the Genoa integrated water cycle carried out by the former AMGA (positive effect of 2.1 million euro on the income statement and negative by 15.6 million euro on Equity).

thousands of euro

31.12.2024	Shareholders' Equity	Profit for the year
Equity and profit in the Parent's separate financial statements	**2,286,708**	**212,508**
Difference between the carrying amount and value of equity-accounted associates	56,255	6,623
Higher value from consolidation compared to the carrying amount of consolidated equity investments	569,389	270,297
Elimination of dividends from subsidiaries/associates	-	(222,346)
Elimination of intra-group margins	(36,328)	1,389
Equity and profit for the year attributable to the owners of the parent	**2,876,024**	**268,471**

Financial management

General framework

Over the course of 2025, the yield curve returned to a 'traditional' pattern, with short-term rates falling below medium-to-long-term rates, thereby reversing the so-called 'inversion' of the yield curve that had been in place since the beginning of 2024.
The evolution of interest rates reflects the impact of inflationary pressures and the resulting monetary policy measures implemented and expected. Since the beginning of the year, the European Central Bank has made four rate cuts of 25 basis points each, keeping rates unchanged in its July, September and December meetings; there was also no change in its February 2026 meeting. The official deposit rate currently stands at 2.0%.
Since the second half of the year, the six-month Euribor rate has remained broadly stable at 2.1%, while fixed interest rates, as represented by the Interest Rate Swap levels, have hovered between 2.5% and 2.8% for maturities of 5 to 10 years.

Activities performed

Throughout the year, efforts continued to strengthen the financial structure of Iren Group. Changes in financial requirements are monitored through careful planning, which makes it possible to forecast the need for new resources, taking into account the repayments of outstanding loans, changes in debt, investments, the trend in working capital and the balance of short-term and long- term sources.
The organisational model adopted by Iren Group, with the goal of financial optimisation of the companies, entails centralising with the parent's treasury management, non-current loans and financial risk monitoring and management. Iren has relationships with leading Italian and international banks, for the purpose of procuring the types of loans best suited to its needs and at the best market conditions.

Hybrid bonds

As reported in the "Significant Events of the Year", on 16 January 2025, Iren S.p.A. successfully launched its first Hybrid Bonds, with a nominal value of 500 million euro issued in a single tranche for the entire amount. The settlement date was 23 January 2025. As outlined in the relevant terms and conditions, the instrument is a non-convertible, subordinated, perpetual bond, redeemable only in the event of the Company's dissolution or liquidation.
The bond pays a fixed annual coupon of 4.5%, payable annually in arrears in April, starting from April 2025, and continuing until the first reset date on 23 April 2030. From that date, unless fully redeemed, the security will accrue interest equal to the five-year Euro Mid Swap rate, increased by an initial margin of 221.2 basis points. The margin will increase by 25 basis points from 2035 and by a further 75 basis points from 2050, for a cumulative amount of 100 basis points.
The issue price was set at 99.448% and, therefore, the effective yield at the first reset date is 4.625% per annum.
The notes, intended for qualified investors, are listed on the regulated market of the Irish Stock Exchange (Euronext Dublin).
The securities were assigned a BB+ rating by both Standard & Poor's Global Ratings and Fitch Ratings, and recognised with an equity content of 50%. On 25 September, following the upgrade of Italy's sovereign Long-Term Issuer Default Rating (IDR), Fitch Ratings upgraded Iren S.p.A.'s debt rating, raising the rating of the hybrid bonds from 'BB+' to 'BBB-' and thereby elevating them to Investment Grade.

Green Bonds and EMTN Programme

During the first half of the year, the allocation phase of the proceeds of the two Green Bonds issued in 2024 (the fifth and sixth for the Group) amounting to 1 billion euro was successfully completed, on sustainable projects with a measurable and positive impact on the environment, in compliance with the timeframe of the Sustainable Financing Framework (SFF) and according to best market practice. In line with the guidelines included in the SFF, the certification agency DNV issued the relevant Second Party Opinion for each green bond without any remarks.

In addition, on 23 July, the annual renewal of the EMTN Programme took place, which constitutes the platform through which the Group will be able to make future bond issues, with the extension of the relevant ceiling to 5 billion euro from the previous 4 billion. For the first time, the Base Prospectus of the Programme was approved by CONSOB and obtained a rating of admissibility for listing on the MOT (Electronic Bond Market) by Borsa Italiana, with the possibility of passporting on another European market.

New financing agreement with the European Investment Bank (EIB)

At the end of 2025, the deliberative bodies of Iren S.p.A. and the EIB approved the subscription of a green loan for an amount of 225 million euro to support the Group's investments in the areas of the circular economy and energy efficiency.
Specifically, funding is being provided for a series of projects relating to municipal waste collection infrastructure in the Group's core areas, with the aim of promoting waste reduction, improving waste separation at source, and increasing waste traceability and separation rates. At the same time, the financing also includes investments in energy efficiency measures that will help reduce the energy consumption of buildings, thereby supporting the decarbonisation of the building stock.
The loan agreement was signed in March 2026, further strengthening the relationship between Iren Group and the European Investment Bank.

Liability Management Activities

As part of a prudent and proactive approach to managing existing funding sources, aimed at optimising liquidity and the Group's capital structure, during 2025, Iren S.p.A. proceeded with the early repayment of *KPI-Linked Term Loan* facilities for a total amount of 250 million euro and the cancellation of *Sustainability-Linked revolving credit facility* (RCF) lines for an amount of 200 million euro.
In addition, on 22 December, TRM – "Trattamento Rifiuti Metropolitani" finalised the voluntary early repayment of the entire outstanding exposure of Project Finance to the Pool of lending banks, amounting to 128 million euro, and at the same time paid the bank the related financial derivative at a market value of 7 million euro.

Within the Group, as of 1 January 2025, the EGEA Holding Group companies were included in the consolidation scope, bringing with financing positions amounting to a total of 165 million euro.
To optimise the Group's financial structure, with a view to centralising debt as required by intra-group policy, almost all positions were repaid early already in the first six months of 2025, totalling 161 million euro. As at 31 December 2025, the residual medium-to-long-term debt held by companies of the EGEA Holding Group amounts to 3.5 million euro.

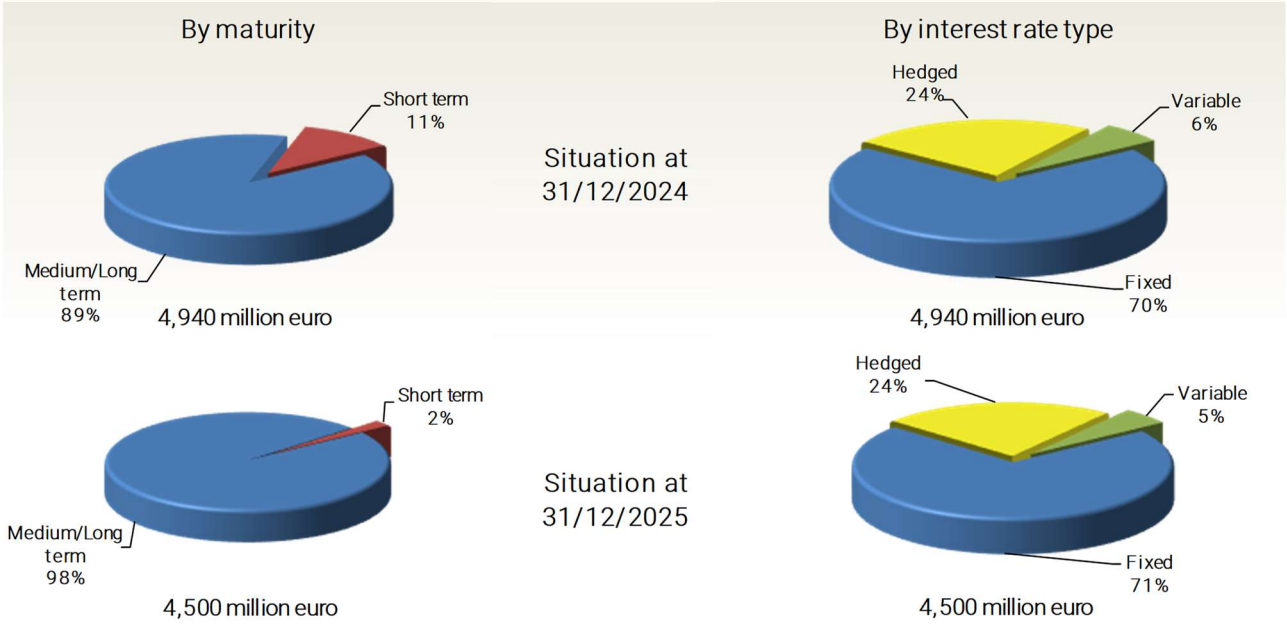
Financial debt from loans, which does not include lease liabilities recorded in application of IFRS 16, at the end of the year consists of 34% loans and 66% bonds; it should also be noted that 85% of the total debt is financed by sustainable funds, consistent with the Iren Sustainable Finance Framework, such as Green Bonds, Use of Proceeds Sustainability-Linked loans, whose interest rate is linked to Key Performance Indicators of an ESG nature.

As regards financial risks, Iren Group is exposed to various types of risk, including liquidity risk, interest rate risk, and currency risk. As part of its Risk Management activities, the Group uses non-speculative hedging contracts to limit risks of fluctuations in the interest rate.
Within the scope of Liability Management activities, three Interest Rate Swap contracts were restructured for a total notional amount of 150 million euro and two Interest Rate Swap contracts were settled for a positive market value of a total of 56 thousand euro.
Furthermore, following the consolidation of the EGEA Holding Group companies, an additional 15 *Interest Rate Swap* contracts were added, with a positive Mark-to-Market (MtM) value of 5.1 million euro as at 1 January 2025, covering 60.6 million euro of loan-related debt and €3 million of lease-related debt. During 2025, in line with the early repayment of financing positions, the corresponding hedging instruments were also closed out.

At the end of the year, the portion of floating rate debt not hedged by derivatives was equal to 5% of financial debt from loans, in line with Iren Group's objective of maintaining adequate protection from significant increases in interest rates.

Overall, the activity carried out is aimed at refinancing debt with a view to improving the financial structure, with optimisation of the cost of capital and the average duration of financial debt.

The composition of financial debt from loans by maturity and rate type, compared with the situation at 31 December 2024, is shown in the chart below.



Rating

Iren Group holds the ratings:

- "BBB" with "Stable" Outlook for its long-term credit rating (Long-Term Issuer Credit Rating) from Standard & Poor's Global Ratings (S&P). On 27 November 2025, following the presentation of the 2025–2030 Business Plan, the Agency issued its opinion, maintaining the Iren long-term credit rating unchanged. The agency commented that the new plan reinforces the focus on regulated activities, maintaining a prudent 'headroom', in line with the current rating level;
- "BBB" with "Stable" Outlook for the long-term credit rating (Long-Term Issuer Default Rating – IDR) from the agency Fitch Ratings. On 22 December 2025, following the presentation of the 2025–2030 Business Plan, the agency affirmed the Iren long-term credit rating. This confirmation reflects the prudent strategy of Iren, which prioritises financial discipline and selective capital allocation. Thanks to the prevalence of regulated and semi-regulated activities, the business profile is characterised by high predictability of cash flows. The 'Stable' outlook reflects expectations that the company will maintain sufficient financial flexibility to support the stability of its rating, with key indicators well below the thresholds.

On 25 September 2025, following the upgrade of Italy's sovereign Long-Term Issuer Default Rating (IDR), Fitch Ratings upgraded the Iren S.p.A. debt rating, specifically:

- The Iren S.p.A. senior unsecured bond rating from 'BBB' to 'BBB+', an increase of one notch compared to the Iren corporate rating (Long-Term IDR), which, as noted above, remains unchanged at 'BBB', to reflect the lower risks associated with debt instruments issued by utility companies that derive more than 50% of their profits from regulated activities;
- The rating of the hybrid bonds from "BB+" to "BBB-", thereby reaching Investment Grade status.

At ESG level, for both agencies, sustainability issues have a neutral or scarcely relevant impact from a lending point of view, both due to the nature of the business and the way in which the issue of sustainability is managed in Group dynamics.

At 31 December, to support the Group's liquidity profile and rating level, in addition to current and equivalent liquid assets available to service maturities over the next twelve months, Iren has medium/long-term credit lines agreed and/or committed, available but not drawn down, totalling 450 million euro.

Significant events after the reporting date and outlook

EIB loan to support the circular economy and energy efficiency

In March 2026, Iren signed a 225 million euro financing agreement with the European Investment Bank (EIB) to support its investment programme for the period 2025–2028. The initiative aims to support a series of measures designed to promote the circular economy and energy efficiency by upgrading waste collection systems and implementing measures to reduce energy consumption in buildings.

The loan supports investments in municipal waste management, including new containers, collection vehicles, recycling centres and infrastructure to support the introduction of 'Pay-As-You-Throw' (PAYT) systems, which link charges to the quantity of waste actually generated and encourage improved waste separation at source. At the same time, funding is being provided for energy efficiency measures aimed at reducing consumption in buildings, with a particular focus on social care facilities, such as residential homes for the elderly and mental health centres, managed by non-profit organisations.

The investments will be made primarily in the three regions of Northwest Italy where the Group has historically operated (Piedmont, Emilia-Romagna, Liguria), as well as in Tuscany and other Italian regions, particularly by Iren Ambiente and Iren Smart Solutions.

"Decreto Bollette" – decree concerning utility bills

The 2026 "Decreto Bollette", published in the Gazzetta Ufficiale on 20 February 2026, introduces extraordinary measures to support the costs of purchasing electricity for households and businesses. The legislation aims at reducing the final cost of energy, eliminating system charges and the cost of CO2 (ETS) from price formation, strengthen social bonuses and introduce transitional concessions. In particular, the removal of system charges and the ETS cost from pricing is a particularly important element for energy operators, as it could have structural effects on prices, the generation mix between technologies and the dynamics of cross-border energy flows.

Conflict in the Middle East

Recent geopolitical tensions in the Middle East, resulting from the ongoing conflict between the United States, Israel and Iran, have caused the blockade of the Strait of Hormuz, hindering the transit of ships carrying oil, petroleum products and LNG to Asia and Europe. Attacks on energy infrastructure in the Gulf countries have also been recorded, resulting in significant damage to extraction, refining and transportation processes. These events led to a significant increase in oil and natural gas prices, with direct repercussions on European energy prices. The blockade of ship transit through the Strait of Hormuz could also generate delays and price increases on additional supply chains.

The effects of higher energy prices on the Group's profitability, as well as on macroeconomic scenarios related to inflation and interest rates, will be monitored and assessed in light of the duration of the conflict and the attacks on the region's energy infrastructure.

Outlook

In a complex and uncertain macroeconomic scenario, influenced by geopolitical tensions, the main risk factors for the Group's results concern the volatility of the prices of gas and electricity energy commodities and potential inflationary effects and a related increase in interest rates.

Another area of focus for 2026 will be regulatory risk, i.e., the possibility of the introduction of European or national regulations aimed at controlling energy prices, such as the recent publication of the '2026 Utility Bill Decree'.

In 2026, the Group plans to make investments totalling almost one billion euro, in line with the strategic plan approved in November 2025. These investments will be focused on the 'regulated' sectors and primarily on the Networks BU, with the aim of enhancing the resilience of the electricity distribution networks, as well as on the integrated water service, for the construction of new wastewater treatment plants and the modernisation of infrastructure to enable more efficient management and a consequent reduction in water losses.

In the Waste BU, investments will be focused on improving the quality of the waste collection service, with the aim of increasing sorted waste collection, as well as on completing the construction of an organic fraction (OFMSW) treatment plant.

In the energy value chain (Energy and Market BU), technical investments are focused on expanding the district heating network, installing air heaters at gas-fired generation plants to increase their availability even in periods of drought, developing new photovoltaic plants, and maintaining the customer base.

In line with the current scenario and compared to the 2025 final results, the 2026 financial results are expected to increase, supported by organic growth in the regulated businesses and by the ongoing efficiency plan. We expect the result for the energy chain to be in line with last year, driven by higher photovoltaic volumes thanks to the commissioning of new plants and the extension of the district heating network, which will be offset by lower margins in supply activities due to increased market competition.

With regard to debt, the Group's objective is to maintain the current net financial debt/EBITDA ratio at 3.1x.

Risks and uncertainties

The management of corporate risks is an essential component of the Internal Control System of the Corporate Governance of a listed company, and the Corporate Governance Code of Listed Companies assigns specific responsibilities on this aspect. The Enterprise Risk Management model applied by the Group includes the methodological approach to integrated identification, assessment and management of the Group risks.
For each of the following risk types:

- Financial Risks (liquidity, interest rate, currency);
- Credit Risk;
- Energy Risks, attributable to the procurement of gas for thermoelectric generation and to the sale of electricity, heat and gas, and to the hedging derivative markets;
- Cyber Risks, linked to potential events related to the loss of confidentiality, integrity or availability of data or information after which negative impacts on the organisation, people, operations or other organisations could derive;
- Risks from Climate Change, which include risks due to the transition to a low carbon dioxide emission economy (transition risks) and risks of a physical nature (physical risks) that may result from catastrophic environmental events (acute risks) or from medium- to long-term changes in environmental patterns (chronic risks);
- Tax Risks, associated with potential transactions carried out in violation of tax regulations or in contrast with the principles or purposes of the tax system;
- Operational risks, associated with asset ownership, involvement in business activities, processes, procedures and information flows.

Specific "policies" have been defined with the primary goal of fulfilling strategic guidelines, organisational- managerial principles, macro processes and techniques necessary for the active management of the related risks.

The Group's Enterprise Risk Management model also regulates the roles of the various parties involved in the risk management process, which is governed by the Board of Directors, and calls for specific Commissions to manage the financial, tax, IT, credit, energy and climate risks.
The Cyber Risk Policy, the Climate Change Risk Policy and the Tax Control Model were adopted in 2020 following the approval of the Board of Directors of Iren S.p.A., while the other Policies have undergone some substantial revisions over time to adapt them to the current organisational models and to the evolution of risk factors.
The approach followed is also consistent with the commitments expressed in the Sustainability Policy: it takes into account the risks and opportunities associated with sustainability issues that are material to Iren Group, assessing, for each risk category envisaged in the Group's risk model, the environmental, social and governance (ESG) risk profiles, as also envisaged by EU Directive 2022/2464 - Corporate Sustainability Reporting Directive (CSRD).
As Iren Group pays particular attention also to maintaining trust and a positive image of the Group, the Enterprise Risk Management model manages also "reputational risks", which relate to the impacts on stakeholders of any malpractices.
Within the Group there is the Risk Management Department which reports to the Chief Executive Officer of the Company.
Within the scope and within the limits of the powers granted by the Board of Directors of Iren S.p.A., the Chief Executive Officer, in liaison with the Chair and the Deputy Chair, is in charge of overseeing the functionality of the internal control system by (i) supporting the Control and Risk and Sustainability Committee in identifying the main corporate risks, taking into account the characteristics of the activities carried out by the Company and its subsidiaries, and in periodically submitting them to the Board of Directors for review; (ii) implementing the guidelines defined by the Board of Directors by ensuring that the competent corporate structures design, implement and manage the internal control and internal auditing system, constantly verifying its overall adequacy, effectiveness and efficiency, and adapting it to the dynamics of the operating conditions and the legislative and regulatory framework.
The Risk Management Department deals with:

- the integrated management of the Group's Enterprise Risk Management (ERM) System: methodological approach, definition of policies and monitoring of the System;
- management of insurance policies.

A periodic assessment process is in place with regard to adverse events in the various sectors and across all Group's areas in order to describe in detail their causes and implement the most suitable methods for preventing and/or limiting the impacts of the events.
The Risk Management Department also oversees the Group's Business Continuity Management (BCM) model, the objective of which is to guarantee the resilience of the business in the face of unexpected events, ensuring the continuity of business processes deemed critical. The Group BCM includes the organisational and technological safeguards necessary to ensure continuity of processes, as well as a proactive and structured response to Emergency and/or Crisis events.

Below is a breakdown of the management methods active within the group for the different types of risk.

1. Financial Risks

Iren Group's business is exposed to various types of financial risks, including: liquidity risk, currency risk and interest rate risk. As part of its Risk Management activities, the Group uses non-speculative hedging contracts to limit currency risk and interest rate risk.

a) Liquidity risk
Liquidity risk is the risk that financial resources available to the company will be insufficient to cover financial and trade commitments in accordance with the agreed terms and deadlines.
The procurement of financial resources has been centralised in order to optimise their use. In particular, centralised management of cash flows in Iren makes it possible to allocate the funds available at the Group level according to the needs that from time to time arise among the individual companies. Cash movements are recognised in intra-group accounts along with intra-group interest income and expense.
A number of investees have an independent financial management structure in compliance with the guidelines provided by the Parent.

b) Currency risk
Except as indicated in the section on energy risk, Iren Group is not significantly exposed to currency risk.

c) Interest rate risk
Iren Group is exposed to fluctuations in interest rates, especially with regard to borrowing costs. Iren Group's strategy is to limit exposure to the risk of interest rate volatility, maintaining at the same time a low cost of funding.

Compliance with the limits imposed by the Policy is verified during the Financial Risk Commission meetings with regard to the main metrics, together with analysis of the market situation, interest rate trends, the value of hedges and confirmation that the conditions established in covenants have been met.

2. Credit risk

The Group's credit risk is mainly related to trade receivables deriving from the sale of electricity, district heating, gas and the provision of energy, water and waste management services. The receivables are spread across a large number of counterparties, belonging to non-uniform customer categories (retail and business customers and public bodies); some exposures are of a high amount and are constantly monitored. Iren Group's Credit Management units devoted to credit recovery are responsible for this activity.
In carrying on its business, the Group is exposed to the risk that assets may not be honoured on maturity with a consequent increase in their age and in insolvency up to an increase in assets subject to arrangement procedures or unenforceable. This risk reflects, among other factors, also the current economic and financial situation.
To limit exposure to credit risk, various tools are adopted. These include analysing the solvency of customers at the acquisition stage through careful assessment of their creditworthiness, transferring the receivables of discontinued and/or active customers to external credit recovery companies and introducing new recovery methods for managing legal disputes. In addition, numerous payment methods are offered to customers through channels, including digital channels, and appropriately monitored payment plans are proposed.
The credit management policy and creditworthiness assessment tools, as well as monitoring and recovery activities, are managed through automated processes and integrated with company applications and differ in relation to the various categories of customers and types of service provided.
Credit risk is hedged, for some types of business customers, with opportune forms of first-demand bank or insurance guarantees issued by subjects of leading credit standing.
An interest-bearing guarantee deposit is required for some types of services (water, natural gas, highly-protected electricity sectors) in compliance with regulations governing these activities. This deposit is reimbursed if the customer uses payment by direct debit from a current account.
The payment terms generally applied to customers are related to the legislation or regulations in force or in line with the standards of the free market; in the event of non-payment, default interest is charged for the amount indicated in the contracts or by the legislation.

Impairment losses on loans and receivables reflect, carefully and in accordance with the current legislation (applying the IFRS 9 method), the effective credit risks and are determined with reference to databases of trade receivables and, in general, assessing any changes in the said risk compared to the initial measurement and, estimating the related expected credit losses determined on a prospective basis, taking into due consideration the historical data.
The control of credit risks is also strengthened by the monitoring and reporting procedures, in order to identify promptly possible countermeasures. Furthermore, on a quarterly basis, the Credit Management Department provides the Risk Management Department and the Risk Commission with Group reporting on the evolution of the trade receivables of Group companies, in terms of customer type, contract status, business chain, and aging category. The assessment of credit risk is carried out both at consolidated level and at the level of Business Units and companies. Some of the above assessments are carried out at intervals of less than three months or when there is a specific need.

3. Energy risk

Iren Group is exposed to price risk on the energy commodities traded, these being electricity, natural gas, environmental emission certificates, etc., since both purchases and sales are affected by fluctuations in the price of these commodities directly, or through indexing formulae.
The Group's policy is oriented to a strategy of active management of the positions to stabilise the margin taking the opportunities offered by the markets; it is implemented by aligning the indexing of commodities purchased and sold, through vertical and horizontal use of the various business chains, and operating on the financial markets.
For this purpose, the Group plans the production of its plants and purchases and sales of energy and natural gas, in relation to both volumes and price formulae. The objective is to achieve sufficient margin stability through a policy of indexed purchases and sales that achieves a high degree of natural hedging, with adequate recourse to futures and spot markets.

For a more detailed analysis of the risks dealt with up to now, reference should be made to the chapter "Group Financial Risk Management" in the Notes to the Financial Statements.

4. ESG and climate change risks

Iren Group has included in the Enterprise Risk Management system a Risk Policy dedicated to climate change risks, which are becoming increasingly important for organisations. Moreover, they affect the health of the planet, with estimates of significant effects already in the medium term. All companies, and in particular those operating in significantly exposed sectors such as Iren Group, must necessarily consider climate change risk analysis as an emerging and determining factor in the definition of their medium- and long-term strategies. The assessment of ESG risks, which includes climate change risks, is moreover one of the essential factors in defining the significance of the impacts generated and suffered, also in a medium- to long-term perspective.

For a discussion of this, please refer to the section 'Climate Risk Resilience Analysis' in the chapter 'Facing the challenge of climate change' in the Sustainability Statement section of this Report.

5. Tax risks

Iren Group has adopted a specific internal control and tax risk management system, understood as the risk of operating in violation of tax regulations or in contrast with the principles or aims of the legal system.
The tax risk control and management system, the "Tax Control Framework" (hereinafter "TCF"), enables the Group to pursue the objective of minimising its exposure to tax risk by identifying, updating, assessing and monitoring tax-related governance, processes, risks and controls.
The Group is committed to managing its tax affairs in accordance with all applicable laws and regulations.
For this reason, Iren has adopted the TCF as an internal control system that defines the governance for the management of taxation and related risk in line with the principles of the company strategy and, in particular, the Tax Strategy.
The Tax Control Framework adopted consists of a set of rules, guidelines, tools and models aimed at supporting the Group's employees in carrying out their daily activities, ensuring consistency on relevant tax matters.

Therefore, the TCF's structure provides for the presence of two pillars that outline its operating scheme: the Tax Strategy and the Tax Compliance Model.
The Tax Strategy defines the objectives and the approach adopted by the Group in managing the tax variable. The purpose of this document is to establish the Principles of conduct in tax matters in order to i) contain tax risk due to exogenous and endogenous factors, and ii) continue to guarantee over time the correct and timely determination and settlement of taxes due by law, and the performance of related obligations. The Tax Strategy has been approved and issued by the Board of Directors of Iren S.p.A.
The Tax Compliance Model is an element of the Internal Control and Risk Management System. This document contains the detailed description of the phases comprising the risk assessment, control and periodic monitoring processes carried out by Iren, and the subsequent reporting on tax issues to the Chief Executive Officer and the other relevant bodies and functions. It also aims to summarise the main responsibilities assigned to the various functions involved in tax-relevant processes. The Tax Compliance Model is prepared by the Tax and Compliance Function and is ultimately approved by the Board of Directors of Iren S.p.A.
The project for the creation of a TCF aligned with the best practices in the matter took shape with the presentation by Iren S.p.A. and Iren Energia of the application for access to the Collaborative Compliance institution, a regime between the Revenue Agency and the large companies introduced by Legislative Decree No. 128 of 5 August 2015 in order to promote the implementation of enhanced forms of communication and cooperation based on mutual trust between tax authorities and taxpayers, and to encourage, in the common interest, the prevention and resolution of tax disputes. The preliminary investigation for admission was successfully concluded in December 2021 with the admission of the two companies.

6. Operational risks

This category includes all the risks which, in addition to those already noted in the previous paragraphs, may influence achievement of the targets, i.e. relating to the effectiveness and efficiency of business transactions, levels of performance, profitability and protection of the resources against losses.
The objective of the Group's Enterprise Risk Management model is the integrated and synergistic management of risks.
For each business chain and operational area, the Group's risk management process provides for an analysis of the activities performed and the identification of the main risk factors related to the achievement of objectives. Following the identification activity, the risks are assessed qualitatively and quantitatively (in terms of magnitude and probability of occurrence), thus making it possible to identify the most significant risks. The analysis also involves an assessment of the current and prospective level of control of the risk, monitored by means of specific *key risk indicators*.
The phases mentioned above make it possible to structure specific plans to deal with each risk factor.
Along all the management phases, each risk is subjected on a continuous basis to a process of control and monitoring, which checks whether the treatment activities approved and planned have been correctly and effectively implemented, and whether any new operational risks have arisen. The process of managing operational risks is associated with a comprehensive and structured reporting system for presenting the results of the risk measurement and management activity. Each process stage is performed in accordance with standards and references defined at Group level. At least annually, the operational risk situation is updated, in which the dimension and level of control of the monitored risks are highlighted; financial, IT, credit and energy risk situations are updated quarterly.
Group risk reporting, updated every six months, is sent to top management and risk owners, who are involved in management activities. The risk analysis also supports the preparation of planning tools.
In this regard, Iren has equipped itself with a very detailed risk map that corresponds to the reality of the Group, with qualitative and quantitative assessments of each individual risk and with details of the controls and mitigation actions in place or planned. For each risk identified, the relevant ESG (Environmental, Social and Governance) impacts are associated.
Of particular note are:

a. Legal and regulatory risks
The legislative and regulatory framework is subject to possible future changes and, therefore, is a potential risk. In this regard Departments operate, dedicated to continual monitoring of the relevant legislation and regulations in order to assess their implications, guaranteeing their correct application in the Group.

b. Plant-related risks
In relation to the size of the Group's production assets, plant-related risks are managed with the methodological approach described above in order to correctly allocate resources in terms of control and preventive measures (preventive/predictive maintenance, control and supervisory systems, emergency and continuity plans, etc.). The Risk Management Department periodically performs surveys on the most important facilities, through which it can accurately detail the events to which these facilities could be exposed, and the consequent preventive actions. The risk is also hedged by insurance policies designed considering the situation of the single plants.

c. Cyber Risks
Cyber risks are defined as the set of internal and external threats which can compromise business continuity or cause civil liability damage to third parties in the event of loss or disclosure of sensitive data. From an internal point of view, the operational risks regarding information technology are closely related to the business of Iren Group, which operates network infrastructures and plants, including through remote control, accounting operational management and invoicing systems and energy commodity trading platforms. Iren Group is, in fact, one of the leading Italian operators on the Energy Exchange and any accidental unavailability of the system could have considerable economic consequences, connected with the non-submission of energy sale or purchase offers. At the same time, problems related to supervision and data acquisition on physical systems could cause plant shutdowns and collateral and even serious damage. A breakdown of invoicing systems could also determine delays in issuing bills and the related collections, as well as damage to reputation.
To mitigate such risks, specific measures have been adopted, such as redundancies, highly-reliable systems and appropriate emergency procedures, which are periodically subject to simulations, to ensure their effectiveness. Iren Group is also exposed to the risk of cyber attacks aimed both at acquiring sensitive data and at stopping operations, causing damage to plants and networks and compromising service continuity. Market benchmarks also show that attacks aimed at the acquisition of one's own and third parties' data, resulting in civil liability actions and even serious penalties, and the acquisition of trade secrets are becoming increasingly frequent.
In this regard, the Group Cyber Risk Policy is in force, approved by the Board of Directors of Iren S.p.A., which - like the other main risk policies - provides for the convening of specific Risk Commissions, the monitoring of performance indicators and dedicated reporting.
The operational risk management process also aims at optimising the Group's insurance programmes.

7. Strategic risks

In the development of the 2030 Business Plan, the Group has structured three distinct areas of analysis: a qualitative-quantitative risk assessment, a specific focus on investments and a focus on climate change risks.
The qualitative risk assessment was based on an analysis of industry trends, the Group's exposure to related strategic risks and the related ability of the Business Plan to mitigate these risks. Consequently, for the risk categories and related elementary risks mapped as part of the Group's Risk Map, which also integrates the ESG impacts for each risk, a detailed analysis of the quantitative drivers relating to the risks with an impact in the years of the Plan was carried out. Once these risks have been identified, the relative impacts, probability of occurrence and mitigation actions have been quantified in order to quantify both the inherent and residual risk value. This assessment led to the enhancement of the Plan's stress test and related rating indices.
With regard to the Plan investment analysis, the mitigating effect on risks and execution risks of the capital expenditure categories and major initiatives were identified.
Finally, an analysis of the risk factors from climate change impacting the Group was carried out, with modelling of the most significant assets and risk factors for different climate scenarios and time horizons. Model results were analysed and investments to mitigate Climate Change risks were evaluated.
M&A transactions and other initiatives of a strategic nature, which were assessed during the year, were also subject to detailed analysis, with a particular focus on the impact of these transactions on the Group's sustainability objectives (environmental indicators, where significant, and social indicators relating, for example, to compliance with labour, health and safety regarding the target and governance policies) and consistency with the EU Taxonomy.

Transactions with related parties

The Procedure on Related Party Transactions ("RPT Procedure"), published on the Iren website (www.gruppoiren.it) was approved and adopted by the Board of Directors, then in office, on 28 June 2021, effective 1 July 2021, subject to the favourable opinion of the Related Party Transactions Committee ("RPTC", entirely composed of Independent Directors). Pursuant to Article 16 of the RPT Procedure, the Board of Directors in office during the 2022-2024 term, having obtained the positive opinion expressed in this regard by the RPTC in office during the same three-year period, approved the update of the same RPT Procedure with a resolution passed on 18 December 2024, setting the effective date as of 1 January 2025. This update, it is noted, was functional, on the one hand, to implementing the provision contained in the aforementioned Article 16 of the RPT Procedure (which, inter alia, provides for such a procedure to be carried out at least every three years, a term that expires in 2024) and, on the other hand, to constantly improve the efficiency of Iren management and supervision of related-party transactions. Lastly, it should be noted that the (updated) text of the RPT Procedure, dated 4 February 2025, was refined with certain clarifications of a non-substantial nature, applying the relevant Article 16.2.

The above document was prepared implementing:

- the provisions regarding transactions with related parties set out in section 2391-*bis* of the Italian Civil Code;
- the Regulation containing provisions on related party transactions, adopted by Consob by Resolution no. 17221 of 12 March 2010 and subsequent amendments and additions ("Consob Regulation"), in the version in force from time to time, taking into account the indications of Consob Communication No. DEM/10078683 of 24 September 2010;
- the provisions of art. 114 of Legislative Decree No. 58 of 24 February 1998 ("Testo Unico della Finanza"/ TUF - Consolidated Law on Finance) as amended and the provisions of Regulation (EU) no. 596/2014 on market abuse.

The corporate documents adopted in accordance with the legislation on transactions with related parties, defined in coordination with the provisions of the administrative and accounting procedures pursuant to art. 154-*bis* TUF, aim specifically to:

(i) regulate the performance of transactions with related parties by Iren, directly or through subsidiaries, identifying internal procedures and rules capable of ensuring the substantial and procedural transparency and correctness of such transactions, and
(ii) establish the methods for fulfilling the related disclosure obligations, including those provided for in legal and regulatory measures in force and applicable.

These, very briefly, provide for:

a) the identification of the scope of related parties as per the IFRS adopted in accordance with the procedure set out in section 6 of EC Regulation 1606/2002 in the version in force at the time;
b) the definition of a "related-party transaction";
c) the identification of cases of exclusion, among which transactions "for small amounts";
d) the procedures applicable to minor and major transactions, as the case may be;
e) the persons responsible for the paperwork on related-party transactions;
f) the transactions on which the Shareholders must resolve;
g) forms of publicity and information flows.

Iren and its subsidiaries carry out transactions with related parties in accordance with the principles of transparency and fairness. These transactions mainly concern services provided to customers in general (gas, water, electricity, heat, etc.) or following concessions and awards of services, in particular for the waste management sector, and are governed by the contracts applied in such situations.
Where the services provided are not the above, the transactions are governed by specific agreements whose terms are established, where possible, in accordance with normal market conditions. If these references are not available or significant, the contractual conditions are defined also in consultation with independent experts and/or professionals.

Information on transactions with related parties is included in the Notes to the Consolidated Financial Statements at 31 December 2025 in sections "VII. Information on transactions with related parties" and "XIV. Annexes to the Consolidated Financial Statements", an integral part thereof.

Legislative and regulatory framework

This chapter reports the main legislative and regulatory provisions (new rules or amendments to pre-existing rules) that occurred in 2025 in relation to the sectors of operation.

European Framework

On 26 February 2025, the European Commission published its first major initiatives of its mandate:

- Clean Industrial Deal, which defines the strategy proposed by the Commission to support industry and defend EU competitiveness while maintaining commitment to the objectives of the Green Deal (in particular decarbonisation and circularity);
- Affordable Energy Act, which details what measures the Commission will propose to reduce energy costs for both citizens and industry;
- 'Omnibus' legislative proposal to simplify the reporting rules included in the European Union's Taxonomy for Sustainable Business Activities, Corporate Sustainability Reporting (CSRD) and Corporate Sustainability Due Diligence Directive (CSDDD), and a legislative proposal to simplify the Carbon Border Adjustment Mechanism (CBAM).

European Parliament resolution of 7 May 2025 on the European Water Resilience Strategy
In May, the European Parliament passed a resolution calling on the Commission and Member States to define an ambitious strategy for water resilience, demanding that water be recognised as a strategic political priority, placing it at the centre of the Union's environmental, economic and social policies, with water management that is sustainable, integrated and digitalised.
The main priorities highlighted are the promotion of wastewater reuse, the reduction of chemical pollution, the development of intelligent irrigation and warning systems, and targeted investments in the most vulnerable areas.

In September, Directive (EU) 2025/1892 was published, amending Directive 2008/98/EC on waste, in particular with regard to the management of textile waste and organic waste, and introducing new, more stringent obligations for operators in both sectors.

Grid Package
In December, the Commission published the so-called 'EU Grid Package', which contains a comprehensive set of proposals to accelerate the development of Europe's electricity grid infrastructure: the Package introduces significant reforms to the regulatory frameworks for planning, authorisation and grid connection, including a revision of the TEN-E Regulation on trans-European networks, guidelines on grid connection, and amendments to the RED III Directive and the EMD Directive.

ETS2 – European Parliament amendments of 13 November 2025
The European Parliament approved the postponement of the launch of the new Emission Trading System 2 for CO_2 emission allowances, originally scheduled for 2027, delaying its entry into force until 2028. This postponement, confirmed as part of the revision of the European Climate Law, addresses the need to ensure a more gradual transition for the buildings and road transport sectors, which are more exposed to the impacts of the new carbon pricing obligations.

National Framework

GAS

Gas Networks

Res. 28/2025/R/gas, Res. 111/2025/R/gas, Res. 341/2025/R/gas - Further provisions and amendments in relation to the Distributor Responsibility Mechanism on delta IN-OUT
In relation to the simplified mechanism for making distribution companies responsible for the IN-OUT delta (IO delta), i.e. the difference between the volumes injected at the city gates and those withdrawn by end customers at the redelivery points of the distribution network, introduced by Res. 386/2022/R/gas, the Authority with Res. 28/2025/R/gas defined:
(i) the modalities of penalty sharing in the case of underlying DSO (Distribution System Operators);
(ii) a transitional measure whereby, pending the completion of the interventions planned by the Integrated Information System Operator with impacts on the determination of the deltaIO, distribution companies can communicate to the Responsible Balancing Body (RdB) the values of gas withdrawals (OUT) expected for those city gates to which are connected Redelivery Points to which an incorrect withdrawal has been attributed, within the transport balance. Furthermore, the Authority has defined that the penalty is applied to the distribution company operating the plant at the time of its calculation. With Res. 111/2025/R/gas, however, it was clarified that in the case of tender alternations, the distribution of the penalty among DSO is made on the basis of the period of competence.

With Resolution 341/2025/R/gas, the Authority stipulated that, for the calculation of the IN-OUT delta and the admissibility levels, the volumes redelivered via the alternative natural gas supply service (tanker truck) should also be taken into account.

Res. 87/2025/R/gas, Res. 496/2025/R/gas - Compliance with rulings of the Council of State, Second Section, Nos. 10185/2023, 10293/2023, 10294/2023, 10295/2023, and 1450/2024 regarding tariffs for natural gas distribution and metering services
In relation to the procedure initiated by Res. 231/2024/R/gas, with Res. 87/2025/R/gas, the Authority complied with the rulings of the Council of State, including No. 10293/2023 concerning Ireti Gas, which confirmed the annulment in part of Res. 570/2019/R/gas, with reference to the determination of operating costs for the distribution service for the regulatory period 2020-2025.
The resolution confirmed the guidelines outlined in consultation document 427/2024/R/gas by defining for all classes of distribution companies (large, medium, small) new (higher) values of unit operating costs recognised in the first year of the regulatory period (2020) and new values of recognised operating cost reduction rates (X-factor) valid for the period 2020-2025 (lower for large and medium-sized companies).
The resolution also introduced, for large companies, the possibility of applying for a customised X-factor that is lower than the one set for all companies belonging to the same cluster.

In implementation of the provisions of Res. 87/2025/R/gas, the following additional regulatory implementation steps occurred:

- **Res. 98/2025/R/gas - Redetermination of reference tariffs for gas distribution and metering services for the years 2010 to 2023**: for the years 2020-2023, re-determined pursuant to Res. 87/2025 were the values of recognised operating costs for the generality of companies belonging to the three size clusters (large, medium, small);
- **Det. DINE 1/2025 - Modalities of application of the revenue adjustment mechanism allowed for the application of the rate of reduction of operating costs recognised for the company-specific distribution service (Article 45 RTDG) (Pub. 27/03/2025)**: defines the procedures for submitting applications and the application criteria for determining the customised X-factor;
- **Res. 260/2025/R/gas - Determinations on the applications for admission to the revenue adjustment mechanism allowed for the application of the rate of reduction of the operating costs recognised for the company-specific distribution service (Article 45 of the RTDG):** the resolution approved the applications for access to the mechanism for the definition of a customised X-factor, including the one submitted by IRETI.

By means of Resolution 496/2025/R/gas, the Authority concluded the proceedings (initiated by Resolution 231/2024/R/gas) for compliance with the Council of State rulings, finalising the regulation on the following aspects: (i) with regard to the impact of local characteristics on operating costs, no further mechanisms have been introduced to supplement tariff coverage; (ii) for costs incurred to ensure bilingualism in the areas concerned, the possibility has been introduced of obtaining coverage of the relevant costs on the basis of the data reported in the separate annual accounts, supplemented by specific data collection.

Res. 130/2025/R/com - Revision of the criteria for revaluation of capital costs for infrastructure services in the electricity and gas sectors. Definition of common parameters for services subject to ROSS regulation
With the measure, the Authority approves the revision of the criteria for the revaluation of capital costs for infrastructure services in the electricity and gas sectors, providing for the adoption of the IPCA-Ita index in place of the gross fixed capital formation deflator index, and defining, for gas distribution, the connecting criteria to align the reference time windows with those of the regulation of electricity distribution.

Res. 221/2025/R/gas, Del 532/2025/R/gas - Initiation of proceedings for the formation of measures concerning tariffs and quality of gas distribution and metering services for the sixth regulatory period. Extension of TUDG provisions for the years 2026 and 2027

With Resolution 221/2025/R/gas, the Authority initiated two separate proceedings:

- the extension of the current regulation (5th regulatory period) to the years 2026 and 2027, with reference to both tariff regulation and quality regulation;
- the definition of the regulatory framework for the new period (6th regulatory period) starting in the year 2028, with the possible application of the ROSS-basis criteria for larger companies and the possible activation of an experimental application already in 2027.

With Resolution 532/2025/R/gas, the Consolidated Gas Distribution Regulations (RTDG, RQDG) valid for the period 2020–2025 were extended to the years 2026–2027, with the simultaneous updating of the X-factor tariff parameter (rate of reduction of recognised operating costs, set to zero for all classes of distribution companies).

Res. 222/2025/R/gas - Revision of the regulation of the model network code for the natural gas distribution service (CRDG), concerning guarantees and payments

The measure provides for the streamlining of the regulation of guarantees, to protect the distribution company, provided for in the Gas Distribution Network Code, and redefines the issuing times of transport invoices and payment terms for distribution users. In particular, the resolution updates the way in which natural gas distributors must request and manage financial guarantees from network users, and new rules are introduced for the management of payments between operators, with the aim of improving transparency and reducing the risk of insolvency.

Res. 252/2025/R/gas - Extraordinary and urgent measures regarding measurement activities on the natural gas transportation network as a result of the first application of the fees for non-compliance with service levels and consequent amendments to the RMTG

The Regulation of the Metering Service on the Natural Gas Transmission Network (RMTG), introduced by Res. 512/2021/R/gas, provides for a system of fees to be paid by distribution companies in the event of non-compliance with the standards defined in connection with metering activities at ReMi substations as of 2024. The provision was incorporated into the update of the Snam Rete Gas Network Code and refined with subsequent provisions.
With the Resolution in question, urgent measures were adopted to resolve or mitigate the critical issues that emerged from the monitoring of the service levels and related economic fees applied for 2024, also in order to mitigate any excessively penalising impacts. The main corrective measures introduced include the following: (i) introduction of a cap on the economic fees charged for each plant, also to be applied for 2024; (ii) in relation to indicator E, measurements at zero, where considered to be in the valid measurement range, are so even if measured over time intervals of less than one hour.

Res. 476/2025/R/com - Verification of the activation of the trigger mechanism for the rate of return on capital for the year 2026

The measure establishes that the trigger threshold (30 basis points), which is a necessary condition for updating the recognized rate of return on capital (WACC), has not been reached; consequently, the resolution confirms the rate of 5.9% for 2026 as well.

Gas market

Storage Filling Thermal Year 2025-2026

Res. 45/25, in implementation of MD 30 January 2025 (early start of capacity allocation procedures), in continuity with the provisions for the previous Thermal Year 2023/2024, provides:

- that storage companies' technical consumption costs are not charged to storage users but are covered through the storage companies' financial balance mechanism (Art. 28 RAST);
- that, for the purpose of covering the gas quantities for the management of the technical consumption of the storage companies, the quantities still available in the storage stocks supplied by the balancing manager may be used;
- if, at the end of the month of October 2025, the storage user's storage capacity is lower than the minimum (paragraph 17.1 RAST), the storage company shall charge the higher of the fee pursuant to subsection 26.1 RAST or 1.5 euro/MWh, commensurate with the financial expense not incurred in the event of failure to fill the allocated capacity;
- to instruct the storage companies to organise the auctions with capacity lots of up to 1,000 million scm;
- that any capacity allocated in breach of Regulation 2023/4271 shall revert to the availability of the storage company for allocation, subject to payment of the fees due.

With Res. 150/25, the Authority stipulates that a storage premium shall be applied to the stocks as of 31 October 2025 to the allocated capacities for the thermal year 2025-2026, until the storage capacity reaches 90% full. The criterion for calculating the storage premium is based on the difference between an estimate of the financial expense associated with the gas tied up in storage and the differential between the price of the product with delivery in the winter period and the price of the product with delivery in the injection period, calculated at the time of the allocation procedure.

Register of Natural Gas Sellers - MASE Decree No. 85 of 19 May 2025 and MASE Executive Decree No. 155 of 12 September 2025
By means of the regulation adopted through Decree No. 85 of 19 May 2025, the Ministry of the Environment and Energy Security defined the conditions, criteria and procedures for the registration of companies on the List of Natural Gas Sellers (EVG), also regulating the conditions for their continued inclusion on the list and for their exclusion from it.
As in the case of the electricity sector, enrolment in and continued inclusion on this List is a necessary condition for being able to engage in the business of selling natural gas. Subsequently, by Decree No. 155 of the Director General, dated 12 September 2025, the operational procedures for submitting applications via the EVG Portal were established. While confirming the obligation for operators to possess and maintain technical, honourableness and financial soundness requirements, a deadline of 31 December 2025 was set for the definitive certification of these requirements by entities already enrolled on a provisional basis (all companies already operating in the sales segment on the date of entry into force of the Decree No.), under penalty of removal from the List and the consequent inability to continue selling natural gas.

ELECTRICITY

Electricity market

The CACER MD update of 28 February 2025 - Self-Consumption Configurations for Renewable Energy Sharing provides:
- extension of the scope of the NRRP-funded measure to municipalities with a population of up to 50,000 inhabitants (previously the rule was up to 3,000);
- more flexibility in the timeframe for the entry into operation of the plants: completion of the works by 30 June 2026, entry into operation within 24 months from the date of completion of the works and in any case no later than 31 December 2027;
- possibility of requesting an advance of up to 30% of the contribution (previously up to 10%).

TIDE Updates – Integrated Electricity Dispatch Text
With Res. 128/25, the Authority extends the remuneration on lost production, deriving from the provision of the extraordinary downward modulation service provided by Terna, to the zonal price of the Day-Ahead Market to all FRNP (Non-Programmable Renewable Sources). This provision is effective as of 1 April 2025 and will be incorporated into the TIDE as of the consolidation phase (as of 1 February 2026), thus repealing the previous resolution ARG 5/10, which provided for such remuneration only on wind power production. The non-production corresponds to the producible energy determined by the GSE per type of FRNP (extending what was already in place for the wind power sector).
The GSE application form for the retroactive recognition of producible energy resulting from the activation of the service from April 2025 is expected to be published in the near future.

Res. 227/25 - changes to the TIDE and modalities for implementing RES X transitional follows up on previous consultation documents No. 50/25 and No.129/25.
The Authority's final decisions on the amendments to the TIDE (DCO 50/25) are given below:
- with regard to the previous proposal to procure the primary reserve (Frequency Containment Reserve) after the DAM, which was also followed by a proposal from Terna, the Authority believes that further investigation is necessary to assess whether FCR procurement should take place before or after the DAM, also in light of the evolution of the European regulatory framework;
- the two-year transitional period for the transition to full market procurement of FCR (from August 2028) confirmed, with a minimum requirement to be procured on the market equal to 10% of the mandatory requirement under the European SOGL Regulation (on exchanges between TSO, transmission operators) to be gradually reduced from August 2026;
- evidence of the context in which the extraordinary downward modulation service is activated by Terna must be made known to operators, together with the reasons for such activations, to ensure that this service is only used in the absence of other resources;
- there is mandatory communication of the baseline of the Zonal Enabled Virtual Units by the Balance Service Provider (BSP), the operator of the balancing service (with the right of the same, Terna, to correct the baseline on the basis of the measurement data available during settlement);
- the allocation of the feasibility intervals of the Node Enabled Virtual Units by the BSP is confirmed, with possible correction by Terna in case of inconsistencies with the technical constraints of the underlying units;
- on the subject of the publication of the model of the grid relevant at the nodal level, Terna points out that as a critical subject, risks could arise from the disclosure of the sensitive data of its assets; ARERA, pending further investigation, suspends the publication of the grid model until at least 31 December 2026.

On the other hand, with regard to the outcomes of DCO 129/25 concerning the implementation of the transitional MD RES X, the relevant baseline is defined for the calculation of the producible energy for the purpose of the incentive disbursement, for qualifying plants, in the event of zero or negative zonal prices or production cuts. For individually enabled units, the base programme for FRNP units is considered within aggregates in which the modulation energy coincides with the producible energy calculated by the GSE (pursuant to resolution 128/25). Finally, the GSE has published the Technical Rules defining the methods for calculating the producible energy for each non-programmable source, in implementation of Resolution 128/25 and for the purpose of remunerating the cases covered by the transitional MD RES X.

Terna – IDM closing time

From 14 January 2026, the closing time of the IDM (Intraday Market) will be brought forward from 60 to 30 minutes for trading prior to XBID, which, as defined within the framework of European projects, is scheduled to be postponed to 30 minutes before real time, with the consequent postponement of the deadline for submitting nominations to 27 minutes before physical delivery.

Res. 466/25 – Frequency Containment Reserve (FCR) procurement mechanism, in view of the start of the TIDE consolidation phase (from 1 February 2026).

The mechanism provides for a daily spot procedure, to be carried out on the day before the delivery period, after the first IDM auction and before the deadline for bids in the MSD phase of the Integrated Scheduling Process, with the results published by 16:30 on the day before the delivery day (D-1). The time schedule for the procurement of demand (pursuant to Res. 227/25) is also confirmed:

- from February to July 2026, the minimum mandatory bands to be provided free of charge shall be maintained, with the simultaneous launch of a trial of market procurement equal to the greater of 10% of Italy's requirement and the portion not covered by mandatory bands;
- from August 2026 to July 2028, the mandatory band shall be reduced, and the share procured on the market shall increase;
- from August 2028, FCR shall be fully market-based, and from that date, it shall be possible to consider holding multiple daily auctions, even prior to the DAM.

Res. 566/25 – FCR auction reserve price and other TIDE provisions

The Resolution in question defines the reserve premium for market-based FCR:

- Upward premium: aligned with the Capacity Market strike price for the most recent preceding month; by 1 August 2026, it will be replaced by the day-ahead price in the competitive bidding procedure;
- Downward premium: 0 €/MW (if the bid is negative, the BSP pays Terna in absolute value); a subsequent consultation will be held to reassess the auction premium after 31 December 2027, following the reduction in the FCR band provided free of charge and the increase in the market-based band.
- Finally, the TIDE would allow BRP to participate in the markets through a zonal offtake portfolio with unlimited offtake capacity: however, this option poses the risk of artificially increasing demand on critical spring days (characterised by low physical demand and high RES production), with the potential for an increase in unnecessary downward movements; therefore, the implementation of Commercial Offtake Units (COU) has been postponed to a date to be determined after 1 February 2026.

Terna – Grid Code update on connection to the Protection System and connection requirements for wind and PV plants

With the September 2025 consultation, Terna initiated the process of updating the Network Code, which covers both new methods of connecting Generation Units to the Protection System (through upgrades following the obsolescence of telecommunications equipment) and the preparation, with specific requirements for peripheral protection and monitoring equipment (UPDM), to receive generation disconnection and modulation commands from the Terna central protection system.

In particular, Terna plans to extend the requirement for UPDM with output limitation functionality via signals to wind and photovoltaic (PV) plants connected at high and extra-high voltage.

Terna – MACSE Regulation - Mechanism for the Procurement of Electricity Storage Capacity

With reference to the MACSE Regulation, the following updates should be noted:

- On 30 September 2025, the first battery auction with delivery in 2028 was held, with significant discounts below the cap; the average award price was 12–13 thousand €/MWh/year;
- The requirements document published by Terna identified 10 GWh at national level by 2028 (mainly allocated to the south) with 0 GWh for the northern and central northern zones;
- finally, Terna publishes a consultation in which it proposes two alternative methodologies (described qualitatively) for dimensioning the need for storage capacity that can be supplied through the MACSE. Finally, it points out that electrochemical batteries and pumping need two separate requirements due to their technological diversity.

European Balancing Platforms

Res. 364/25 approves the amendments to the Terna Grid Code for MSD – PICASSO coordination, for the resumption of Terna participation in the European Secondary Reserve Exchange Platform (the so-called aFRR – Automatic Frequency Restoration Reserve). The amendments concern:

- the identification of a price-elastic aFRR requirement above a certain power threshold, in line with what is allowed by ACER Decision 08/2024, as a mitigation measure identified with Res. 60/24 closing the investigation on abnormal imbalance prices;
- the possibility for operators to also share on PICASSO half-bands of aFRR not previously reserved in MSD/MB (so-called Free-bids);

Finally, Res. 423/25 i for MSD – MARI coordination is relevant for the first connection to the MARI platform for the exchange of slow secondary reserve (mFRR – Manual Frequency Restoration Reserve), the activation of which is yet to be determined but will in any case take place after the start of the TIDE consolidation phase (i.e., after 1 February 2026).

REMIT Regulation - Transparency and Integrity in Energy Markets

Res. 302/25 – Fact-finding investigation into the performance of DAM prices in the two-year period 2023–2024
In July 2025, the Authority published Resolution 302/25, which contains an assessment of the performance of the day-ahead market (for the two-year period 2023–2024) in order to monitor the proper functioning of wholesale electricity markets.
The aim of the analysis was to identify and assess operators' conduct involving the **economic withholding of capacity**, i.e., strategic conduct adopted by certain operators to influence the price of energy, which were identified as potentially manipulative under the REMIT Regulation.
This approach identifies such conduct when the prices offered are higher than the plant marginal cost and, in particular, when the offer (which is higher than the marginal cost) is rejected in the presence of other offers at the margin. The analysis identified such strategic behaviours for approximately 30% of the hours analysed in both years.
To establish that manipulation has occurred, it is necessary for there to be no legitimate justification; ARERA will assess each case on an individual basis, with the burden of proof regarding the absence of a legitimate reason lying with the operators, and will coordinate with Terna to ensure more accurate metering of gas off-takes by thermal power plants. To this end, by 17 October, data on the gas consumption of the relevant thermal power plants, with hourly granularity, were submitted at Terna request.

ACER September consultation – Proposal for the new Implementing Regulation (repealing Reg. (EU) No 1348/2014 REMIT IR), which introduces new data reporting obligations for market operators. The key points include:

- Exposure Reporting obligation: submission of forward-looking data for the 24 months following the reference quarter (likely to be the first quarter of 2027) regarding: (i) trading positions; (ii) expected generation; (iii) expected consumption (based on contracts with end customers);
- data reporting exemption threshold for small operators (applied to annual energy volumes of less than 600 GWh);
- entry into force of the Regulation: 2026, with applicability in 2027;
- introduction of periodic reporting with a view to simplification;
- adoption of the Delegated Regulation: framework for the supervision/authorisation of third-party operators of the PIP (platform for the submission of inside information) and the RRM (registered reporting mechanism);

Finally, the publication of the new Implementing Regulation is pending.

Electricity Settlement
Res. 430/25 - postponement of the implementation of the new settlement framework (pursuant to res. 325/24) and network leaks to 2027
The aforementioned resolution extends the current regulation and postpones by one year, from 1 January 2026, the provisions of resolution 325/24 (TIS update) concerning the transition from load profiling, a system in which non-hourly/quarter-hourly off-take is profiled in the same way as non-hourly feed-in points (i.e., profiling by time bands). In this regard, the PRA (Residual Area Withdrawal) will no longer be used to estimate withdrawals; instead, actual withdrawals will be used.

Retail

DL 19/2025 ("DL Bollette")
Decree Law No. 19/2025, passed by the Council of Ministers and published in the Official Journal on 28 February 2025, allocates 3 billion euro to support families (1.6 billion euro) and businesses (1.4 billion euro). Among the main measures:

- the social bonus system was increased by providing an extraordinary contribution of 200 euro, in addition to the ordinary bonuses, to be granted to families with ISEE up to 25,000 euro. This additional contribution was disbursed directly in the bill during the issues between April and July 2025;
- the possibility is provided for vulnerable customers to request to be supplied within the Gradual Protection Service for non-vulnerable domestic customers. In addition, all customers already supplied within the Gradual Protection Service who should, during the current Service assignment period, acquire the status of vulnerable customer shall continue to be served within the same Service until the end of the Service assignment period, without prejudice to their right to conclude a new contract at any time;
- concessions were provided for the supply of electricity to non-domestic low-voltage customers with available power greater than 16.5 kW, through the elimination of the ASOS component of the general system charges for a six-month period;
- ARERA was given a mandate to intervene with further regulatory provisions in order to define new information obligations that favour the transparency and comparability of offers (both at the level of contractual and pre-contractual processes).

Transparency and comparability of offers – ARERA Resolution 156/2025/R/com
In implementation of Decree Law No. 19/2025 (the 'Bills Decree Law No.'), the Authority adopted an initial package of urgent measures aimed at enhancing the transparency and comparability of electricity and natural gas offers in the retail market. The measure addressed the pre-contractual and contractual regulation of the Code of Business Conduct, introducing an obligation for sellers to set out the financial charges in a clear and unambiguous manner, distinguishing between the sales components and the regulated components, and to publish the identification code, the technical and financial terms and conditions, and the summary sheet for each offer on their websites. These measures, which are consistent with the new

billing model and aimed at strengthening consumer protection, represent a transitional step towards the broader structural overhaul already underway at the Authority.

Electricity excise duties - Constitutional Court – Ruling on the unlawfulness of the provincial surcharge
By Ruling No. 43 of 15 April 2025, the Constitutional Court declared the provincial surcharge on the excise duty on electricity, provided for by Article 6 of Decree Law No. 511/1988, to be unlawful. This surcharge, which was repealed in 2012, was, in fact, based on a general allocation of revenue to the provinces, in contravention of the constraints imposed by EU law. The ruling paves the way for customers to bring actions for the recovery of unduly paid amounts against their suppliers, who may then seek reimbursement from the Treasury in accordance with the procedures set out in the Consolidated Excise Duties Act.

Electricity Production facilities

Permitting

During 2025, Legislative Decree Law No. 190/2024, so-called 'Consolidated RES Law', was amended on several occasions, as summarised below.

- Decree Law No. 73 of 21 May 2025 (the so-called "DL Infrastrutture") regulated the so-called 'acceleration areas', stipulating that they are to be identified in accordance with the existing legislation on suitable areas and that regions are to submit RES Acceleration Area Plans to a Strategic Environmental Assessment (SEA) no later than 31 August 2025;
- Legislative Decree Law No.178 of 26 November 2025 (the so-called "Corrigendum to the Consolidated RES Act") introduces substantial amendments concerning authorisation processes and the related annexes;
- Decree Law No. 175 of 21 November 2025, which was converted into law by the Chamber on 15 January 2026, introduced, inter alia, Articles 11-bis, 11-ter and 11-quater into Legislative Decree Law No. 190/2024. Specifically, the new Article 11-bis introduces the new framework for suitable areas, concurrently repealing Article 20 of Legislative Decree Law No. 199/2021. This amendment became necessary following the ruling of the Lazio Regional Administrative Court (TAR), Rome, Section III, ruling no. 9155, which annulled Article 7(2) and (3) of the 'Suitable Areas Ministerial Decree Law No.The Regions must bring their existing Regional Laws into line with the provisions of Decree Law No. 175/2025 within 120 days.

Electricity networks

Electricity distribution concessions

Law no. 207 of 30 December 2024 (Budget Law 2025) introduced important novelties in the field of electricity distribution concessions. The main objective of the regulatory intervention is to improve the security, reliability and efficiency of the grid, contributing to the energy transition and decarbonisation, in line with the European Union's 2050 targets. The law stipulates that distributors may submit Extraordinary Investment Plans aimed at improving the resilience and reliability of networks, increasing the integration capacity of distributed generation, upgrading network infrastructure and defending networks.
The law outlines a procedure for the evaluation and approval of extraordinary plans, which involves collaboration between the Ministry of the Environment and Energy Security, the Ministry of Economy and Finance, ARERA, the Unified Conference and the Parliamentary Committees.
The approval of these plans may lead to a reshaping of the existing concessions in terms of duration with a maximum limit of 20 years, against payment by the distributors of concessionary charges (reshaping charges), included in the invested capital subject to amortisation and remuneration.
As part of the process that will lead to the publication of an inter-ministerial , which will have to define the terms and methods for the submission of the Plans and their subsequent evaluation and approval, the Authority has initiated a consultation process for the formulation of proposals to the ministries regarding the extraordinary plans and the determination of remodelling charges:

With Res. 237/2025/R/eel - Opening of proceedings for the adoption of the proposal on extraordinary multi-year investment plans for the purpose of remodelling electricity distribution concessions and on the criteria for determining the related charges, the Authority identified and separated two proceedings

a) for the adoption of the proposal on extraordinary multi-year investment plans and the criteria for determining the charges resulting from the related remodelling of the duration of existing concessions, addressed in DCO 238/2025/R/eel;
b) for the definition of detailed provisions for how the aforementioned remodelling charges are to be included in the network tariffs, to be concluded by March 2026.

With res. 392/2025/R/eel, ARERA published its proposal to the Ministry of the Environment and Energy Transition (MASE) and the Ministry of Economy and Finance (MEF) to introduce extraordinary multi-year investment plans in the electricity distribution sector, with the aim of accelerating the modernisation of networks and supporting the energy transition. The measure forms part of the framework of the aforementioned Italian Law No. 207/2024 and sets out:

- two time windows for the submission of extraordinary plans by distributors: within a few months of the implementing Decreeand in January 2028;
- five-year plans with minimum investment commitments, adjusted on the basis of operators' historical expenditure over the period 2020-2024;

- mandatory increases in investments: from 25% to 35% for the lowest-performing distributors and from 10% to 20% for distributors that have made the most investments.

The plans must set out planned interventions, objectives and spending commitments for the periods 2027-2031 or 2029-2033, depending on the submission window.
Following the approval of the extraordinary plans, distributors will be able to obtain a remodelling of the duration of their concessions, which currently expire in 2030, with the possibility of extending them by at least 10 years.
The measure also defines the criteria for calculating the remodelling charges to be paid to the State, thereby ensuring economic-financial balance and transparency vis-à-vis the system. However, it defers to a subsequent resolution the modalities for recognising these charges in the tariff.

Tariffs

Res. 575/2025/R/eel, in addition to updating for 2026, the **mandatory electricity distribution and metering tariffs and connection fees**:

- also for 2026, permits the treatment of ancillary generation services and withdrawals from storage systems as negative energy input, pursuant to Res. 109/2021, and without the application of transmission/distribution tariffs or system charges;
- also confirms, for the year 2026, the specific continuity levels for MV users (a maximum of 6 long-lasting interruptions without notice in High-Concentration areas, 9 in Medium-Concentration areas, and 10 in Low-Concentration areas) and defers any revision of these levels for 2027 to a subsequent measure;
- extends the validity of the rules for the replacement of 2G Smart Metering systems (PMS2) for DSO with more than 100,000 points of delivery (Res. 724/2022) to 2028.

With **Res. 130/2025/R/com - Revision of the criteria for revaluation of capital costs for infrastructure services in the electricity and gas sectors. Definition of common parameters for services subject to ROSS regulation**, the Authority approves the revision of the criteria for the revaluation of capital costs for infrastructure services in the electricity and gas sectors, providing for the adoption of the IPCA-Ita index in place of the gross fixed capital formation deflator index to be applied from the 2025 reference tariffs.

With **res. 390/2025/R/com**, the Authority introduced provisions for the adjustment of **specific elements of the ROSS-basis regulation** and launched the experimentation for the ROSS-integral regulation:

- ROSS-base: (i) revision of the formulas for updating the Notional Capitalisation Rate (NCR) with the introduction of a cap/floor to ensure that the NCR more closely aligns with the expected annual cost of capital (with a maximum variation of 8% for distribution and 5% for metering); (ii) Simplification of the submission and management of Z-factor applications (ex-post submission based on actual data).
- ROSS-integral: launch of a trial for the years 2026–2027 for TSO (electricity, gas) and for the largest electricity DSO, with the option for electricity DSO with at least 500,000 delivery points to participate as well; the trial regulation requires the submission of a business plan and provides for incentive mechanisms (penalties for incorrect disclosure of expenditure - also for non-obligated DSO - and bonuses linked to implementation efficiency).

Through **DCO 268/2025/R/eel, 269/2025/R/eel and 270/2025/R/eel**, the Authority presented **regulatory guidelines to finalise the reform of the framework governing electricity settlement and grid losses**.
In particular, the first document proposes new provisions on the value of the percentage losses of energy fed into the grid and on the methods for procuring and covering the costs of energy offtakes by operators for their own use and of the residual energy circulating on the grid.
The second document, on the other hand, submits for consultation the draft structure of the Integrated Electricity Settlement Text (TIS), which is scheduled to come into force on 1 January 2026. The main innovations introduced concern the move away from the conventional allocation of electricity consumption profiles for end customers not metered on an hourly basis ('load profiling') and new rules for the management of residual energy batches by network operators (entailing the discontinuation of the Single Buyer's residual role).
Finally, the third document puts out for consultation the amendments to the structure of the current Integrated Law on Electricity Metering (TIME), which will apply from 1 January 2026.
With res. 430/2025/R/eel, the Authority ordered the postponement of the entry into force of the new provisions on electricity settlement procedures and on grid losses from 1 January 2026 to 1 January 2027.
A testing phase is planned for 2026 to adapt the systems.

Technical and commercial quality
With **DCO 332/2025/R/eel**, the following topics were placed for consultation:

- changes to compensation for the number of interruptions exceeding the standard for MV users, and under evaluation for LV users;
- changes to the calculation of the Period of Disturbed Conditions to cover outages during heat waves;
- new compensation arrangements and new standards for potential disconnection in the event of high grid voltages and for the upgrading of the LV grid;
- possible new reward window for DP interventions;
- possible higher premium on reactive electricity (increase in the penalty recovery period from 24 months to 36 months).

Res. 476/2025/R/com - Verification of the activation of the trigger mechanism for the rate of return on capital for the year 2026

The measure establishes that the trigger threshold (30 basis points), which is a necessary condition for updating the recognized rate of return on capital (WACC), has not been reached; consequently, the resolution confirms the rate of 5.6% for 2026 as well.

WASTE

Update RENTRI

In view of the adoption of the digital Waste Identification Form (FIR) (as of 13 February 2026) by companies involved in waste management, MASE Directorate Decree No 319 of 30 October 2025 approved the operating procedures to be followed in the event of unavailability of RENTRI services. The forms part of the operational modalities aimed at ensuring the transmission of data to RENTRI by providing registered operators with precise instructions to follow in the event of unavailability of the services, whether due to an incident or as a result of scheduled system maintenance operations. The also specifies the emergency or mitigation procedures that users may/must adopt.

Furthermore, Law No. 199 of 30 December 2025 (the 2026 Budget Law) replaced Article 188-bis(3-bis) of Legislative Decree No. 152 of 3 April 2006 and stipulated that consortia, i.e., individual or collective waste management systems, and waste producers to whom the provisions of Article 190(5) and (6) apply, are exempt from the obligation to register with RENTRI.

Extension of the deadline for TARI measures

Law No. 199/2025 (the 2026 Budget Law) amended the deadline for the approval of TARI resolutions: from 2026, PEF, TARI rates and regulations, and the corresponding tariff must be approved by 31 July of each year (rather than by 30 April).

Waste social bonus – Res. 133/2025/R/Rif

The Authority initiates the procedure for the recognition of the waste social bonus for domestic users of the integrated municipal waste management service in economically and socially disadvantaged conditions, following the publication of the Prime Ministerial of 21 January 2025, which identified the Principles and criteria for the definition of the relative application modalities of the tariff reductions.
Subsequently, following the consultation phase (DCO240/2025/R/Rif), by Resolution 355/2025/R7Rif, ARERA defined the application methods for granting the bonus, from 2026 onwards, to those entitled to it, as well as the methods for sharing information flows among the parties involved. The measure also sets out the reporting obligations of all parties involved in the disbursement process, including for the purpose of monitoring the amounts disbursed.

Waste tariff method for the third regulatory period (MTR-3)

Following the consultation processes carried out in the first half of 2025 (DCO 180/2025/R/rif and DCO249/2025/R/rif), the Authority, by Resolution 397/2025/R/RIF, approved the Waste Tariff Methodology (MTR-3) for the third regulatory period 2026–2029, which sets out the tariff revenue and the charges for access to treatment plants. While confirming the general structure of the previous tariff method (MTR-2), a number of new elements were introduced in response to the need to:

- strengthen incentives for the development of activities aimed at recovering materials and/or energy, also in view of the potential contribution of the recovered output to the achievement of European targets;
- define the coordination methods between the MTR-3 and the standard tender template for the awarding of the integrated municipal waste management service.
- In line with the principle of quality-linked regulation, the method establishes a direct link between the quality indicators (R1/R2/TQRIF) and the tariff allocations.

Criteria for tariff articulation to waste service users (TICSER)

Following the consultation processes (DCO 179/2025/R/rif and DCO 248/2025/R/rif) conducted in the first half of 2025, ARERA approved, by Resolution 396/2025/R/rif, the criteria for defining the tariff structure applied to users of the municipal waste management service, in accordance with the Integrated waste management service fees text – TICSER. The reform will be applied from the year 2028, taking into account the time required to carry out the various activities of collecting relevant data and information, updating the related databases, profiling and classifying users, and conducting a preliminary assessment and simulation to estimate in advance the redistributive effects of applying the new pricing criteria, as well as the time required to adapt the existing management systems and the related Regulations to the new fee structure.

Updating technical quality in the municipal waste sector

At the conclusion of the consultation phase (DCO 147/2025/R/rif and DCO235/2025/R/rif), the Authority published the technical quality update, providing for the extension of the set of indicators to more profiles within the waste management sector, particularly from collection to transport and treatment of the affected waste chains (unsorted fraction, organic fraction, and packaging fractions).

Accounting Unbundling

Following Phase I of the consultation (DCO 146/2025/R/rif and DCO246/2025/R/rif), the Authority published **Resolution 373/2025/R/RIF**, which sets out the provisions on accounting unbundling obligations for the municipal waste sector, approving the '*Consolidated text of the provisions of the Italian regulatory authority for energy, networks and the environment on accounting unbundling obligations for undertakings operating in the electricity and gas sectors, for integrated water service operators and for municipal waste sector operators, and on related reporting obligations*' (TIUC).
The provisions of the TIUC shall apply from the 2026 financial year, with the exception of Section VIII – *Specific separate annual reporting formats for the municipal waste sector,* for which an initial two-year monitoring period is to be launched in 2026-2027, with entry into force scheduled for 1 January 2028.

WATER SERVICE

Postponement of the entry into force of certain PFAS limits

Law No. 199/2025 (Budget Law 2026) introduces a six-month extension for the application of the new limits on PFAS in drinking water. The deadline for compliance with the 'sum of PFAS' parameter (set out in Article 24 of Legislative No. 18/2023, implementing EU Directive 2020/2184) has been postponed from 12 January 2026 to 13 July 2026; this extension applies exclusively to the molecules introduced by the national legislature through Italian Legislative No. 102/2025, in addition to those already stipulated by Directive (EU) 2020/2184, which the transposed.
Therefore, during the aforementioned transitional period, certain PFAS molecules do not count towards the calculation of the above parameter.

Standard matrix of call for tenders for the IWS assignment

With the aim of helping to mitigate the critical issues related to the assignment of the service, the Authority, by Resolution 347/2025/R/Idr, approved the standard matrix of the call for tenders. The main contents of the standard tender include a) the tender information requirements, b) provisions regarding consistency between the tender content and current regulatory provisions, c) criteria for the structure and evaluation of technical and financial offers. Specific measures are provided for institutional public-private partnerships. These regulations apply to public tender procedures initiated from 1 January 2026.

Update to the RQSII contractual quality regulation

With **Resolution 579/2025/R/Idr**, the Authority aims to strengthen measures designed to ensure the uniform provision, accessibility and quality of the service to users throughout the country by: a) revising the improvement and maintenance targets to be set for operators, with a view to ensuring greater effectiveness in improving the quality levels guaranteed to users, and updating the weightings for each of the MC1 and MC2 macro-classes; b) making adjustments to the RQSII framework, also taking into account changes in the relevant legislative and regulatory framework and in coordination, notwithstanding the specific characteristics of the water sector, with the other regulated sectors.

RQTI technical quality regulation update

With **Resolution 581/2025/R/Idr**, which confirms the general structure of the RQTI, the Authority introduces a form of shared verification by a pool of Area Management Bodies (EGA), in order to benefit from different experiences, share best practices and enhance comparability; in light of these procedural changes, the Authority revises the strict deadline for complying with the data submission obligations required by the RQTI, extending the deadline to 30 June 2026.
The resolution also introduces supplementary measures for the macro-indicator M0 - Water Resilience, primarily through a refinement of the methodology for calculating the indicator M0b (Water Resilience at the supra-ordinate level).
Finally, the resolution provides clarifications on the application of the other technical quality macro-indicators.

Update of the MTI-4 tariff regulation

With Resolution 582/2025/R/Idr, the Authority defines the criteria for updating the cost components eligible for tariff recognition for the two-year period 2026–2027. In light of changes in macroeconomic and market conditions, a number of parameters have been modified (primarily the projected inflation rate and the finance and tax expense coverage rate), and the benchmark unit cost has been identified for the purpose of determining the adjustments to electricity costs for 2024 and 2025. With regard to operating costs, the reclassification of cost items recognised up to 2023 to the Op_{new} component is requested. The deadline for submitting the updated regulatory framework has been postponed from 30 April to 31 July.

GENERAL MATTERS

Incentives - RES development

Transitional MD FER-X

The transitional MD RES-X, effective from 28 February 2025 and applicable to photovoltaic, wind, hydropower and residual gas from wastewater treatment technologies, expired on 31 December 2025. It represented an intermediate phase ahead of the entry into force of the definitive RES-X, which is still awaiting approval from the European Commission under the State Aid framework.
During the year, the first competitive procedures under the transitional regime were held. The first FER-X auction for photovoltaic and wind power plants, which concluded with the publication of the GSE rankings on 1 December 2025,

allocated a total of approximately 7.7 GW of photovoltaic capacity to 474 projects, with a weighted average award price of 56.825 €/MWh, corresponding to a weighted average reduction of 37.34% compared to the auction reserve prices, and a maximum accepted price of 62.675 €/MWh. At the same time, approximately 940 MW of wind power capacity was awarded, at a weighted average price of 72.851 €/MWh.

Also included in this ranking, in a position eligible for the incentive, is the plant owned by Agrovoltaica, a related party to Iren Energia – Iren Green Generation Tech. The plant in question was awarded a clearing price of 59.565 €/MWh, corresponding to a reduction of 34.319% compared to the base price of the tender. After applying the North zone adjustment (+10 €/MWh) and the inflation adjustments provided for by the mechanism, the estimated value of the Contract for Difference (CfD) stands at around 72 €/MWh.

In addition to this initial procedure, the FER-X NZIA (Net Zero Industry Act) – the second competitive round reserved for photovoltaic plants that meet the criteria for supply chain resilience and the use of non-Chinese components – saw the publication of the rankings on 11 December 2025. In this procedure, more than 1.1 GW of capacity was awarded to 88 projects, out of a total of approximately 1.85 GW of eligible applications. The weighted average award price is 66.378 €/MWh, with a maximum price of 73 €/MWh recorded in the ranking; the procedure also revealed that 9 projects were excluded, accounting for approximately 76 MW, and that there were withdrawals totalling nearly 300 MW.

The overall outcome of the 2025 competitive procedures confirms strong market participation, prices consistent with competitive levels for solar technology, and the emergence of dynamics related to supply chain strategies, especially in relation to the NZIA criteria. The rankings also reveal a significant number of projects that either submitted expressions of interest for the NZIA call or switched to alternative measures, such as the agrivoltaic development measure.
Overall, the results of the competitive auctions provide an important snapshot of the evolution of renewable energy incentives as at 31 December 2025, offering reference points for strategic and operational decisions, pending the effective implementation of the final FER-X (Ministerial Decree to be published in 2026).

White Certificates – developments of the new MD

During 2025, the regulatory framework for White Certificates (Energy Efficiency Certificates – EEC) was updated with the publication of the of the Ministry of the Environment and Energy Security of 21 July 2025, published in the Official Journal on 11 September 2025. The measure sets out the objectives and rules of the mechanism for the period 2025–2030, in line with the Integrated National Energy and Climate Plan (NECP) and with the strengthening of decarbonisation policies.
The confirms the role of electricity and natural gas distributors as obligated entities, introducing a trajectory of obligations that formally increases over the period. However, compared to the past, it is reduced overall in terms of annual volumes, partly in light of the evolving energy landscape and the growing contribution of other policy instruments. In this sense, the White Certificate mechanism is increasingly taking the form of a selective driver for interventions with a high degree of additionality, rather than a tool for the generalised coverage of efficiency targets.

Compared to the previous framework, the new Ministerial addresses a number of structural elements of the mechanism, enhancing regulatory clarity and predictability for operators, in particular with regard to the definition of baseline consumption, the methods for recognising savings over the useful life of interventions, and the tools for managing compliance with obligations.
Furthermore, the new expands and clarifies the scope of eligible initiatives, enhancing the mechanism's potential in energy-intensive sectors. In particular, new opportunities are emerging in the waste management and water sectors, where incentives can be provided for measures to improve the efficiency of waste treatment processes, energy recovery, and the optimisation of water collection, pumping and treatment plants. The expansion of the scope encourages investments in critical infrastructure, integrating energy efficiency and environmental sustainability objectives.

The also introduces the possibility of using competitive 'auction'-style mechanisms to achieve part of the energy-saving targets. However, this provision, which represents a potential departure from the system's historical approach, requires further detailed implementation studies and is subject to the launch of specific consultations by the competent authorities, which will define its scope, operational methods and area of application.
Overall, the new structure of the White Certificates aims to selectively revitalise the mechanism, improving the bankability of projects and encouraging targeted investments in the industrial sector, thermal processes and energy services, within a framework of greater integration with other instruments supporting the energy transition.

RES-T – Renewable thermal energy sources (large-scale plants)

Throughout 2025, institutional and market discussions continued on the new RES-T mechanism, which is designed to support large-scale renewable energy plants for the production of thermal energy, with a particular focus on district heating systems and industrial applications. The measure, promoted by the Ministry of the Environment and Energy Security (MASE), forms part of the policy framework aimed at decarbonising thermal energy consumption and reducing climate-changing emissions in hard-to-abate sectors.

During the year, the MASE launched a public consultation aimed at gathering feedback on the key elements of the mechanism, including the structure of the incentives, the eligibility criteria, the access procedures and the scope of the supported technologies. In this context, Iren actively participated in the consultation process, both through direct contributions and through the Italian District Heating Association (AIRU), with the aim of representing the needs and specific characteristics of large district heating operators and of promoting a regulatory framework consistent with the objectives of the energy transition and the economic sustainability of investments.
The position expressed highlighted the importance of a RES-T mechanism capable of leveraging a broad spectrum of renewable technologies and energy recovery methods, including:

- solid biomass and sustainable bioliquids, particularly in high-efficiency configurations and integrated into district heating networks;
- biogas and biomethane for heat generation;
- large-scale solar thermal systems, including in a hybrid configuration with storage;
- heat recovery from industrial processes and waste treatment plants;
- high-capacity heat pumps, powered by renewable sources or integrated with decarbonised electricity systems.

During the consultation, the need to ensure regulatory stability, long-term visibility and an adequate return on investment was also highlighted, including in relation to the costs of upgrading grid infrastructure and measures to improve the efficiency of existing systems. Particular attention has been paid to coordinating the RES-T Fund with other incentive instruments (in particular, the Thermal Account 3.0), in order to avoid overlaps and ensure the overall coherence of the support framework.
As at 31 December 2025, the RES-T Decree had not yet been published; however, in light of the progress made in the consultation and dialogue with stakeholders, the measure is expected to be published by the MASE, which will constitute a significant step forward in the development of new investments in the renewable heat sector and in strengthening the contribution of district heating to the energy transition.

Thermal Account 3.0

In 2025, the MASE of 7 August 2025 on the Thermal Account 3.0 was published, updating and expanding the incentive mechanism for energy efficiency measures and the production of thermal energy from small-scale renewable sources. The was published in the Official Journal, Issue No. 224, on 26 September 2025 and formally entered into force on 25 December 2025, 90 days after its publication.
Following the entry into force, the GSE published the Operating Rules on 19 December 2025, with the aim of defining the procedures for accessing the incentives, the eligible entities, the operational procedures and the technical criteria for managing applications. Compared to the previous framework, Thermal Account 3.0 introduces a number of significant changes:

- expansion of the range of eligible beneficiaries to include, in addition to public administrations and private individuals, third-sector entities and Renewable Energy Communities (REC);
- expansion of the technologies and types of interventions eligible for incentives, with a particular focus on high-efficiency heat pumps, solar thermal and hybrid systems, interventions on the thermal envelope of buildings, and other solutions aimed at decarbonising heat consumption;
- update of the expenditure ceilings and incentive rates, with grants that can cover up to 65% of eligible expenditure and, in specific cases, 100% for certain public bodies (municipalities);
- simplification of access procedures, either directly or by appointment via the GSE online portal.

The new mechanism has been designed to foster a framework of greater efficiency and predictability, promoting interventions with a significant energy impact and measurable returns in the medium term. The publication of the Operating Rules by December 2025 made it possible to prepare the system for the full operational launch of the Thermal Account 3.0 from January–February 2026, with the updating of the Portaltermico platform and the commencement of access applications in accordance with the new procedures.
In this context, the Thermal Account 3.0 is designed as a complementary and synergistic instrument to other incentives for energy efficiency and thermal renewables, offering investment opportunities in the sectors of energy-efficient buildings, energy services, and public and private infrastructure, with a particularly important role in small/medium-scale projects.

RES-Z consultation

In 2025, the Ministry for the Environment and Energy Security (MASE) launched the consultation on the RES-Z, an innovative mechanism to support investments in new renewable capacity that moves beyond the 'asset-based' approach typical of previous schemes. In summary, RES-Z is based on 'Standard Decarbonisation Contracts' awarded through GSE auctions and structured as two-way Contracts for Difference (CFD), whereby the operator's obligation is not 'tied to a single plant', but to the annual availability/supply of a quantity of renewable energy consistent with a standard profile (baseload). Under this regulatory framework, operational characteristics that help to meet the contracted profile are rewarded (rather than being mandatory).
The technological scope of the mechanism is defined in Table 1 of the consultation, which identifies the technologies eligible for the RES-Z. Specifically, the following are eligible:

- photovoltaic;
- wind power (onshore and offshore);
- hydroelectric (excluding upgrades);
- geothermoelectric;
- bioenergy, including biomass, biogas and residual gases from wastewater treatment processes.

The mechanism maintains a technology-neutral approach in selecting the successful projects, as it does not establish separate quotas for each technology, but instead relies on competition and operators' ability to meet the contracted load profile (also by aggregating plants and managing load profile risk as they see fit – for example, through integrated storage) to determine which projects receive incentives.
The main elements that emerged during the consultation concern:

- GSE auctions that can be held by 31 December 2029, with a total eligible capacity of up to 5 GW;
- initial standard profile based on a baseload approach and key contractual parameters (e.g., planning horizon, duration of the delivery period, minimum feed-in quota of 70% per year);
- establishment of the Plant Register and a certification system for injected energy (RES-Z certificates per MWh, with rules also covering reductions due to grid/dispatching constraints);
- obligations to integrate into the market (e.g., participation in MBR and consistent behaviour during periods of excess generation identified by Terna).

The initiative is still under consultation; for the purposes of business planning, the implementing is expected to be published between the second half of 2027 and the first quarter of 2028, with the mechanism running until 31 December 2029.
In the context of the consultation, Iren participated by submitting a contribution directly to the MASE; the main points were also incorporated and addressed at the association level in the corresponding joint submission/position paper, with a focus on the clarity of the rules, the bankability of the contracts, and the consistency between contractual obligations, market functioning and the management of regulatory risks.

Transposition of the RED III Directive

On 30 December 2025, the Council of Ministers approved, at its final reading, the Legislative transposing the RED III Directive (Directive (EU) 2023/2413 of the European Parliament and of the Council of 18 October 2023 amending Directive (EU) 2018/2001, Regulation (EU) 2018/1999 and Directive 98/70/EC as regards the promotion of the use of energy from renewable sources and repealing Council Directive 2015/652). Among the provisions of the measure, the following are noted: (i) the inclusion, in the definition of waste heat (pursuant to Italian Legislative Decree No. 199/2021), of the heat produced by WTE plants in relation to the non-biodegradable fraction of waste; and (ii), with regard to the increase in thermal renewable energy in energy and waste heat supplies, the explicit exclusion from the application of the obligation of energy service contracts, or similar agreements, already in place on the date of entry into force of the so-called MD OIERT (Obligation to Increase Thermal Renewable Energy).

Concessions and Assignments of Iren Group

HYDROPOWER GENERATION

The following is a summary of the major concessions for hydroelectric use and the related expiry dates for Iren Energia's plants.

Region	Facility	Average rated concession power (MW)	Expiry
Piedmont	Po Stura - San Mauro	5.58	31 December 2010
Piedmont	Pont Ventoux – Susa	45.64	13 December 2034
Piedmont	Agnel - Serrù – Villa	12.53	31 December 2010
Piedmont	Bardonetto – Pont	8.92	31 December 2010
Piedmont	Ceresole – Rosone	32.92	31 December 2010
Piedmont	Telessio - Eugio – Rosone	26.10	31 December 2010
Piedmont	Rosone – Bardonetto	9.71	31 December 2010
Piedmont	Valsoera – Telessio	1.76	31 December 2010
Campania	Tusciano	8.49	31 March 2029
Campania	Tanagro	12.85	31 March 2029
Campania	Bussento	17.06	31 March 2029
Campania	Heat	3.27	31 March 2029

In relation to the aforementioned concessions expiring on 31 December 2010, concerning Valle Orco (Agnel - Serrù – Villa, Bardonetto – Pont, Ceresole – Rosone, Telessio - Eugio – Rosone, Rosone – Bardonetto, Valsoera – Telessio) and Po Stura-San Mauro, a project financing proposal was submitted to the Piedmont Region.
With Resolution of the Piedmont Regional Council of 17 April 2023 no. 17/6747, the feasibility of the two project financing proposals presented by Iren Energia was resolved, pursuant to Article 183, paragraph 15 of Legislative Decree No. 50/2016, concerning, respectively, the expired Concessions for large hydroelectric derivations on the Torrente Orco and the expired Concession for large hydroelectric derivations of the Po Stura - San Mauro plant.
With Resolution No. 28-6999 and 29-7000 of the Regional Council of 5 June 2023, the Piedmont Region resolved, pursuant to Articles 3 and 4 of Regional Law 26/2020, that "*there was no overriding public interest in a different use of the derived waters, incompatible with the maintenance of the use for hydroelectric purposes, and the definition of the public evidence procedure for the relative assignment*".
With DGR no. 7387 of 3 August 2023 and Executive Decision No. 578 of 7 August 2023, the Region then verified the correctness of the 'end-of-concession reports' of expired large hydroelectric derivations and ordered their publication on its institutional website.
Finally, the Piedmont Region has entrusted the Regional Contracting Company SCR Piemonte S.p.A with the activities of preparing the tender specifications and documentation and the consequent management for the search for professionals qualified to verify, pursuant to art. 26 of Legislative Decree No. 50/2016, the project related to the project financing proposals submitted by Iren Energia.

With Executive Resolution No. 955/A1604C of 2 December 2025, the Technical and Economic Feasibility Plan, prepared pursuant to Articles 17 et seq. of Presidential Decree No. 207/2010, as amended, to support the project financing proposal submitted by Iren Energia for the Po-Stura-San Mauro Torinese hydroelectric power plant, was validated by the Region's Sole Project Manager (RUP), pursuant to and for the purposes of Article 42, paragraph 4 of Legislative Decree No. 36/2023 as amended and supplemented.
With Executive Resolution to Contract No. 1045/A1604C of 4 December 2025, the Piedmont Region decided to proceed with the assignment of the concession for the large hydroelectric derivation relating to the Po-Stura-San Mauro plant through project financing, pursuant to Article 193 of the same Legislative , on a private initiative basis, to be carried out via the single award procedure set out in Regional Regulation No. 2 of 27 April 2023, by means of a public tender procedure, and also approved the technical tender documentation.
Finally, on 29 December 2025, SCR published the call for tenders, setting 16 February 2026 as the deadline for the receipt of applications to participate in the pre-qualification stage.
With regard to the Valle Orco concession, on the other hand, the Technical and Economic Feasibility Project is awaiting validation, followed by the subsequent decision to enter into a contract.

NATURAL GAS DISTRIBUTION

IRETI Gas operates the natural gas distribution service in the Group's historical operating areas: the Genoa 1, Parma, Reggio Emilia, Piacenza 2 and Savona 1 areas, under an extended regime.

Liguria area

As far as ATEM Genova1 is concerned, Ireti Gas provided the Contracting Authority, at the latter's request, with the data referred to in Article 5 MD 226/2011 updated to 31 December 2023, necessary for the preparation of the tender for the award of the new concession.
With regard to the tender issued by ATEM Genoa2, the Council of State confirmed the unlawfulness of the call for tenders in ruling no. 3150/23. The new tender has not yet been called.
Finally, IRETI Gas is the concessionaire for the gas distribution service in the municipalities of Albenga and Ceriale in the Province of Savona, within the ATEM Savona 1 Sud Ovest area, for which the tender notice was published on 29 December 2025.

Emilia Area

In the Reggio Emilia ATEM, IRETI Gas provided the Contracting Authority, at the latter's request, with the documentation necessary for the preparation of the tender notice, in compliance with the information obligations set out in Article 4 MD 226/2011, '*Regulations on the tender criteria and the evaluation of bids for the award of the natural gas distribution service*', updated as at the reference date of 31 December 2024.

Piedmont Area

The Contracting Authority asked ASM for the data needed to prepare the tender for the award of the new concession, which were provided updated to 31 December 2023.
In ATEM Cuneo 3, through the company Reti Metano Territorio (100% controlled by Egea Holding), the Group is present in the Municipality of Alba and 42 other municipalities in the Province of Cuneo, which are managed under an extension regime, while waiting for the Contracting Authority to start the procedure for the assignment of the new concession.

Other geographical areas

Also through Reti Metano Territorio, the Group operates in gas distribution in the following ATEM:
- ATEM Lecco 1 - Municipality of Calolziocorte;
- ATEM Milan 3 - Municipality of Casarile;
- ATEM Monza and Brianza 1 - Municipalities of Burano di Molgora and Vimercate;
- ATEM Monza and Brianza 2 - Municipality of Besana in Brianza;
- ATEM Alessandria 3 - Municipality of Acqui Terme (Acqui Rete Gas, 50% owned by Reti Metano Territorio).
- ATEM Alessandria 1 - Municipality of Valenza (Valenza Gas, 50% owned by Reti Metano Territorio).

ELECTRICITY

The ministerial electricity concessions expire on 31 December 2030; Iren manages the public electricity distribution service in the cities of Turin and Parma (through IRETI) and Vercelli (through ASM Vercelli).

Iren is also present with DEA S.p.A., part of the group of the related party ASTEA, which manages the electricity distribution service in some municipalities in the Marche region (Agugliano, Magliano di Tenna, Montelupone, Offida, Osimo, Polverigi, Recanati, Santa Maria Nuova) and in the Abruzzo region (Ortona, San Vito Chietino), as well as in Sanremo (Liguria, Province of Imperia) and, through its subsidiary ASPM, in the municipality of Soresina (Lombardy, Province of Cremona).

The existing concessions were defined with Legislative Decree No. 79/1999, Article 9 of which stipulated that distribution companies operating at the date of entry into force of the measure would continue to provide the service on the basis of concessions issued by the competent Ministry (at the time the Ministry of Industry, Trade and Crafts, now the MASE) and expiring by 31 December 2030.
Legislative Decree No. 79/99 also provided that, no later than five years prior to the same expiry date (31 December 2025), the competent Minister, having consulted the Unified Conference and the Authority, should define the terms, conditions and criteria, including remuneration for the investments made by the previous concessionaire, for the new concessions to be granted on the expiry of 31 December 2030, subject to the delimitation of the area, in any event not less than the municipal territory and not more than one quarter of all end customers, and that that service be entrusted on the basis of tenders to be called, in accordance with national and Community legislation on public procurement.
With Law No. 207 of 30 December 2024 (Budget Law 2025), in Article 1, paragraphs 50 to 53, the legislator provided that a of the Ministry of the Environment and Energy Security (MASE), in agreement with the Ministry of the Economy and Finance

(MEF), upon the proposal of ARERA, shall define the terms and procedures for the presentation by the concessionaires of the electricity distribution service of extraordinary multi-year investment plans, detailing the minimum goals and objectives that the aforementioned plans must pursue.
With the Budget Law 2025, the awarding of concessions starting on 1 January 2031 by means of tenders will therefore be limited to cases in which extraordinary multi-year investment plans are not submitted or not approved: in such cases, in fact, the prerequisites for remodelling of the duration of concessions do not exist.

With Resolution No. 392/2025/R/EEL of 5 August 2025, ARERA resolved to submit to the Ministry the proposal setting out the terms and procedures for extraordinary multi-year investment plans.

DISTRICT HEATING

Iren Energia manages the district heating distribution service through concession, award or authorisation to install networks in the Municipalities of Turin, Nichelino (Province of Turin), Beinasco (Province of Turin), Rivoli (Province of Turin), Collegno (Province of Turin), Grugliasco (Province of Turin), Reggio Emilia, Parma, Piacenza and Genoa.

In addition, through EGEA Holding and its subsidiaries, it manages the district heating service in the municipalities of Alba (Cuneo), Piossasco (Turin), Canale (CN), Acqui Terme (Alessandria), Cairo Montenotte (Savona), Carmagnola (TO), Bra (CN), Nizza Monferrato (Asti), Alessandria, Cortemilia (CN) and Narzole (CN).

Lastly, the Group, through Dogliani Energia, holds the concession for the district heating service in the municipality of Dogliani (CN). In this regard, the district heating system went into service in October 2025 for the first batch of connected customers.

It is noted that, following a public evidence procedure concluded with Municipality of Moncalieri decision No. 2727 of 20 December 2024, Iren Mercato is the concessionaire of the public district heating service in the territory of the Municipality of Moncalieri for five years as from 1 January 2025.
In this regard, Iren Energia, which supplies heat to Iren Mercato, owns the existing production plants and network infrastructure and is party to an agreement with the municipality for the occupation of public land, which has now expired. This situation of land occupation is continuing under an extension regime pending determinations by the Municipality on the modalities of new assignment or renewal. At present, there is the possibility of renewing the concession to Iren Energia.

INTEGRATED WATER SERVICE

Liguria Area

IRETI (which merged Iren Acqua on 1 July 2025) holds the contract for the management of the Integrated Water Service in the 67 municipalities of the Province of Genoa. The assignment was granted by Decision no. 8 of the Genoa ATO Authority on 13 June 2003 and will expire in 2032.
The Integrated Water Service in some municipalities of the Province of Genoa is managed by IRETI through the safeguarded operating manager Iren Acqua Tigullio, 66.55% owned by IRETI.

IRETI also directly operates the drinking water distribution service in the municipalities of Camogli, Rapallo, Coreglia, Zoagli, Sestri Levante, Casarza Ligure and Moneglia, and the Integrated Water Service in the municipalities of Né and Carasco, in the Genoa ATO.
The company manages only the segment of the water service also in the following ATO:

- Savona Centre West 1, in the municipalities of Albissola Marina, Albissola Superiore, Quiliano, Vado Ligure, Celle Ligure, Noli, Spotorno, Bergeggi, Savona, Stella, Varazze;
- Savona Centre West 2 - Municipalities of Altare, Cairo Montenotte, Carcare, Cengio.

With regard to the municipalities managed by the Savona Centre West 2 Optimal Local Area, it should be noted that on 30 June 2025, notification was received of the start of the takeover procedure by the sole in-house operator, CIRA.

As far as the Province of Imperia is instead concerned, IRETI participated in the tender called on 19 July 2024 by the ATO Ovest Provincia di Imperia for the selection of the private partner in the company Rivieracqua S.p.A. The tender was then awarded to another economic operator and as a result of the take-over on 1 July 2025, the water service in the municipalities of Camporosso, San Biagio della Cima, Perinaldo, Soldano, Vallebona, Isolabona, Vallecrosia, Dolceacqua, Seborga, Bordighera and Ventimiglia was transferred to the single managing body of the Area, Rivieracqua itself.

Finally, in La Spezia and its Province, in 31 municipalities, Iren Group manages (through ACAM Acque) the water service with a concession valid until 31 December 2033.

Emilia Romagna Area

The Group manages the Integrated Water Service in the provinces of Reggio Emilia, Piacenza and Parma.

In the aforementioned areas, the ownership of the assets and networks relating to the water sector is held by companies wholly owned by public bodies, so-called "equity companies", respectively for the Municipality of Parma - Parma Infrastrutture, for the ATO of Piacenza - Piacenza Infrastrutture (for the capital Municipality, Consorzio Val d'Arda and Consorzio Val Nure for other municipalities in the Province of Piacenza) and AGAC Infrastrutture for the ATO of Reggio Emilia. These companies made their networks and assets available to Iren Group on the basis of a rental contract and against the payment of an annual fee.

Reggio Emilia Local Basin - the management of the Integrated Water Service for the Province of Reggio Emilia, excluding the Municipality of Toano, is the responsibility of the "Azienda Reggiana per la Cura dell'Acqua", or ARCA for short, 60% owned by the public partner AGAC Infrastrutture and 40% by IRETI, private operating partner for the assignment of the service in ATO3 Reggio Emilia until 31 December 2043.
ARCA, by means of a specific agreement, on the basis of the provisions of the tender deeds, entrusted the management of the operating tasks to the local operating company (SOT) Iren Acqua Reggio, which was set up for this purpose by the private operating partner (IRETI).

Piacenza Local Basin – the management of the Integrated Water Service for the Province of Piacenza is the responsibility of the company Iren Acqua Piacenza S.r.l., effective as of 1 January 2025 and expiring on 31 December 2040, following the award of the tender called by the Area Authority in 2022.

Parma Local Basin - the Convention stipulated with the ATO of Parma set the expiry date of the assignment at 30 June 2025. The aforementioned deadline was extended by Emilia-Romagna Regional Law No. 14/21 until 31 December 2027.

Piedmont Area

The Group manages, through ASM Vercelli, the services related to the integrated water cycle in Piedmont ATO2 "Biellese Vercellese, Casalese". The services provided by the company extend beyond the city of Vercelli to 14 municipalities in the province.
Management expired on 31 December 2023. In this regard, the Conference of the Area Governing Body (EGATO2) was unable to resolve on the choice of the management model due to the lack of a quorum, and therefore the same Body was subject to a Commissioner's order by the Piedmont Region. The Commissioner's appointment ended on 28 February 2025 with the publication of Decree No. no. 1 of the same date and having as its object the "Choice of the management model and start of the procedure for assignment of the Integrated Water Service for the Optimal Local Area 2 Piedmont to the in-house Company BCV S.p.A.", which provides:

- the approval of "in-house" assignment as the IWS management model in the ATO 2 Piedmont;
- to initiate the path and the procedures described in detail in the time schedule for the entrusting of the IWS within the Optimal Local Area 2 "Biellese, Vercellese, Casalese" to the single manager of the area pursuant to Article 149-bis of Legislative Decree No. 152 of 2006, identified in BCV S.p.A;
- the failure to comply with the milestones "conferment of networks - phase 1 and phase 2 - resolution", "elaboration of the sworn PEF" and "updating of the organisational model of the PoA" and the possible failure to approve the Report pursuant to Art. 17 (2), of Legislative No. 201 of 2022 within the terms set forth in the time schedule shall entail the immediate activation, by the Area Governing Body, of the procedures necessary to resort to the model of awarding the service through a public procedure or to a joint company whose private partner is selected through a public procedure and the simultaneous definitive setting aside of the solution consisting in the "in-house" assignment of the service. Among the fulfilments of the time schedule is the signing of the financing contract and the acquisition of the availability of resources for the liquidation of ASM Vercelli.

In 2025, the management of the IWS by ASM Vercelli was therefore operated under an extension regime, which will reasonably continue until the completion of the path undertaken by EGATO2, aimed at definitively appointing the sole Manager, both with the in-house model and in the event that other models should be used with public evidence procedures.
Following the adoption of the aforementioned commission measure, ASM Vercelli and IRETI, on 8 April 2025, filed an appeal with the Regional Administrative Court of Piedmont - Turin in order to obtain the annulment of the aforementioned , concerning the "Choice of the management model and start of the procedure for assignment of the Integrated Water Service for the Optimal Local Area 2 Piedmont to the in-house Company BCV S.p.A.", as well as for the annulment of any prior, preparatory, connected, consequent act.
An appeal to the Regional Administrative Court was also filed by the Municipality of Vercelli and some other municipalities belonging to ATO2 "Biellese, Vercellese, Casalese".
Additional pleadings were filed on 1 July 2025, 7 October 2025 and 5 December 2025, and a hearing to discuss the merits of the case has been scheduled for 21 May 2026.

The Group also manages, operationally through IRETI, the integrated water cycle services in the municipalities of Nizza Monferrato and Canelli; the operational management contract expired in 2023, and on 27 October 2025, the granting entity, Acquedotto Valtiglione S.p.A., published a call for tenders limited to wastewater treatment services, specifically concerning

the revamping of the Nizza Monferrato wastewater treatment plant and the operational management of the Nizza Monferrato and Canelli wastewater treatment plants only.

Finally, the Group manages, through EGEA Acque (a subsidiary of EGEA Holding), services related to the integrated water cycle in 43 Municipalities belonging to the ATO 4 in the Cuneo area.
These managements have expired and the Conference of Area has entrusted the management of the integrated water service to Consorzio Gestori Servizi Idrici S.c.a.r.l. (COGESI), wholly publicly owned company. EGEA Acque is currently continuing its management under an extension regime pending the liquidation of the residual industrial value by COGESI. To date, agreements are being drawn up to determine the date of takeover by the sole operator.

Sicily Area (Enna)

AcquaEnna manages the Integrated Water Service in ATO 5 Sicily, relating to the Province of Enna, with the concession expiring on 19 November 2034.

The table below therefore summarises the data on the existing agreements in the Group's main areas of operation:

ATO	REGIME	SIGNING DATE	EXPIRY DATE
Genoa Area	ATO/operator agreement	16 April 2004/05 October 2009	31 December 2032
Reggio Emilia	ATO/operator agreement	20 December 2023	31 December 2043
Parma	ATO/operator agreement	27 December 2004	31 December 2027
Piacenza	ATO/operator agreement	19 December 2024	31 December 2040.
Vercelli	ATO/operator agreement	13 March 2006	31 December 2023 (*)
La Spezia	ATO/operator agreement	20 October 2006	31 December 2033
Enna	ATO/operator agreement	19 November 2004	19 November 2034

(*) In prorogatio

ENVIRONMENTAL SERVICE MANAGEMENT

IREN Group provides waste management services on the basis of specific assignments from the local authorities, governed by agreements signed with the provincial ATO. The table below contains details of existing agreements in the Group's main areas of operation:

ATO	REGIME	SIGNING DATE	EXPIRY DATE
Reggio Emilia	ATO/operator agreement	10 June 2004	31 December 2011 (*)
Parma	ATO/operator agreement	28 December 2022	31 December 2037
Piacenza	ATO/operator agreement	28 December 2022	31 December 2037
Turin (Municipality)	ATO/operator agreement	21 December 2012	30 April 2034 (**)
Vercelli (municipality)	Municipality/operator agreement	22 January 2003	31 December 2028
COVeVaR Consortium (Vercelli municipalities)	Tender contract with COVeVaR /ASM Vercelli - San Germano - RIMECO	1 January 2022	31 December 2029 extendable for a further 12 months (***)
ATO waste province of La Spezia (Municipality of La Spezia)	Municipality/operator agreement	10 June 2005	31 December 2028 (collection and sweeping) 30 January 2043 (waste disposal)
ATO Toscana Sud	ATO/operator agreement	28 March 2013	27 March 2033
Consorzio Ecologico Cuneese	Contract with San Germano	1 March 2024	28 February 2031 (renewable for a further 2 years + 1)
Municipality of Selargius (Sardinia, CA)	San Germano - Environmental hygiene services	24 January 2023	28 February 2028 with possible renewal until 31 January 2031 (36 months)
Municipality of Iglesias (Sardinia, SU)	Urban and environmental hygiene services	1 September 2018	extended until 31 August 2028
Consorzio SEA	San Germano tender - Urban and environmental hygiene services Bagnolo Piemonte-Barge-Bellino-Brondello-Brossasco-Cardè-Casteldelfino-Castellar-Cavallerleone-Crissolo-Envie-Faule-Fossano-Frassino-Gambasca-Isasca-Martiniana Po-Melle-Monasterolo di Savigliano-Moretta-Murello-Oncino-Ostana-Paesana-Pagno-Polonghera-Pontechianale-Revello-Rifreddo-Ruffia-Saluzzo-Sampeyre- Sanfront-Savigliano-Scarnafigi-Torre San Giorgio-Valmala (now merged with Busca) Venasca-Villanova-Solaro-Sant'Albano Stura-Trinità-Genola	16 May 2018	31 August 2025, extended for a period not exceeding 6 months to award a new tender (28 February 2026)
Consorzio Bacino Rifiuti Astigiano (CBRA)	CBRA/ATI Consortium tender contract (38% San Germano, 62% Asti Servizi Pubblici)	22 March 2024	6 October 2026 renewable for a further 12 + 6 months (tot. 18 months) (****)

Municipality of Ussana (Sardinia, SU)	San Germano tender contract Urban hygiene services	22 May 2024	20 August 2032
Metropolitan City of Genoa	Tender contract San Germano Urban hygiene services	12 September 2023	30 November 2028
Municipality of Assemini (Cagliari)	Tender contract San Germano Urban hygiene services	29 April 2019	31 October 2024, extended to 31 October 2026
Municipality of Decimomannu	Tender contract San Germano Urban hygiene services	28 November 2022	31 December 2029, with option for 2-year technical extension
Association of the Municipalities of Fonni – Oliena – Orgosolo – Nuoro	Tender contract San Germano Urban hygiene services	22 February 2023	31 March 2029
Municipality of Stintino (Sassari)	Tender contract San Germano Urban hygiene services	25 July 2019	31 May 2022, extended until 30 November 2025
Municipality of Padru (Sassari)	Tender contract San Germano Urban hygiene services	03 March 2021	02 March 2027, with option for 2-year technical extension
Metalla e il Mare Municipal Authority (South Sardinia)	Tender contract San Germano Urban hygiene services	31 October 2021	12 July 2028
Gerrei Municipalities Union (South Sardinia)	Tender contract San Germano Urban hygiene services	25 October 2023	30 June 2030
Lower Novara Wide Area Consortium	San Germano tender contract- Service for the collection, transport and transfer to disposal plants of municipal waste, manual and mechanised sweeping, cleaning of market areas, management of recycling areas in the following Municipalities: Barengo-Bellinzago Novarese-Biandrate-Borgolavezzaro-Briona-Caltignaga-Cameri-Casalbeltrame-Casaleggio-Casalino-Casalvolone-Castellazzo-Cerano-Galliate-Garbagna-Granozzo-Landiona-Mandello-Marano-Mezzomerico-Momo-Nibbiola-Oleggio-Recetto-Romentino-S. Nazzaro Sesia-S.Pietro Mosezzo-Sillavengo-Sozzago-Terdobbiate- Tornaco-Trecate-Vaprio-Vespolate-Vicolungo-Villata-Vinzaglio	18 September 2020	30 September 2029
Consorzio Covar 14	Sub-tender contract Teknoservice srl /San Germano Urban hygiene services Moncalieri-La Loggia-Villastellone	28 January 2022	31 January 2025 (extended to 31 January 2028)
STR (Consortium of Langhe and Roero Municipalities)	EGEA Ambiente/Municipality of Alba (CN) tender contract	05 July 2021	04 July 2026

CSEA (consortium of Fossano municipalities)	ATI tender contract (S. Germano, Coop Proteo and EGEA Ambiente)/4 municipalities in the Cuneo area (EGEA share 12.86%)	1 January 2020	28 February 2026
Province of Imperia	EGEA Ambiente tender contract with some municipalities in the Imperia area (Andora, Cervo, Cesio, Chiusanico, Diano Arentino, Diano Castello, Diano Marina, Diano San Pietro, San Bartolomeo Al Mare, Stellanello, Testico, Villa Faraldi)	1 January 2021	31 December 2025
Municipality of S. Giuliano Milanese	Tender contract ATI (AMSA, EGEA Ambiente) EGEA share 16%)	19 October 2021 (effective from 1 October 2020)	30 September 2027
ATO Toscana Costa (Authority for the municipal waste management service in the provinces of Livorno, Lucca, Massa Carrara and Pisa) *Municipality of Lucca*	Service contract between the Municipality of Lucca and Sistema Ambiente (36.5% owned by Iren Ambiente) for waste collection	27 January 2001	31 December 2029
Turin (Wide area consortium)	ATO/operator agreement (SETA) (waste collection service in 31 municipalities in the Turin area)	27 November 2014 (new service contract signed on 24 May 2024)	27 November 2029 (*****)

(*) Service extended ex lege until new agreements are defined.
(**) the duration is 20 years starting from the day following the end of the provisional operation of the waste-to-energy plant of TRM on 31 August 2014
(***) ASM Vercelli 60.01%; San Germano 20.78%; RIMECO soc. coop. 19.21%.
(****) The local area covered by the contract is made up of 114 municipalities belonging to the Consorzio Bacino Rifiuti Astigiano/ATO Astigiano (excluding the municipality of Asti which, although a member of the consortium, is currently subject to autonomous contractual regulations).
(*****) the service is carried out by SETA (48.65% owned by Iren Ambiente), which manages the waste collection service in 31 municipalities in the Turin area (Torrazza Piemonte, San Benigno Canavese, Brandizzo, Rivalba, Verolengo, Cavagnolo, Brozolo, Monteu Da Po, Castagneto Po, San Sebastiano Da Po, Lauriano, Brusasco, Verrua Savoia, San Mauro Torinese, Casalborgone, Borgaro Torinese, Castiglione Torinese, Montanaro, Gassino Torinese, Cinzano, San Raffaele Cimena, Sciolze, Volpiano, Rondissone, Mappano, Lombardore, Chivasso, Caselle Torinese, Leinì, Foglizzo and Settimo Torinese).

As outlined in the table, the contracting authority Agenzia Territoriale dell'Emilia-Romagna per i Servizi Idrici e Rifiuti (ATERSIR) signed with Iren Ambiente the contracts for the concession of the public service for waste management in the Parma and Piacenza local basins for a duration of 15 years, starting from 1 January 2023.
The two concessions - awarded following public tenders - cover 89 municipalities: 43 in the Parma area and 46 in the Piacenza area. The respective management companies are Iren Ambiente Parma and Iren Ambiente Piacenza, which took over the operational management of the service from Iren Ambiente.

ACAM Ambiente, controlled by Iren Ambiente and active in La Spezia and its Province, manages the integrated waste cycle service in 32 municipalities belonging to the Optimal Area of the Levante (including the municipality of La Spezia).

It should be noted that SEI Toscana is the owner, by virtue of an agreement with the ATO Toscana Sud, of the integrated waste management in 98 municipalities in the provinces of Grosseto, Siena, and Arezzo, expiring on 27 March 2033, and in six municipalities in the province of Livorno (Piombino, San Vincenzo, Sassetta, Suvereto, Castagneto Carducci, and Campiglia Marittima).

For COVeVaR, the Mandatory Consortium of Municipalities of Vercelli and Valsesia for the management of urban waste, which concerns other Municipalities of Vercelli (except Borgosesia), in particular the Municipalities of Albano Vercellese, Alice Castello, Arborio, Balocco, Borgo D'Ale, Buronzo, Carisio, Casanova Elvo, Collobiano, Crova, Formigliana, Gattinara, Ghislarengo, Greggio, Lenta, Lozzolo, Moncrivello, Olcenengo, Oldenico, Quinto Vercellese, Roasio, Rovasenda, Salasco, San Germano Vercellese, San Giacomo Vercellese, Santhià, Tronzano Vercellese, Villarboit, the tender was awarded to the temporary consortium (RTI) composed of ASM Vercelli (60.01%, group leader), San Germano (20.78%) and RIMECO Soc. Coop. (19.21%), with 8-year validity from 1 January 2022 with possibility of extension of a further 12 months.

San Germano carries out its main activity as a collection operator as a contractor in several areas, including Sardinia, Lombardy, Piedmont and Emilia-Romagna.

SERVICES FOR MUNICIPALITIES

A) Services for Partner Municipalities

Municipality of Turin

Iren Smart Solutions is party to the following agreements with the municipality of Turin for the provision of public services:

- Agreement for the management of the public lighting and traffic light service, expiring on 31 December 2036;
- Agreement, entered into following a project financing proposal submitted by the Company pursuant to Article 183, paragraph 15 of Legislative Decree No. 50/2016, for the awarding of services for the design and implementation of technological and construction upgrading, operation, maintenance (including the supply of energy vectors) of municipal thermal, electrical and special plants, with a duration of 27 years from the signing of the Take-over Notice of the Plants (30 June 2049).

Municipality of Genoa

- GEN-IUS Programme: Concession for the rehabilitation and energy maintenance services of 32 buildings in the Municipality of Genoa;
- Matitone of Genoa: service concession through public/private partnership, concerning energy performance, upgrading, management and maintenance services under guaranteed energy performance regime of the building called "Il Matitone", seat of the Genoa City Council offices. The duration is 15 years (maturity 14 April 2035).

B) Services to other municipalities

Iren Smart Solutions manages the public lighting service, also by means of plant efficiency upgrades, in Piedmont (Cuneo and some municipalities in the Biella area), Emilia-Romagna (Ventasso, Fidenza, Fiorenzuola, Rivergaro and Tizzano Val Parma) and Lombardy (Morbegno)

The Company provides energy efficiency services in some municipalities in Veneto (including Treviso, Cortina, San Donà di Piave, Monselice, Maserà, Casale sul Sile, Mortegliano, Musile, Noventa, Casier, Borgo Valbelluna, Scorzè, Martellago, Longarone, Ponte nelle Alpi, Limana, Codognè, Gradisca d'Isonzo, Manzano, Porpetto, Amaro, Cavazzo, Pasian di Prato, Tolmezzo, Verzegnis), Piedmont (including Cuneo, some municipalities in the Metropolitan City of Turin), Emilia-Romagna (Castelnovo ne' Monti, Sorbolo Mezzani, Montechiarugolo, Medesano), Lombardy (Morbegno, Sulbiate, Ronco, Mezzago, Bellusco, Agrate, Burago) and Liguria (S. Margherita Ligure, Rapallo, Cogoleto, Sarzana, Santo Stefano Magra, Arcola). In addition, the Group manages public lighting in Vercelli (through ASM Vercelli) and Asti (through Asti Energia e Calore).

Finally, through Ardea (a wholly-owned subsidiary of Egea Holding), the public lighting service is managed, including by means of plant efficiency upgrades, in some municipalities in Piedmont (Savigliano, Alba, Santo Stefano Belbo, Nizza Monferrato, Canale, Verzuolo, Cherasco, Treiso, Centallo, Sommariva, Fossano, Envie, Chiusa Pesio, Govone, Priocca, Mondovì, Racconigi and Marene) and Liguria (Camporosso).

ELECTRICITY GRADUAL PROTECTION SERVICE

Gradual Protection Auction for domestic customers

Iren Mercato and Salerno Energia Vendite (SEV) were the assignees, through auctions held in 2024, of two lots of the gradual protection service for non-vulnerable domestic customers in the electricity sector, for a total of about 300 thousand POD. The relevant customers will be managed by SEV itself for the period from 1 July 2024 to 31 March 2027:

- Southern Area 6: Brindisi, Matera, Potenza, Salerno and Taranto;
- Southern Area 7: Barletta-Andria-Trani, Campobasso, Cosenza, Foggia and Isernia.

Gradual Protection Auction for SME customers

Similarly to the above, the auction for the assignment of the gradual protection service for small businesses was held in 2024, and saw the award to Iren Mercato of three lots below, for a total of approximately 38,000 POD, which will be managed by it for the similar period from 1 July 2024 to 31 March 2027:

- Lot 1: Tuscany and Calabria;
- Lot 4: Emilia-Romagna and Piedmont;
- Lot 7: Apulia, Abruzzo, Basilicata, Molise, Umbria and Sicily.

Other information

Control of companies abroad

It is noted that the Company does not control companies established and regulated by the laws of non-EU countries. Furthermore, it is noted that Iren S.p.A. is not subject to management and coordination by another company.

Report on Corporate Governance and Ownership Structures and Report on the policy on the subject of remuneration and on fees paid

The Report on Corporate Governance and Ownership Structures and the Report on the policy on the subject of remuneration and on fees paid, approved by the Board of Directors and published within the legal deadline, include information not mentioned in the chapter "Iren Group Governance" of the Sustainability Reporting of this Report, as required by articles 123-*bis* and 123-*ter* of Legislative Decree No. no. 58 of 24 February 1998, and subsequent amendments and additions.

Independent Auditors

With the approval of the financial statements at 31 December 2020, the assignment was completed for the statutory audit of the Company's financial statements conferred on PricewaterhouseCoopers SpA for the nine-year period 2012-2020 by the Iren Shareholders' Meeting of 14 May 2012.

In light of the above, on the recommendation of the Company's Board of Statutory Auditors, in its capacity as the "Internal Control and Audit Committee", the Iren Shareholders' Meeting held on 22 May 2019, appointed KPMG S.p.A. to audit the financial statements of the Parent for the nine-year period 2021-2029. This resolution was taken at the end of a complex selection procedure that was carried out in accordance with the provisions of art. 16 of Regulation (EU) 537/2014 (the "Tender Process").

Subsequently, on 25 November 2019, Iren and KPMG S.p.A. signed a Framework Agreement containing terms and conditions (technical and financial) for the performance by KPMG S.p.A. (i) of the statutory audit of Iren's financial statements for the nine-year period 2021-2029 and (ii) of the statutory audit of the financial statements of the consolidated companies included in the scope of the Tender Process for the three-year period 2021-2023 with renewal option for two further three-year periods (the "Framework Agreement"). Moreover, the Framework Agreement contains (technical and financial) terms and conditions for carrying out the assurance engagement on the consolidated non-financial statement ("NFS") of Iren Group for the three-year period 2021-2023, with an option to renew for two further three-year periods.

The Shareholders' Meetings of each consolidated company included in the Tender Process, on the basis of a reasoned proposal from their respective Boards of Statutory Auditors, therefore appointed KPMG S.p.A. to audit their accounts for the three-year period 2021-2023 (with an option to renew for two further three-year periods), in accordance with the terms and conditions of the Framework Agreement.

In the course of 2024, the Shareholders' Meetings of the aforementioned consolidated companies, again based on the reasoned proposal of their respective control bodies, renewed the engagement of KPMG S.p.A. to audit their financial statements for the period 2024-2026 (with an option to renew for a further three years), the formalisation of which took place, in accordance with the provisions of the Framework Agreement, through the signing of specific application contracts.

In addition, during 2024, the Board of Directors of Iren, in the absence of any remarks by the Control Body of the same, approved the renewal of the assignment, in favour of KPMG S.p.A., relating to the assurance engagement of the NFS for the financial years ending 31 December 2024 to 31 December 2029, in compliance with the provisions of the Framework Agreement.

Without prejudice to the foregoing, as already noted in previous reports, after the signing of the Framework Agreement, the dynamism that has characterised Iren Group, both in terms of growth through external lines and in terms of internal reorganisation, has given rise to situations such as to entail changes to the original audit scope entrusted by Iren to KPMG S.p.A. In view of these mid-term changes, it was necessary to amend the Framework Agreement in April 2021, April 2023, April 2024 and April 2025. For the same reasons, the Framework Agreement will be amended by the first quarter of 2026. To this end, in line with the practice already adopted, the Company, also in the name and on behalf of the companies directly and indirectly controlled by it, and KPMG S.p.A. will execute, by the approval of the 2025 financial statements, an Addendum to the Framework Agreement (hereinafter "Addendum"), to, *inter alia:* (i) extend the statutory audit that KPMG S.p.A. is required to perform, starting from 2025, also with respect to the financial statements of companies consolidated in the medium term, following the approach of the sole auditor of the group on which the Tender Process was based; (ii) reformulate the terms, also payment, and conditions of certain statutory audit engagements assigned to KPMG S.p.A. More in detail, also in relation to the aforementioned growth in size of the Group and to the dimensional variations, either increasing

or decreasing, undergone by the aforementioned companies, the remodelling of audit services provided for in the Addendum concerns the following activities: (i) Statutory audit of the separate financial statements of Iren S.p.A. and the financial statements of its subsidiaries, (ii) Review of the half-yearly financial statements of its subsidiaries, (iii) Compliance examination of the separate annual accounts prepared in accordance with the Integrated Accounting Unbundling Act, (iv) Audit of the statement of debit and credit balances with Public Entities, (v) Assurance engagement on Iren Group Sustainability Statement, in respect of which the need has arisen to extend its scope, starting from the year ended 31 December 2025, in view of the expansion of the Iren scope of control/consolidation.
The Addendum also takes into account the remodelling that took place during 2025 for the activity of: (vi) Issuance of the comfort letters required for the renewal of the European Medium-Term Notes (EMTN) programme and subsequent issuance of bonds by Iren, (vii) Review of the statement prepared by IRETI for participation, for the 2025-2027 sessions, in the mechanism for the reintegration of uncollected and otherwise non-recoverable receivables relating to general system charges pursuant to ARERA Resolution 119/2022/R/ELL, (viii) Review of the statement prepared by Iren Mercato, contained in the CSEA notice, for participation in the mechanism for the reintegration of arrears relating to supplies to non-misaligned customers under the gradual protection service for the 2024 session, to be carried out in 2025.
The increase in consideration recognised for the entire Iren Group, in accordance with the indications set forth in article 5 of the Framework Agreement, is equal to, on an annual basis, respectively: 802,075 euro, plus VAT, with respect to the activities indicated in (i) to (iv); 20,000 euro, plus VAT, with respect to the activity indicated in (v); 97,300 euro, plus VAT, with respect to the activities indicated in (vi) to (viii).
As far as may be necessary, finally, it should be noted that the Addendum also considers certain services rendered by KPMG S.p.A., in favour of Iren or of the companies directly or indirectly controlled by the same, on a one-off basis, therefore not on a continuous basis, the amount of which is 89,500 euro.

Organisation and Transversal Projects

The year 2025 was characterised by numerous activities in support of corporate transactions (particularly with regard to the rationalisation and integration of acquired entities into the Group) and by significant initiatives aimed at organisational review and process streamlining, with the aim of improving the functioning of the Group's model and enhancing competitiveness.

In particular, the most significant corporate and integration transactions were those relating to the EGEA Group (activities carried out in 2025 and preparatory to their entry into effect on 1 January 2026): the merger of EGEA Energie into Iren Mercato and of EGEA Ambiente into Iren Ambiente, the sale of the district heating business from EGEA Holding to TLRNet, and the centralisation of almost all of EGEA Holding corporate functions within Iren S.p.A.
The transfer of the shares in all EGEA companies (with the exception of Egea Holding, which remains controlled by Iren S.p.A.) to the parents of the respective Business Units also enabled the strengthening of their functional coordination, which will form the basis for further streamlining and integration in 2026.
In addition, transactions related to the mergers of Iren Acqua into IRETI and of Alegas into Iren Mercato (the latter effective from 1 January 2026) and to the transfer of the photovoltaic plant business unit from Iren Energia to Iren Smart Solutions were completed.

With regard to corporate transactions, the main activities carried out are reported:

- coordination of Working Groups (Project Management Office activities) with the aim of finalising corporate operations (2025 focus: rationalisation);
- organisational integration: centralisation, in accordance with the Group's model, of the main functions of the companies involved in the 2025 rationalisation and integration plan, both Corporate and BU;
- for the same companies, integration of processes and information systems with the centralisation of applications, infrastructure, and tools.

With regard to organisational activities, numerous projects were developed during the year to support business development and pursue the Group's objectives, adapting organisational structures to the needs of the business and establishing specific Project Groups, for a total of over 50 initiatives.
The main organisational reviews and Project Groups, consistent with the Business Plan guidelines, are listed below:

- reorganisation, within the Corporate Affairs Department, of the Corporate Secretariat by Business Unit;
- reorganisation of Alfa Solutions in the Sales, Development and Operational Control, Laboratory, Engineering and Consulting divisions;
- organisational optimisation of Management Control;
- organisational review of the Credit area: centralisation of Iren Smart Solutions and Iren Ambiente within Iren Mercato del Credito;
- refinement of the Iren Smart Solutions organisation in the Public Administration Sales, Engineering, Photovoltaic Hub, Rebuilding, B2C, B2B and B2G areas;
- reorganisation of Legal Affairs: in particular, a new organisational structure has been established to oversee intra-group contracts;
- overall reorganisation of Iren Mercato in the Customer Care, Active Cycle, Commercial and Marketing areas;
- organisational streamlining of Atena Trading, with the centralisation of Network Services within Iren Mercato;
- reorganisation by area of responsibility: consolidation of the Customer Management and Sales activities of Iren Smart Solutions and the Waste Management BU within Iren Mercato, and consequent reorganisation of the Environmental Services division of Iren Ambiente;
- centralisation, within Iren Smart Solutions, of the engineering, design and works management functions into a single organisational structure;
- centralisation within Iren S.p.A. of the Administration, Finance and Control function of San Germano;
- reorganisation within Iren Smart Solutions of the Photovoltaic Hub structure for the integration of the business unit from Iren Energia, comprising small-scale and rooftop installations;
- reorganisation of ACAM Ambiente to align it with the organisational model of Iren Ambiente;
- organisational reviews within AMIAT Operations for the extension of the door-to-door service;
- comprehensive reorganisation of the Technologies and Information Systems function to better adapt to regulatory changes, the development of AI and the Group model;
- organisational restructuring within Iren Ambiente in the Plants division (by supply chain) and streamlining of the flow and logistics division, whose activities are being reallocated to Plants and Special Commercial;
- establishment of new structures for the roles of Operations Director at IRETI and Iren Energia;
- organisational streamlining, with the reallocation of the activities of the National and Regional Institutional Relations functions;
- establishment of a new organisational structure within IRETI to oversee Distribution Customer Management processes;
- Engineering Project (Group Engineering Empowerment): Analyses aimed at streamlining Iren Engineering functions have been carried out, and an organisational model has been defined, which can be refined and implemented in 2026. The Engineering structure was established within Iren Energia;
- establishment of Project Groups on specific topics: WTE Piemonte, NIS 2, Carbon Capture, Utilization and Storage (CCUS) for the Energy BU and the Waste Management BU, Invoicing Task Force (Iren Smart Solutions – Iren Mercato), Unbundling and Intra-group Contracts, Commercial Processes, and the Holding Digitalisation Programme.

Important transformation projects also continued, developed together with a Change Management programme: in particular, the Lean programme was expanded to support the streamlining of processes and the improvement of business performance, with the articulation of various projects focused on the main Departments of the Networks and Market BU, extending training to Black Belt, Champion and White Belt courses, in addition to the Green and Yellow Belt courses already underway.

Finally, the activity of identifying and monitoring synergies continued with renewed focus, with the aim of improving Group EBITDA. Specifically, in 2025, the implementation of the initiatives defined under the "TRIM" programme continued, complementing the existing "Performance Improvement" programme, aimed at identifying and implementing further Group improvement and efficiency projects (with a focus on the years 2025-2026). The overall synergies were thus included in the new Business Plan 2025-2030. By the year 2025, more than 130 projects with synergies were activated or continued.

Technologies and Information Systems

2025 saw the continuation and/or completion of important projects which are strategic for the Group, as presented below.
In general, in addition to the necessary adjustments, the computerisation and digitalisation plan envisaged by the Business Plan is being implemented, which continues to support the process of transformation, increase in IT security and development of the Group. With regard to company acquisitions/incorporations, systems were integrated or standardised from the administrative-management area, with particular focus on the EGEA group.
To support this change and achieve the expected results, the Technologies and Information Systems (TSI) Department proceeded with the organisational redesign of some of its areas, in order to improve internal service levels.

In particular, regarding the ICT Governance area, the main initiatives concerned:
- ISO 27001: in July 2025, the audit for the transition to the new version of the standard was successfully passed;
- PSNC (Perimetro di Sicurezza Nazionale Cibernetica - Cybernetic National Security Perimeter): during the year, work was carried out on the relevant risk analysis as part of the dedicated group project;
- five audits on security and compliance issues on IT suppliers.

In the M&A and PostMerger areas, IT integration and implementation activities were conducted for recently acquired companies. In particular, systems for waste management and for the trading of commodities were launched, in addition to the implementation of IT infrastructure for plants in the waste management and district heating sectors.

In 2025, project initiatives aimed at raising the level of Information Security against cyber events continued, the most significant of which are:
- continuation of the awareness campaign on IT security issues, addressed to all employees;
- continuation of project activities for the adoption of the new NIS2 regulation;
- implementation of numerous targeted actions aimed at improving the cyber posture score measured using the Security Score Card platform;
- intensification of Red Team activities, involving the performance of penetration tests across various areas (application, infrastructure and physical) and the expansion of the scope for identifying vulnerabilities;
- with regard to the PSNC (National Cybersecurity Assessment), the security measures were implemented in collaboration with the business functions, and the monitoring activities required by the regulations were carried out.

In the area of Enterprise Architecture, the drafting of the 'Architectural Guidelines' document was concluded, which aims to provide a set of guidelines, directives and recommendations for the design and implementation of software architectures within the organisation.

At the level of transversal initiatives on the Infrastructure front we can note in particular:
- extension of the scope of the PAM (Privileged Access Management) solution to cover the applications included in the 2025 scope;
- extension of the scope of the end-to-end monitoring solution to cover the applications included in the 2025 scope;
- update of the virtualisation platform version;
- upgrade of SAP versions for the business units;
- project to migrate customers from Windows 10 to Windows 11;
- introduction of the Network Access Control (NAC) platform to control access to the corporate customer network, for the scope defined for 2025;
- installation of the new EDR solution to protect servers;
- completion of the Internet redundancy project through the commissioning of a new connection to Genoa;
- continuation of the project to migrate minor connectivity to a Wholesale network in order to increase security and reduce costs.

In the area of Digital Solutions and Data, the main solutions released during the year were:
- Automation: email, case and complaint sorting systems for IRETI;
- several use-cases in the Advanced Analytics/Artificial Intelligence field, among them:

- Energy Management - XBID simulator: a tool has been made available in the production environment of the Analytics Portal that enables near real-time monitoring of the XBID continuous market, integration of plant operating data, and the suggestion of bidding opportunities to maximise margins during bidding & dispatching;
- Business Intelligence dashboards (Market Intelligence, Live Prices, Counterparty Exposure, Average GAS Prices);
- Market – Cash Flow Forecasting and Commission Scoring Optimisation tool;
- in the area of Cross-Generative AI, approximately one thousand employees were assigned to use Microsoft Copilot and trained in its use, with the aim of improving individual productivity;
- IRETI: the Data Platform, which can be scaled up for AI use cases in both the gas and water sectors, as well as three use cases for monitoring the health of the networks.

The Energy Management unit, through the dedicated IT Solution, as well as benefiting from the AI programme provided by the Digital Solutions and Data Office, completed the following activities:

- Energy Management – the Data Product 2025 programme was completed, building on the work begun in 2024 to implement an architecture for storing 'data products';
- the enhancements required to adapt the Strategic Offer Planner (PSO) were released.

As regards the Solution, the main projects carried out in 2025 were:

- in the Procurement, Logistics and Services areas:
  - implementation of upgrades to the Fleet Management platform to improve its stability, and launch of a new application (Car Assignment) to ensure better management governance of the company vehicle fleet. After the Piazza Raggi office in Genoa, the extension of GSM signal coverage to all Group garages involved in Car Sharing continues, enabling the use of the app for vehicle reservations wherever necessary;
  - start of activities to port the EGEA warehouse onto the Iren WMS system;
- in the Administration, Finance and Control area, in addition to the annual and customary regulatory upgrades to the SAP system, a new budget process was introduced, featuring bulk cost/revenue capture and automatic intra-group allocations;
- finally, the Internal Audit & Compliance department launched a project to introduce a new tool for managing internal audits within the Group.

In addition, at the central level, the multi-year Holding Digitalisation Programme was launched, the objective of which over the coming years will be to identify process inefficiencies and, consequently, to develop business cases that can justify investments to close these gaps through the introduction of innovative technologies (Gen AI, RPA, Agentic AI, etc.).

In the area Energy Solution:

- the Energy Database project, aimed at capturing and monitoring energy data from Iren Energia power generation plants, was completed. The main functionalities developed were the acquisition of measurements, the management of the automated imbalance flow, and the management of plant events. The integration of the new system with the DAL used by the Energy Management department is currently being planned. Full integration between the systems is expected to be completed in 2026;
- In the District Heating area, the complete overhaul of the work reporting portal known as "Mobi Client", which is used to track the progress of field maintenance activities, was completed. In addition, the 'Site Monitoring' system was implemented to track site activities across the region related to scheduled and unscheduled maintenance;
- In the Hydroelectric area, initiatives to ensure wireless connectivity at remote plants have been completed, and the project to close the Orco Valley fiber optic ring has been completed. At the Tusciano Hub, work has begun on providing Wi-Fi and satellite coverage for the sites, which will be completed in early 2026;
- In the Renewables area, the first- and second-level SCADA (Supervisory Control and Data Acquisition) system (known as the 'Renewables Control Room') was procured through a tender process;
- In the Smart Solutions area, the energy monitoring project for the Efficien-TO contract was integrated into a dedicated platform, synchronising real-time data on the electricity and district heating consumption of the buildings covered by the contract;
- In the Alfa Solutions area, the project for the new 'MY Alfa' CRM system was finalised, with full implementation across all company departments. In addition, the new Alfa Solutions website, integrated with the CRM system, was launched.

With regard to the Market Solution, in 2025, system evolution projects continued in response to the operational efficiency and evolution of Digital Sales & Post Sales processes (in terms of market and competitiveness):

- there were four releases (February, May, July and November) to support Business As Usual on core CRM and Billing systems in response to regulatory adjustments, marketing and sales strategy and operational improvements;
- Generative AI solutions were released to support the co-piloting of back-office operators and the dynamic generation of customer data summaries.

With regard to the Networks Solution, system evolution activities continue, especially regarding regulatory issues: this activity is managed in releases to ensure the best stability of the systems. Furthermore, the project activities related to the following digitalisation initiatives are continuing:

- Predictive Plant Maintenance and Operation;
- Asset/Equipment Tagging;
- Advanced maintenance and operation procedures;

- Advanced Analytics Networks;
- AM-WFM external enterprise extension;
- AM-WFM evolutionary with controlling and asset enhancement;
- BIM-GIS Vertical evolutions and systems integration;
- Data Management Extension.

For the Waste Management Solution, the main initiatives have concerned in particular the evolution and extension of the systems. In particular, it should be noted that:

- On 13 February 2025, the new SAP functionalities related to RENTRI (the National Electronic Register for Waste Traceability) were released, and full interoperability between the IREN SAP Waste system and RENTRI was enabled. Furthermore, the new functionalities related to the Digital Form are currently being tested, with their release scheduled for February 2026, in line with the RENTRI timeline;
- PagoPA payment solution was released, with its functionalities extended to include reminders, instalment payments and assessments;
- detailed design of the new architecture was completed, and the new development environment dedicated to managing the mobile applications and web portals associated with the SAC Ambiente redesign programme was released;
- migration and training activities for the transition of San Germano, Aquaenna, Semia Green, Iren Laboratori, Futura and Scarlino Energia to SAP Waste have been completed;
- development was completed on the Iren Ambiente App of the digital card (including a prepaid option) for unlocking controlled-access containers, thereby dematerializing the current physical cards and reducing printing and management costs;
- certification for the 4.0/5.0 hyper-depreciation scheme was obtained for the OFMSW Reggio plant (October 2025) and the WEEE Valdarno plant (December 2025) through the Inplant solution.

Innovation, Research and Development

Technological innovation in Iren Group is central to the strategic choices and the definition of the products and services offered. The Business Plan to 2030 provides for important investments in innovative technologies and for digitalisation. This confirms the centrality of innovation in the Iren Vision, which will be expressed in the development Plan of all the sectors in which it operates with the objective of making the Group an example of excellence and innovation in the multi-utility sector. Specifically, the Business Plan is aligned with the sector identified macro-trends, namely progressive decarbonisation, the circular economy and material recovery, increased resilience of managed assets, energy efficiency, and the protection of natural resources.
From this perspective, the main innovation activities underway within the Group are aimed at researching and adopting technologies and processes to support the sustainable development of the reference businesses.
Iren Group manages innovation processes through an open innovation model and, consistently, has launched profitable collaborations with Universities, Research Centres, Innovation Hubs and Start-ups. Additionally, it takes an active part in working groups and associations on specific research and development and promotes events such as conferences, workshops and hackathons.

As evidence of its commitment to innovation, in 2025, Iren received the SMAU 2025 Innovation Award for its Iren Energy Monitoring service, an application developed for Iren Mercato customers in collaboration with the start-up Midori. Using machine learning algorithms, this application enables the monitoring of household energy consumption and its breakdown by individual household appliances and devices, thereby providing customers with practical guidance on how to improve their habits, optimise their energy use, and reduce waste and inefficiency.

Iren Innovation Lab

In 2025, Iren Innovation Lab, now in its fourth full year of operation, continued to serve as the Group's unified platform for open innovation initiatives. This framework has continued to strengthen the culture of innovation at all levels and to expand the relevant ecosystem.

During the year, the third edition of Call4Ideas, launched in December 2024, was concluded.
In the first few months of the year, ideas from Group employees were collected, and the eight teams that took partook in the development process were selected. The projects took part in an initial three-day training bootcamp and then continued their development with the support of specialist training and mentorship from colleagues and experts from the start-up and innovation worlds. The ideas were presented at a closing event held on 27 June 2025 in the Auditorium of the Piazza Raggi HQ in Genoa. The projects were presented to a jury composed of the company's top management, which selected the three winning projects for the third edition, focusing on gamification to support water meter self-reading, the integration of customer databases for the various commercial services, and the use of summary data to support the Group's businesses.

Finally, the Iren Innovation Lab platform was also used to support the third edition of the ESG Challenge 2025, enabling the collection of over 400 undergraduate, master's or doctoral theses, 10 of which were awarded prizes at the event presenting the new ESG challenges for Iren Group, held on 4 February 2025 in Turin.

2025 was also characterised by the continuation of technical activities related to the Group's various co-financed projects and by the development, also in partnership with innovative companies and start-ups, of internal technological projects on the basis of planning which, starting from an analysis of the long-term scenario, is aimed at giving the Group the tools needed to seize the opportunities and mitigate the risks deriving from the evolution of the markets in which it operates.

Iren Up

The activities of Iren Up, the Corporate Venture Capital programme, launched in 2018 with the aim of supporting the highest potential Italian start-ups in the Cleantech sector, from clean technologies to the circular economy, continued. The programme provides for direct and indirect investments with different tickets depending on the life phase of the Start-up and needs. During the year, the programme identified more than 300 start-ups.

In February 2025, the final event of the Iren Start-up Award, dedicated to the theme of artificial intelligence, was held. The competition saw applications from over 170 start-ups from around the world, proposing Artificial Intelligence solutions to support the business activities of a multi-utility like Iren.
At the closing event, the 8 start-ups deemed most aligned with the Group's developments presented their products to a jury composed of the company's top management. Three of the start-ups were awarded prizes, and pilot collaborations were initiated to develop Proofs of Concept for the adoption of the solutions they have developed and brought to market.

The management of equity investments in start-ups in which the Group has invested also continued.
During the year, the relationship with the MITO Tech Ventures fund continued, with Iren acting as a Limited Partner involved in analysing the deal flow of investment transactions and assessing opportunities in terms of venture customers. Furthermore, through CDP VC Tech4planet, Iren has contributed to making more than 30 investments in the pre-seed and seed sectors since joining the fund in 2022.

Furthermore, during the year, the project in collaboration with Mind the Bridge continued, which aims to expand the scouting of international innovation opportunities by monitoring Silicon Valley through a dedicated scouting unit focused on identifying solutions of interest to Iren within that ecosystem.
Lastly, as part of its networking activities and participation in the external innovation ecosystem, Iren took part in networking initiatives by companies and start-ups such as:

- SMAU, with which a call for proposals in the field of Artificial Intelligence was launched to support communications and marketing activities, as well as participating in events related to the Italian and European roadshow;
- Elis, which joined the Open Italy 2025 and 2026 programmes;
- Startup Intelligence of the Milan Polytechnic University, involving participation in several inter-corporate working tables on different aspects of technological innovation;
- participation in acceleration programmes such as Techstars, in the smart cities field, Magic Spectrum and Magic Mind, focused on 5G, the Internet of Things and AI, and the Italian Lifestyle Accelerator, which showcases the excellence of the Italian innovation ecosystem;
- support for regional competitions dedicated to start-ups, the StartCup Emilia Romagna and the SmartCup Liguria;
- sponsorship of the National Innovation Award (PNI), serving on the judging panel, awarding the winner of the Cleantech category, and presenting Iren Group special mention.

Among the initiatives in which Iren has participated, bringing its contribution in terms of process innovation and applied research, there are the collaborations with the Competence Centres (promoted by the Ministries of Economic Development and Economy) in Turin ("Competence Industry Manufacturing 4.0 – CIM 4.0") and Genoa ("Competence Centre for the Security and Optimisation of Critical Infrastructures" Association – "START 4.0") and with the House of Emerging Technologies in Turin (CTE-Next).

Completed and ongoing funded research projects

Also in 2025, Iren contributed to the creation of important innovation projects co-financed with public funds for research. On this point, the main projects underway are presented below. The total investment for Iren Group is approximately 9.6 million euro, of which over half being financed. In relation to these amounts, the co-financeable costs incurred during the year amounted to about 2 million euro, of which 1.3 million euro covered by non-repayable financing.
Below are the projects completed and ongoing in 2025.

FlexCHESS (Horizon Europe)
The project, which started in December 2022, aims to study the use of Energy Storage Systems (ESS) of different kinds (e.g. batteries, electric vehicles, flexible loads) for balancing electricity grids, evaluating possible flexibility services. Iren S.p.A. and Iren Energia are taking part in the project. They are engaged in the development of the Italian pilot at the company's headquarters in Corso Svizzera (Turin), with the aim of studying the potential of a Virtual Energy Storage System, utilising both new assets (a battery equipped with an inverter, provided by a project partner, has been installed) and existing assets (chiller units, a photovoltaic system, and charging stations for the company's electric vehicles) to test integration with the project platform developed to study possible electricity flexibility scenarios.
During 2025, the main activities in which Iren Group was involved related to the planning and management of functional field testing activities, as well as communication and dissemination activities. The Group was also involved in organising a project meeting with European partners, which took place in Turin at Iren premises.

CaLby2030 (Horizon Europe)
The project, launched in October 2022, focuses on the demonstration at TRL6 of CO_2 capture systems based on Calcium Looping (CaL) circulating fluidised bed (CFB), starting with three pilot plants in Europe operating under industrially relevant conditions and projecting this technology towards large-scale commercial implementation in major high-emission sectors by 2030 (target sectors: steel, cement, Waste-to-Energy).
Specifically, the contribution of Iren and, as a related party, Iren Ambiente to the project takes the form of support for the definition of test protocols to be implemented at foreign demonstrator plants and in the performance of a pre-engineering and integration study of a CFB-CaL system with the definition of an initial retrofit concept on the Piacenza waste-to-energy plant.
In 2025, the study to define the adaptation works and the general arrangement for integration with the WTE plant was launched. The project partners are also conducting studies on the use of the CFB-CaL system for the synergistic removal of acids from flue gases, in addition to CO_2, as well as carrying out tests on the use of fly ash as a calcium-bearing material to be fed into the CO_2 capture system.

DATA-CELLAR (Horizon Europe)
The project, initiated in June 2022, intends to develop a platform (Data Space) capable of collecting data from different sources operating in the Energy Community sector, in order to enable new business models related to data interchange. With reference to the operational data generated by the emerging Energy Communities, particular focus will be placed on the following aspects (i) Interoperability and standardisation of data interchange protocols; (ii) Data privacy (also through blockchain); (iii) Data valorisation with tokenisation mechanisms. Iren Group participated in the project with Iren S.p.A, Iren Mercato and Iren Smart Solutions and has the task of providing the use cases of the Italian pilot, represented by a Renewable Energy Community in a 'rural' context and one in an 'urban' context. During the project, the Group identified the two validation

cases and provided a description of the characteristics and type of data that could be acquired for the two nascent energy communities.
During 2025, data from the first validation case was collected, and survey questionnaires were developed for distribution to the various project partners in order to identify industry best practices, including management tools. The project ended in November 2025.

WOODCIRCLES (Horizon Europe)
The project, initiated in June 2023, aims to study and demonstrate solutions to enable the recycling and reuse of wood waste from construction and demolition activities. The role of Iren in the project (participating with Iren Ambiente as a related party) is included in the Italian pilot involving the City of Turin and Environment Park. At three building renovation sites managed by ATC (Agenzia territoriale per la Casa del Piemonte Centrale) (Local Housing Agency of Central Piedmont), the wood material to be disposed of during the renovation of housing units is collected (on a pilot basis) and sent to the ASM Vercelli plant for the production of pallets and pallet blocks from recycled wood, with the ultimate objective of transforming the wood collected at the construction sites into manufactured products for the creation of innovative artistic objects and street furniture elements to be used in the city of Turin.
During 2025, two construction sites were completed, and some of the wood waste was collected at the third site. The products produced at the ASM Vercelli plant have been used by various local associations.

TIPS4PED (Horizon Europe)
The project, which started in January 2024, aims to develop an Integrated Assessment Tool to support municipalities in planning urban actions for the development of Positive Energy Districts (PED) and its potential will be tested in 4 different European cities: Turin, Cork (Ireland), Budapest and Kozani (Greece). The Municipality of Turin expressed interest in participating in the project with a pilot, identifying a district consisting of two office buildings owned by the Municipality and managed by Iren Smart Solutions, one of which is equipped with a roof photovoltaic system and the other with a car park (in which Iren wallboxes are being installed), in addition to the Energy Centre building.
Throughout 2025, studies continued to identify the interventions to be implemented, such as Iren, within the heating district, and work continued with the local partnership to determine how to collect data in the field to monitor consumption in the area.

ReBioCycle (Horizon Europe)
The project, which started in October 2024, aims to demonstrate the sustainability and circularity of bioplastics by recovering them from different waste flows (plastics from sorted waste collection in the case of the Italian HUB) and to develop innovative technological solutions for the recycling and reuse of bioplastics collected in the waste flow.
The role in the project of Iren Group, represented by Amiat and I.Blu, is included in the Italian pilot involving Novamont.
Since the start of the project, Iren has conducted several activities to collect information on the fate of bioplastics in the differentiate plastic waste flow.
During 2025, two campaigns were carried out to analyse and separate the waste stream leaving the plant. The first campaign was carried out to select bioplastic material from the plastics to be sent to Novamont laboratories in Novara for bioplastic characterisation and testing of the chemical recovery process. The purpose of the second campaign was to determine the purity level that the plant could achieve using only optical sorters and with the addition of a downstream operator, in order to obtain a baseline value for comparison with the quality of the bioplastic after the robotic arm had been installed.

EU-DREAM (Horizon Europe)
The project, which started in July 2024, focuses on the creation of digital tools and services to actively involve consumers in the EU energy market. The aim is to simplify the management of relations between the consumer and the energy network by providing an assistant based on artificial intelligence. EU-DREAM is developing a Digital Twin (a virtual model of a physical object) of domestic systems, based on real-time data acquired from sensors for the analysis of energy markets, and the creation of new consumer-oriented business models. Living Labs were established in 6 European countries, including Italy, where Iren plays a leadership role.
Iren Group, represented in the project by Iren S.p.A. and Iren Mercato, has been involved in the development of a testbed environment (lab) to test the interoperability of protocols, the feasibility of remote control between different devices, and the effectiveness of control responses in the context of demand response and energy flexibility. Following the laboratory testing, 1–2 residential homes will be identified among Iren customers to analyse the technical feasibility of different flexibility models with real users and customer acceptance.
Throughout 2025, technical working groups continued to identify the tools to be installed, including tools for managing energy flexibility. Support was also provided to the European partnership for the development and distribution of questionnaires aimed at identifying end-user energy consumption behaviours.

in-grHYd (Resolution ARERA 404/2022/R/GAS)
The 'in-grHYd' project, submitted by IRETI Gas with the participation of Iren and IRETI and launched in January 2024, receives co-financing of 1.2 million euro under ARERA Resolution 404/2022/R/Gas 'Pilot projects to optimise the management and use of natural gas infrastructure'. The project aims to study the effects of using renewable hydrogen (produced via electrolysis powered by photovoltaics and, as a supplement, by the electricity grid) blended with natural gas on gas distribution networks, and to test the effects of different blending ratios (up to 20% hydrogen) on materials, components and operating methods/procedures. As part of the trial, the pilot network is hydraulically separated from the distribution network and supplies the natural gas pre-heating plants at Ireti Gas' Re.Mi. station in Viano (RE).

The funded project made it possible to carry out an experimental pilot project, the construction of which began in the second half of 2024. The works (civil, mechanical, electrical and automation) were completed in February 2025, with commissioning on 28 February. Over the following months, pressure tests and operation with inert gas were carried out to verify tightness and proper hydraulic circulation, followed by periods of operation with variable hydrogen production depending on the preheating demand, in line with the operating range of the electrolysis unit and the possibility of integration with the electricity grid, which was ensured by the existing connection, which was upgraded specifically for the trial.
In addition to field tests involving the collection of operational data and verification of the correct functioning of the pilot network (which also included tanks containing special components and a column simulating a customer branch), laboratory tests were carried out on materials prior to their exposure to the H_2 -NG mixture.

RAIN4UTILITY (POR-FESR 2014-2020)
The project, which started in March 2024, aims to develop a multi-context DSS (Decision Support System) for managing the physical security of assets in the charge of multi-utilities in the face of extreme weather events. It foresees two demonstration areas for reference assets: flooding in urban areas (for the roadside drains serving the drainage network in Genoa Sampierdarena) and surface landslides (for the Val Noci adductor in Genoa Trensasco). Iren Group is represented in the project by Iren S.p.A and IRETI.
During 2025, piezometers and GNSS (Global Navigation Satellite System) sensors were installed along the route of the Val Noci water supply pipeline, enabling the monitoring of the area prone to landslides. During the same period, Iren participated in the development of the modelling system for forecasting the risk of flooding in urban areas, which was developed by the partnership at the Genoa Sampierdarena pilot site.

HERO (Start 4.0)
The HERO project, which started in October 2024 and was developed by Iren S.p.A. and HIRO Robotics, aims to create a robotic cell for the treatment of heterogeneous and complex WEEE waste that by number does not justify the creation of a specific line (e.g. dismantling of small household appliances with up to a hundred items).
In the course of the project, the work focused on the analysis of the current electrical and electronic waste management scenario in Italy, with particular attention to the mapping of the R4 (consumer electronics) category supply chain, the subject of the study. The aim is to develop a pre-industrial prototype (of Technology Readiness Level 7) with advanced self-learning algorithms, improving safety, ergonomics and reducing processing and energy costs.
During 2025, the collection and product characterisation of WEEE was completed, with a focus on electricity meters, which were used as real-world use cases for the development of the robotic cell. In addition, technical and operational analyses were carried out on the meter treatment process itself, assessing materials, time and disassembly costs to support design decisions. The project ended in December 2025.

REGRAB (MASE)
The REGRAB project, launched in April 2025, aims to develop an industrial-scale solution for recovering critical metals and graphite from the 'Black Mass' of end-of-life batteries using hydro-metallurgical processes. The funding obtained will enable the project to complete its research, build a pilot plant, and design an industrial solution to convert the metals and graphite contained in the Black Mass into new raw materials at Valdarno Ambiente's Terranova Bracciolini plant.
Led by Iren Ambiente, the partnership with Valdarno Ambiente, the Polytechnic University of Turin, LEM and STAM brings together expertise in research, hydro-metallurgy and digitalisation. The aim is to advance the technology from laboratory level (TRL 4) to operational demonstration (TRL 7), also incorporating the recovery of graphite and other metals from related industrial waste.
During 2025, the hydro-metallurgical process was refined through experimental tests on real Black Mass. At the same time, the first versions of the technical and operational layouts for the satellite plants dedicated to graphite processing were developed and validated. In addition, preliminary tests were initiated to select operating conditions, such as the liquid-to-solid ratio, in order to determine the scale of the plant design and construction.

E-FITNESS (MASE)
The E-FITINESS project was awarded in December 2025 and has the dual objective of developing bidirectional heat exchange substations (BHS) capable of enabling the role of the thermal prosumer and of understanding how these solutions can be integrated into flexible electricity dispatching strategies. This topic is aligned with some of the activities of the joint Iren – Polytechnic University of Turin working group, 'Green District Heating' (GDH), which came to an end in 2025.
The BHS will be integrated with heat pumps of various sizes and configurations, capable of operating in heating, cooling or domestic hot water production modes, and will be tested in combination with storage systems and renewable energy sources. Following the engineering phase, three pilot systems representative of the potential market will be installed in real buildings in order to define an effective commercial penetration model for the deployment of BHS. On the software side, the project involves the creation of an intelligent architecture for controlling heat pumps, with optimisation algorithms aimed at maximising performance and providing ancillary services to the electricity grid in response to dispatch signals from TSO and DSO. The project will also develop aggregated dispatching algorithms for heat pump portfolios (prosumer, centralised hub-based).
The partnership is led by Iren Energia and involves Iren, the Polytechnic University of Turin, MAPS and Energenius (now MAPS Energy).
In 2025, Iren and Iren Energia collaborated to define the scope of activities with their partners, the Polytechnic University of Turin and MAPS, carrying out the administrative tasks required by the Ministry, and work began on the initial functional designs for the development of the two-way substation to support thermal prosumers.

Sampey (PR FESR 2021/2027)
In 2025, Iren was also awarded the 'Smart Active Mooring for Photovoltaic Energy' project, for which it initiated the preparatory activities for the technological development of the project, which, however, will be formally launched in February 2026. The aim of the project is to design a self-orienting floating platform for photovoltaic panels, equipped with an MPPT (Maximum Power Point Tracking) solar tracking system, in order to optimise the generation efficiency of the panels in reservoirs with significant variations in water depth.
The future potential of the project lies in the expansion of photovoltaics, the possibility of applications in reservoirs with depths exceeding 30 metres, the hybridisation of hydroelectric and photovoltaic plants, and the potential for future extension to saline environments.

SMARTEE-PLANTS (POR FESR 2014/2020)
The Smart Energy-Efficiency wastewater treatment Plants project, which started in November 2022, has as its overall objective the energy and environmental efficiency of wastewater treatment processes, to be achieved through highly monitored, continuous management of the related bio-chemical and physical processes, using an innovative network of low-cost sensors coupled with appropriate control and automation systems. Iren Group is represented in the project by Acquaenna S.C.p.A..
During 2025, data monitoring and the implementation of the demonstrator, comprising an advanced platform for energy saving in the oxidative phase, were carried out. Based on the results of the monitoring, operational measures were then implemented with the aim of achieving substantial energy cost savings while maintaining the plant treatment capacity. The project ended in September 2025.

NRRP-funded projects
During 2025, the activities of projects financed under the NRRP 'Extended Partnerships (EP) to Universities, Research Centres and Companies' continued.
Iren is involved as a partner in projects, NEST and RETURN respectively.

- PE NEST - Network 4 Energy Sustainable Transition, coordinated by the Bari Polytechnic University. Iren is involved in the Partnership as Adhering Party of the Hub and related party to Spoke 4 "Clean hydrogen and final uses" (coordinated by the University of Genoa) and Spoke 6 "Energy Storage" (coordinated by the Polytechnic of Turin). In particular, the research lines developed on the two spoke concern the hydrogen value chain and energy storage (with a focus on heat storage connected to district heating networks, a theme in synergy with part of the activities of the working group GDH – Green District Heating), with a focus on the technical and technological development of innovative solutions and on regulatory and market analyses;
  With regard to Spoke 4, Iren collaborated with its partners to develop a number of case studies for the production and conversion, in combination with biogenic CO2 from waste-to-energy plants, of hydrogen into fuels (e.g., methane, methanol) and other products. In addition, Iren shared with its academic partners the perspective and needs of a potential industrial user of the technologies developed, providing guidance and recommendations on the potential exploitation/market entry of the proposed technologies.
  With regard to Spoke 6, in 2025, Iren supervised the installation of a geothermal heat pump at the Martinetto site to conduct experimental activities (in collaboration with the Polytechnic University of Turin) on the possible use of the groundwater aquifer for thermal storage purposes. The experimental activities, which began in 2025, will continue into early 2026, until the end of the PE NEST project.
- PE RETURN - multi-Risk sciEnce for resilienT commUnities undeR a changiNg climate, coordinated by the University of Naples Federico II. Iren is involved in the Partnership as Founder Subject of the Hub and related party to Spoke 6 "Resilience of Critical Infrastructures" (coordinated by the Polytechnic of Turin) and 8 "Climate services for risk mitigation and adaptation" (coordinated by the University of Bologna). The activities of interest to Iren concern (i) modelling and analysis of the impact of natural forcings (landslides, ground settlements and subsidence, earthquakes) in the model of water resources and aqueduct networks, evaluating their behaviour in different climatic scenarios (extreme flooding or drought events and heat waves); (ii) monitoring and back-tracking of parasite water infiltration and illicit discharges into sewer networks; (iii) evaluation of the impact of climate change (i.e. heat waves) on surface water quality, the behaviour of flood discharges and the effectiveness of drinking water and sewage treatment systems.
  In 2025, the issues were dealt with in synergy with Iren Energia (slope stability monitoring with Rheticus Alert satellite interferometric analysis made available in the Pangea Digisky dashboard) and with the Risk Management function (IPCC6 Intergovernmental Panel On Climate Change update and extension of risk probability estimation models to include wind farms).

In addition, within the NODES 'NODES-North West Digital and Sustainable' cascade calls, an innovation ecosystem financed by the Ministry of University and Research (NRRP framework), Iren participated, together with a start-up, in the project BRIDES - Boosting Resilience through Innovative Decentralised Energy Storage for sustainable mobility.
This project, which started in December 2023, aims to develop a high-capacity, high-power portable charging system, implemented with Vehicle-to-Grid (V2G) functionality, reusing second-life vehicle batteries to create a decentralised energy storage solution to serve Energy Communities and ancillary energy markets, to maximise self-consumption of renewable energy locally and to meet grid flexibility requirements.
During 2025, the control software for the charging device was developed, and the system user interface was created. In addition, field tests of the device charging performance were developed, and the reference business model for the system commercial offering was established. The project ended in June 2025.

Other innovative activities

During 2025, alongside the financed projects, Iren launched initiatives and self-financed projects, which engaged resources internal and external to the company. In particular, as regards external collaborations, Iren activated multiple research contracts with Italian Universities which regarded aspects such as the design and testing of innovative plant solutions in support of the Iren businesses, the creation of models and the identification of new processes and services.
Some significant self-financed projects are presented below:

NETWORKS

This section includes research and development activities carried out in 2025 that concerned the networks segment, broken down into networks and plants serving the integrated water cycle, the natural gas distribution service and the electricity distribution service.

Water service

Research activities continued for optimisation of water pipeline networks during the year. In particular, a number of Proof of Concepts of technologies that can be used in asset management activities were realised, with special reference to the localisation and pre-localisation of water losses, classifying them in order of decreasing severity using artificial intelligence algorithms and analysing data on assets, the history of leaks, and the repairs carried out (PoC of Leakmitted technology in the district of the Municipality of Varazze).

Iren also continued its collaboration with the start-up Finapp, aimed at perfecting specific probes to detect the presence of water due to water leaks in aqueducts by measuring cosmic rays. Specifically, the collaboration involved the application of the large-scale pre-localisation technique to the network in the province of La Spezia, which was monitored over more than 550 kilometres. This made it possible to reduce the detailed scope of intervention by the geophonic localisation teams to only around 5% of the network and, in turn, to save a considerable amount of time in leak detection activities.

During 2025, collaboration continued with Royal Askoning – OMIR technology – aimed at applying innovative methodologies for the energy optimisation of aqueduct systems at the Orzi Baganza and Bizzozzero pumping stations, which supply the Parma aqueduct ring main. Energy savings, calculated on the basis of historical consumption and the flow rate profile, with pressure reductions during periods of lower consumption, showed savings of 10% under standard conditions, with even higher percentages (23%) in cases where the savings were influenced by external factors, such as the replacement of the pump and the repair of water leaks at Bizzozzero.

In addition, during 2025, in collaboration with the IRETI Quality Standardisation and Testing Division, Iren launched a study on the resistance of polyethylene (PE) pipes to chlorine dioxide, involving the analysis of embrittled material in service and the latest-generation PE material, as a preliminary step towards defining failure rates under different conditions of use (an initiative developed by the SME Composite Research).

In the same year, in collaboration with the IRETI Water Quality Division and Iren Laboratori Analytical Controls Department, Iren coordinated the development of electrochemical sensors for the selective and quantitative detection of zinc, nickel and copper in wastewater, by creating a prototype integrated into a micro-fluidic cartridge, accompanied by a sampling kit and software for direct reading (an initiative developed by the start-up Microx). In practice, the collaboration focused on the parallel analysis of samples of wastewater entering and leaving specific wastewater treatment plants: Mancasale and Cadelbosco, analysed by the Iren Acqua Reggio laboratory, Fontevivo and Parma Est.

Work continued on researching new technologies to be applied to the management of drainage networks by improving their underlying purification processes. During 2025, scouting focused on technologies for energy efficiency and on-line process monitoring, in which specific PoC were launched.

Throughout 2025, Iren and the Networks Business Unit focused on studying the potential offered by the implementation of the technology proposed by the start-up Pinpoint (now Tinental) to achieve energy savings, optimise maintenance activities and enhance process efficiency by setting optimal pump speed set-points in line with the actual needs of the plants. The solution was evaluated in relation to pumping and recirculation at the Parma Est wastewater treatment plant. The results achieved demonstrated significant energy efficiency gains by reducing the pump head set-point, with savings ranging from 6% to 43%.

A further activity in 2025 involved the development and testing of an AI algorithm to optimise air distribution in the oxidation tanks of wastewater treatment plants, with the aim of reducing energy consumption and improving treatment quality. This was achieved through a control system developed by the start-up Dabohn, which was first tested using a CFD fluid dynamics model and then tested on-site using an edge computing device.
In particular, the new control logic made it possible to achieve the required distribution of pressure drops between the valves, resulting in improved system controllability, whereby the valves are maintained in the position that ensures the lowest possible pressure drops, while at the same time avoiding inefficient opening or closing strokes. The results achieved demonstrated potential energy efficiency gains by modifying the blower control logic and coordinating it with the valve strategy. With a view to potentially scaling up the solution to other plants, a further monitoring period is currently being evaluated.

In addition, during 2025, preparatory activities continued for the development of a Proof of Concept for the monitoring of eddy water and the pre-location of water leaks through the installation of fibre optics in water supply and sewerage networks (via the PoC testing the Baran Group's technology, applied to the drinking water supply line connecting Roncocesi to Reggio Emilia, and the PoC using NTSG technology, applied to the sewerage system serving the town of Caorso, in the province of Piacenza).

In the area of sludge reduction and recovery of materials and energy, collaboration with start-ups and research bodies continued, with the aim of assessing the yields and applicability of innovative processes such as hydrolysis, gasification/pyrolysis or biotechnological processes for the extraction of high-value compounds, such as biopolymers. In particular, in 2025, it is important to highlight the continuation of the activities related to the construction of the industrial pilot plant for sludge pyrogasification at the Reggiolo purification plant.

Research activities also continued under the collaboration agreement between Hera, Iren, SMAT, A2A, Acquedotto Pugliese, Metropolitane Milanesi, and NEPTA of the Italgas Group. These utilities, during 2025, shared their experience and knowledge through joint development of innovative projects, with benefits for the companies themselves, with the aim of developing applied research, innovation, and technological development in water service management. During 2025, through its Networks BU, Iren Group was involved in the following projects: (i) Definition of guidelines for the M0 macro-indicator, (ii) Trials of the use of chloramine in water distribution networks, (iii) Energy neutrality in wastewater treatment plants.

Lastly, Iren, with its subsidiary Iren Laboratori, during 2025, continued its participation in the Epidemiological Surveillance of SARS-COV-2 in wastewater, coordinated at a national level by the Istituto Superiore di Sanità, with the aim of acquiring useful indications on epidemic trends and early warning of outbreaks, by measuring, through molecular biology analysis, the levels of COVID in the wastewater entering the Group's major wastewater treatment plants.

Gas Distribution Service
Among the project initiatives carried out in the area of gas networks, it is important to highlight that, under the same ARERA Resolution 404/2022/R/GAS that co-financed the in-grHYd project, the Group obtained a second co-financing worth about 660,000 euro for the construction of a new plant, identified as 'C.eMi. The plant is aimed at the process of re-introducing (Reverse-Flow) into the Snam Rete Gas owned natural gas transportation network a portion of the gas mixture available in the distribution plant owned by IRETI Gas, with the objective of enabling and increasing the absorption capacity of renewable gas injected captively into the distribution networks.

During 2025, as part of the efforts to reduce leakage and maintain the rangeability of flow meters in the event of multiple REMI, a number of activities continued that made it possible to optimise the management of distributed gas metering. In this context, work continued on replacing less efficient traditional meters with ultrasonic meters, which enable extremely high measurement accuracy and reduce the penalties introduced by the ARERA regulations on rangeability.

Electricity Distribution Service
Iren continued its collaboration with RSE aimed at researching topics of common interest in the following areas:
- diagnostic methodologies to detect possible critical points in the MV cable network;
- planning methodologies for the distribution network, capable of taking into account the presence of flexibility services and assessing possible coordination schemes between distribution system operators (DSO) and transmission system operators (TSO).

During 2025 was the testing of an innovative system for fault detection on electricity distribution networks using artificial intelligence techniques, developed by the start-up Zaphiro. The Proof of Concept involved the installation of a number of measuring instruments connected to feeders of the lines fed by the 'Stura' primary cabin and allowed real-time data to be collected from the network by building a digital twin capable of simulating the operation of the network portion from a limited number of field data. Using this tool, it was possible to pre-locate the occurrence of faults and to speed up their reporting, thereby improving the ability to take action on the grid (both in terms of configuration changes and repairs), with the potential to improve the quality indicators used to assess the DSO performance.
The test therefore yielded a positive result, enabling the correct pre-location of faults, reducing notification times, allowing the detection of double earth faults, and demonstrating greater sensitivity than the systems currently installed. The positive results of the test prompted the Electricity Distribution Department to draw up a roll-out plan with the aim of covering approximately 800 secondary substations.

Projects included in the AMGA Foundation's research programme

During 2025, Iren continued its collaboration in the context of research projects funded by the AMGA Foundation relating to economic-regulatory issues and technical-scientific aspects related to water, energy and environmental resources. Research projects completed in 2025 include:

- the dynamics of retail energy prices and the transition to the free market;
- evaluation of the spread of antibiotic resistance in the wastewater treatment chain for reuse
- Sister Water: Third Sector guidelines for the efficient use of water resources and updated Third Sector Sustainability Guidelines, Energy.

During 2025, the Board of Directors contracted, initiated or continued the following research projects included in the annual activity programme:

- GOTA SOLAR Project - Access to drinking water and solar energy for the most vulnerable population on the island of São Tomé; funding for the Pura (bacterial load reduction) and Kumulus (water production from atmospheric air) technologies – a project co-funded in memory of Franca Palumbo;
- Project on concession regulations in the energy sector: analysis of extensions to electricity concessions, assessment of possible extensions to the water sector, and monitoring of regulatory developments and regional and national policies;
- continuation of research under agreements with the University of Genoa to carry out and develop the following specific and qualified lines of research concerning: (i) European policies and local measures for land and industrial development: the role of local authorities in comparative perspective and (ii) Sustainable development, environment and energy transition.

WASTE MANAGEMENT

During 2025, cost-benefit analyses were carried out to support the application of the enzyme catalyst, with the aim of improving the aerobic degradation process of the organic waste fraction and assessing its scalability. Industrial-scale tests aimed at optimising the aerobic treatment of the separated organic fraction from mixed municipal solid waste (MMSW) began in the fourth quarter of 2025 at the 'Le Strillaie' plant in Grosseto.
During 2025, an international scouting initiative was launched to identify innovative technologies for the removal of PFAS (per- and polyfluoroalkyl substances) from landfill leachate. The initiative was launched globally, targeting ready-to-use solutions (TRL 8–9) and focusing exclusively on leachate treatment, excluding interventions on groundwater.
The search covered international markets (with a focus on Europe, but also targeting the United States and the rest of the world), prioritising technologies based on concentration and separation processes such as foam fractionation, while excluding non-specific technologies or those with high material consumption (e.g., carbon filters, membranes). This activity laid the foundations for the final selection of technology partners and for the launch of pilot projects in 2026, consolidating an innovative and sustainable approach to the management of PFAS in leachate.

In the area of Artificial Intelligence (AI), in 2025, the recognition of objects using images continued to prove strategic for waste sorting. Following tests on PET bottles and bulky items, the aim is to deploy this technology on a large scale, not only in sorting plants but also in waste collection, by integrating advanced algorithms (e.g., YOLO, Faster R-CNN) for real-time sorting and error reduction. Plans include vision systems for continuous monitoring, smart waste bins and support for operators through augmented reality, as well as the installation of AI-based robotic arms for automated sorting. In this latter area, activities related to contracting the rental of an AI-based robotic arm for the Borgaro line began in 2025.

Lastly, applied research continues, self-financed by Iren, stemming from the in-depth technological needs of the Group's Companies and/or emerging issues arising from regulatory updates or process innovations. Among these, it is worth noting the launch, in December 2025, of an assessment, in the field of CCU (Carbon Capture and Utilisation), of potential markets for the use of CO_2, linked to one of the most promising value chains from a technical and commercial point of view, as identified by previous analyses.

ENERGY

During 2025, the activities of the joint Iren - Politecnico di Torino Green District Heating (GDH) working group continued, launched in 2023 with the aim of supporting the decarbonisation process of Turin's district heating network through the study of technologies and strategies that enable greater integration of renewable sources and thermal waste. The project involved numerous Iren Group departments, including Iren Energia, Iren Mercato, and Iren Smart Solutions, and addressed the main aspects (technical, economic, regulatory, etc.) that could represent a barrier or potential criticality in the transition to efficient and green district heating networks, also taking into account the requirements dictated by the regulatory-legislative context.
In 2025, the project task forces continued their work, focusing on the study and modelling of heat pump technologies (with a particular focus on geothermal heat pumps) combined with on-site renewable energy plants and storage systems, in order to investigate their potential integration into the district heating network at the micro (at the user level), meso (at the central hub level) and macro (at the level of large-scale producers) scales. The activities are supported by a network modelling activity (currently under the responsibility of the Polytechnic of Turin), which is necessary to support analyses of the reduction of operating temperatures, with related impacts on the network itself and on the operation of the plants connected to it.

Iren Group, as an external stakeholder, is involved in the LIFE-funded project SupportDHC (Supporting a fast implementation of low-grade renewable energy and waste heat for district heating and cooling), within which the Polytechnic University of Milan is conducting a study on the Reggio Emilia district heating network (and, in less detail, on the Piacenza network) to support the Iren definition of its decarbonisation plans; simulations were prepared on the current state of the network and on possible scenarios for integrating waste heat and renewables.

The Group is also participating as a cooperation partner in the European project DUT 2023 Regenerate (Reuse for energy exploitation and storage of existing urban tunnels in Europe), which aims to contribute to the roll-out of positive energy districts by examining the feasibility of using existing underground spaces to house renewable energy production and storage systems, and by analysing how these can be integrated into new and existing district heating networks. Iren is participating with the aim of exploring, from a technical, technological and economic point of view, innovative solutions for the use of underground spaces for energy purposes, including in integration with the district heating network, and assessing their feasibility and applicability at certain sites of interest in the Turin metropolitan area.

Also in the district heating sector, collaboration with the start-up Composite Research, which began at the end of 2024, continued. A feasibility study was conducted to analyse and develop an innovative solution using composite materials for repairing district heating pipelines. The study led to the identification of various types of materials and patches that enable the application of durable and semi-permanent solutions, including as part of an 'emergency response' approach to leak repair. Based on the findings, detailed simulations will be carried out, which will enable progress to be made towards defining a solution that can be industrialised.
In addition, following the second edition of Call4Ideas, a feasibility analysis was carried out to research, field-test and verify the compatibility (on the Group's mapping systems) of applications for scanning district heating construction sites in a simple and accessible manner, using surveying tools equipped with LiDAR technology.

With regard to the digitalisation of networks, 2025 saw work aimed at developing an automated end-to-end tool for predicting the state of deterioration and leaks in the district heating network, through the multi-temporal analysis of thermal mapping images and other data sources (continuing a previous initiative carried out in collaboration with the Polytechnic University of Turin), with the aim of identifying leaks and optimising maintenance interventions.

In the field of thermoelectric generation, 2025 saw the launch of a collaboration with ADEX, a company that was one of the winners of the 2025 edition of the Iren Start-up Award; in particular, the evaluation phase ('Room for Improvement') was initiated to determine the potential savings that could be achieved by implementing three optimisers for cold start-up, the level of the cylindrical body and steam temperature control for the GVR generators on the Turbigo Levante 4 line.

For the hydroelectric sector, 2025 saw the continuation of testing activities for the industrialisation of a rover for inspecting hydroelectric plant diversion tunnels, developing mechanical and IT improvements and conducting a test of its use in a relevant environment in the tunnel at the Chiomonte plant.

In the renewables sector, a working group was launched in 2025 to analyse technological and market solutions aimed at strategically positioning the Group in the agrivoltaic value chain. The work involved mapping out technological pathways and solutions, as well as best practices, for the design, construction and operation/maintenance of agrivoltaic plants; defining the legal and regulatory framework and the prospects for development in Italy, with a view to the lessons learnt from the European context; and identifying potential business models that can operate in synergy and integration with the agricultural sector. Finally, on the basis of the replicability and scalability of specific Iren agro-energy partnership projects, an operational roadmap was defined, outlining priorities, critical success factors and the value proposition.

ENERGY EFFICIENCY AND MARKET

In the area of Energy Communities, the Group continued to scout for opportunities, approaching aggregators and operators with a view to entering the value chain as suppliers. The model under consideration therefore enables the Group to play an active role in the process, remaining involved in the activities of offering and selling products, pending further regulatory developments that may expand its scope of action.
2025 saw the conclusion of testing of the Iren Energy Monitoring solution, a mobile app based on NILM (Non-Intrusive Load Monitoring) technology, equipped with machine learning algorithms capable of recognising and cataloguing a home's main appliances and providing guidance on how to optimise consumption. The app is now part of the range of services offered by Iren Mercato, in conjunction with the tiered electricity offer; in this regard, work has begun on the industrialisation of the service, which also envisages integration with the Iren You customer management app.
In addition, a trial of an augmented reality solution for products sold on the Iren Mercato e-commerce platform was launched. Among the products offered, the trial focused on boilers: the data obtained will be analysed in order to determine a potential trial process for other products.

Consolidated Sustainability Statement

2

2.2

Shaping tomorrow
everyday

Governance and sustainability strategy

2

2.2.1

È POSSIBILE CON IREN

General basis for the preparation of Consolidated Sustainability Statement and disclosure in relation to specific circumstances

[BP-1_01, BP-1_02, BP-1_03, BP-1_04, BP-1_05, BP-1_06, BP-2_01, BP-2_03, BP-2_04, BP-2_05, BP-2_06, BP-2_07, BP-2_08, BP-2_09, BP-2_13, BP-2_14, BP-2_15, BP-2_16]

Iren Group's Consolidated Sustainability Statement has been prepared on a consolidated basis in accordance with Legislative Decree no. 125/2024 implementing **Directive 2022/2464/EU** (Corporate Sustainability Reporting Directive (CSRD)), and in compliance with the European Sustainability Reporting Standards (ESRS) for the period 1 January 2025 - 31 December 2025.

The scope of the Consolidated Sustainability Statement is the same as that for the Consolidated Financial Statements: all fully consolidated legal entities are included and are indicated in the List of Fully Consolidated Companies in the "Annexes to the Consolidated Financial Statements"[1]. It should be noted that no operational control was identified for any of the Group's investees.

This Consolidated Sustainability Statement does not include any additional information from applicable legislation, with the exception of the information required by the **European Taxonomy** (Art. 8 of Regulation (EU) no. 2020/852) (see the chapter European Taxonomy in the section Green Transition).

Iren Group's Consolidated Sustainability Statement considers the entire value chain, thus including information on upstream and downstream segments when relevant. In particular, the upstream segment of the value chain includes first-tier suppliers and investees, assessing impacts, risks and opportunities related to the sustainable supply chain management approach adopted, while the downstream segment includes different types of customers and investees. The value chain information includes quantitative metrics on Scope 3 emissions for each significant category (see paragraph "Scope 3 GHG emissions" in the chapter Meeting the challenge of climate change), qualitative information on material impacts, risks and opportunities (see paragraph "Double materiality assessment" in the chapter Strategy for sustainable development) and related policies, actions and targets. For the reporting of Scope 3 GHG emissions related to the supply chain, methods aligned with the recommendations of the GHG Protocol were used: partly Scope 3 emissions were calculated using emission data provided by suppliers, partly they were calculated through a spend-based approach using sectoral emission factors. 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 Group mainly uses quantitative data derived from its management systems and standardises the calculation of emissions through the use of emission factors derived from authoritative scientific and institutional sources. In cases where the use of estimates is necessary, these and the underlying assumptions are based on historical data, recognised regulatory or scientific methodologies, which are deemed to provide soundness and reliability. Detailed information on any estimates used can be found in the chapters on each specific disclosure where the assumptions used and potential sources of uncertainty are also described. In the event of errors, or in the case of data presented as estimates in the previous year's statement and identified in a timely and definitive manner after the reporting date, any significant changes, together with the reasons for them and the nature of the correction, are set out in specific notes in the sections relating to each disclosure.

Iren Group did not omit any specific information on relevant issues relating to intellectual property, know-how, innovation, upcoming developments or matters under negotiation.

In order to provide greater comprehensibility of its business model and strategy, the Group decided to supplement the reporting required by ESRS standards with entity-specific information, highlighted by the code "IREN_XXX" shown in grey.

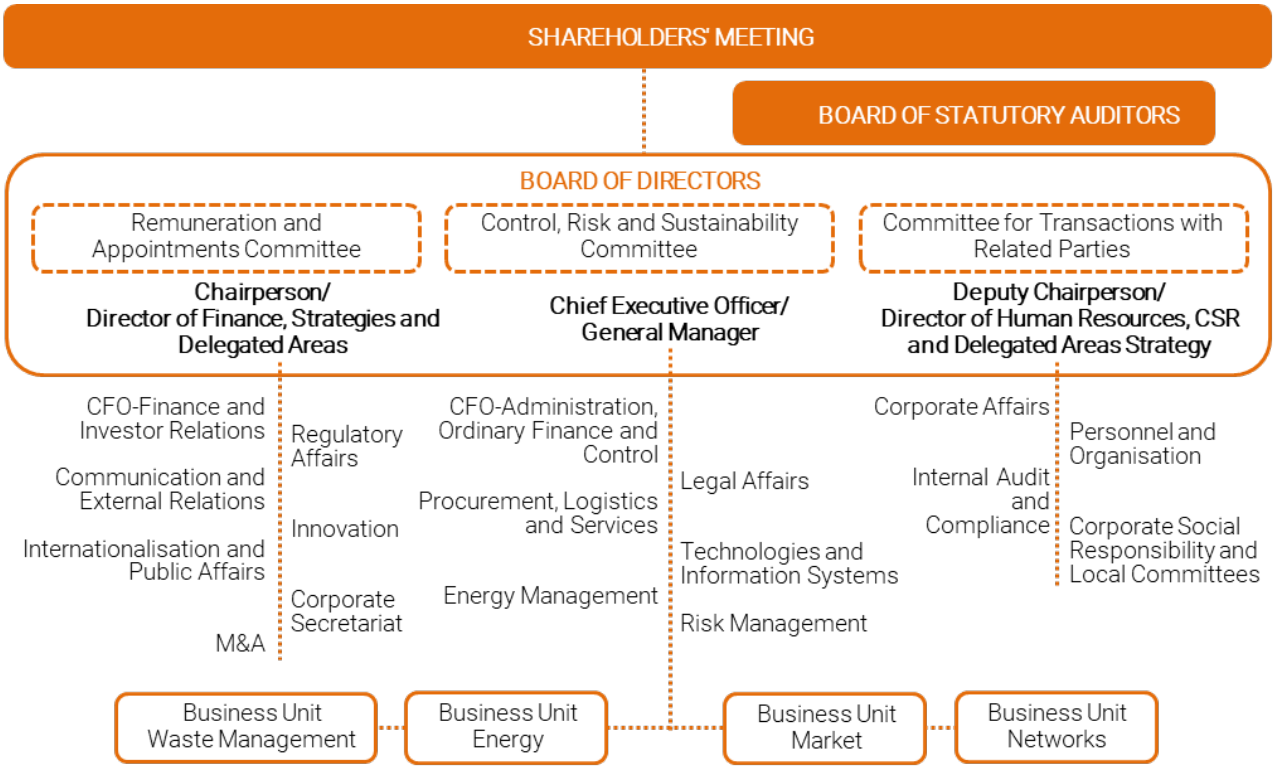
Indicators and data on future sustainability investments that are based on the assumptions underlying the 2030 Business Plan are included in the Statement. These include data on the Sustainability and Transition Plan through to 2040 whose sources of uncertainty are related to regulatory and technological developments, changing market conditions also in relation to the geopolitical context, the development of climate policies and possible updates in the measurement methodologies used. The main assumptions used in the forecasts concern population development, municipal and special waste production, energy consumption trends, deployment of emission-capture technologies and low-carbon fuels, and cost estimates for implementing the actions of the Sustainability and Transition Plan.

The time horizons adopted by Iren Group in line with its strategy are: short-term (up to one year), medium-term (up to 5 years) and long-term (beyond 5 years).

[1] On 31/12/2025, following the amendment to the governance agreements relating to the investee company CSAI (40.32%), Iren Group consolidated CSAI and its subsidiary Agricola Riofi on an equity basis only, in application of IFRS 10. In view of their lack of temporal relevance and the impacts generated by these companies, they are not included within the scope of this Consolidated Sustainability Statement for FY 2025.

Iren Group governance

Iren Group's governance is based on shared rules that inspire and direct strategies and corporate activities. The policies and instruments adopted guarantee respect for ethical values, principles and behaviours within an industrial model that plans for sustainable growth. In order to ensure consistency between behaviours and strategies, Iren has adopted a system of internal rules that configure a corporate governance model based on the division of responsibilities and on a balanced relationship between management and control, to guarantee that impacts, risks and opportunities are duly taken into account in the decision-making processes, contribute to spreading the corporate culture at all levels and enhancing skills, increasing awareness among internal resources and contractors that the Group plays a vital role in creating value for the community.



Composition of governance bodies

[GOV-1_01, GOV-1_02, GOV-1_03, GOV-1_04, GOV-1_05, GOV-1_06, GOV-1_07, GOV-1_08, GOV-1_15, GOV-1_16, GOV-1_17]

The **Board of Directors (BoD)** in office as at 31 December 2025, appointed on 24 April 2025 by the Shareholders' Meeting, is made up of 15 Members. For the appointment, in addition to the provisions of the Shareholders' Agreements between Iren Public Shareholders, the list voting mechanism was adopted, as provided for by the Articles of Association, which guarantees an adequate presence of the less represented gender (equal to at least two-fifths of the total) and of Members designated by minority shareholders, as well as at least two Members who meet the independence requirements prescribed by law.

[GOV-1_01, GOV-1_02, GOV-1_05, GOV-1_06, GOV-1_07]

Board of Directors as of 31/12	2025						2024					
	Men		Women		Total		Men		Women		Total	
Board members	8	53%	7	47%	15	100%	7	47%	8	53%	15	100%
Executive members	3	20%	0	0%	3	20%	3	20%	0	0%	3	20%
Non-executive members	5	33%	7	47%	12	80%	4	27%	8	53%	12	80%
Independent non-executive members	4	27%	7	47%	11	73%	3	20%	8	53%	11	73%
Non-independent non-executive members	1	7%	0	0%	1	7%	1	7%	0	0%	1	7%
Members aged between 30 and 50	1	7%	1	7%	2	13%	1	7%	1	7%	2	13%
Members over 50 years of age	7	47%	6	40%	13	87%	6	40%	7	47%	13	87%

The assessment of the existence of the **independence requirements** for Directors is carried out by the Board of Directors - based on the criteria defined by the Consolidated Law on Finance and the Corporate Governance Code - after appointment and, subsequently, on an annual basis, as well as upon the occurrence of circumstances related to independence. Iren discloses the outcome of these assessments to the market immediately after appointment and, subsequently, in the Corporate Governance Report.

At present, there is no representation of employees or other workers on the Board. Within the Group, there is a policy, which originated from the Shareholders' Meeting, of prevalently using employees in the Administrative Bodies of the subsidiaries where the Group makes appointments, including for reasons of organisational efficiency and effectiveness.

In line with the provisions of the Corporate Governance Code, the members of Iren's Board of Directors possess proven expertise in financial, economic, legal, scientific and sustainability (ESG) matters. Moreover, the presence on the Board of Directors of different backgrounds, stemming from international educational and professional experiences, ensures the integration of different cultural contributions with respect to the one most closely related to the area in which the Group operates. The table below summarises the responsibilities of the Board Members.

[GOV-1_04, GOV-1_08, GOV-1_15, GOV-1_16, GOV-1_17]

Name [1]	Role [2]		Competences
Luca Dal Fabbro ▲	Chairperson and Strategic Director Finance and Strategies and Delegated Areas - Executive	R	industry, scientific, risk management, ESG
Moris Ferretti ▲	Deputy Chairperson and Strategic Director HR, CSR and Delegated Areas Strategy - Executive	R	industry, risk management, ESG, finance
Gian Luca Bufo ▲	Chief Executive Officer and General Manager - Executive	R	industry, scientific, risk management, finance
Sandro Mario Biasotti ▲	Independent Non-Executive Director	RPTC	industry, finance
Stefano Borotti ▲	Independent Non-Executive Director	CRSC	industry, ESG
Francesca Culasso △	Independent Non-Executive Director	C CRSC	scientific, risk management, ESG, finance
Daniele De Giovanni ▲	Independent Non-Executive Director	CRSC	industry, risk management, finance
Paola Girdinio △	Independent Non-Executive Director	CRSC	scientific, risk management, IT/OT/IoT, cybersecurity, innovation
Giacomo Malmesi ▲	Independent Non-Executive Director	RAC	industry, legal, risk management, ESG
Giuliana Mattiazzo △	Independent Non-Executive Director	RPTC; L	scientific, ESG, IT/OT/IoT, innovation
Patrizia Paglia △	Independent Non-Executive Director	RAC	industry, innovation
Davide Piccioli ▲	Director - Non-Executive	RAC	industry, IT/OT/IoT, innovation
Cristina Repetto △	Independent Non-Executive Director	RPTC	finance, legal
Elisabetta Ripa △	Independent Non-Executive Director	C RPTC	scientific, risk management, finance, innovation
Elisa Rocchi △	Independent Non-Executive Director	C RAC	ESG, legal, IT/OT/IoT, innovation

[1] All members of the Board of Directors are Italian.[2] Independent Director means independence for the purposes of the Consolidated Law on Finance and the Corporate Governance Code.
Key:
▲ = Male; △ = Female
R = Directors responsible for the Internal Control and Risk Management System (ICRMS)
C = Chairperson of the Committee
CRSC = Control Risk and Sustainability Committee; RAC = Remuneration and Appointments Committee; RPTC = Related Party Transactions Committee; L = Lead Independent Director.

In line with the provisions of the Corporate Governance Code, at least once a year the Board of Directors carries out a **self-assessment** activity on its own **functioning** and that of its Committees (Board evaluation), as well as on their size and composition, including with reference to the issue of independence, diversity (in terms of gender and age) as well as the mix of competences deemed optimal for the effective functioning of the Board of Directors In 2025 the Board of Directors formulated its guidelines to the Shareholders on the **qualitative-quantitative composition of the administrative body** for the three years 2025-2027, providing indications on its size and of the Internal Board Committees and on the professional and managerial figures whose presence in the administrative body was considered appropriate. The document was circulated and made available to Shareholders for their own assessments on the matter, which led to the renewal of the Board of Directors by the Shareholders' Meeting of 24 April 2025. In the guidelines, the number of Board Members was deemed adequate in relation to the size and complexity of the Company's organisational structure, in order to effectively oversee the Company's operations in terms of management and control; the correct size of the administrative body is also determined according to the number and composition of the Board Committees, with advisory, proposing and investigative functions, in which a decisive role is entrusted to the non-executive and independent Board Members. In terms of quality, the Board's aim was to combine different professional and managerial profiles, recognising the value of complementarity of experience and skills, together with gender and age diversity. The appointment and composition of corporate bodies are among the topics covered by the Policy for Managing Dialogue with Shareholders and Investors approved by the Board of Directors (see paragraph "Policy for dialogue with shareholders and investors" in the chapter Business conduct).

Sustainability skills are constantly evolving and are becoming increasingly crucial for the Group in achieving its environmental, social and economic goals.

For this reason, when the Board of Directors periodically assesses its internal competences, special attention is also paid to sustainability skills, to ensure that the Group can effectively address the specific ESG impacts, risks and opportunities, as

declined in relation to the operating context of reference. This process includes the identification, in the light of the expertise already present within the Board itself, of possible areas of in-depth study to be developed with structured and continuous induction plans, including with the support of experts on the subject matter. Within this framework, an induction programme was also launched by the Chairperson of the Board of Directors for the 2025–2027 term of office, taking into account the requests for further training expressed by Board Members and Statutory Auditors. In an initial phase, immediately following appointment, the programme aims to develop and broaden knowledge of the business sectors in which the Group operates, of company dynamics and their evolution with a view to sustainable success, of the principles of proper risk management, of the relevant legislative and regulatory framework, and of the scope of the roles and responsibilities of the Board of Directors of a listed company; in a second phase, further topics of specific interest may be explored, both in terms of the business and its development prospects and in terms of governance aspects. The initiatives developed in 2025, both by the relevant Business Unit or Staff managers and by authoritative external experts, were important training, information and communication opportunities on corporate, economic, social and environmental issues. As at 31 December 2025, in addition to the discussion of specific ESG-relevant issues at Board meetings, 13 induction sessions were held, both before and after the renewal of the term of office, several of which covered ESG topics such as the sustainability context and trends related to the new Business Plan, scenarios relating to critical raw materials, and a presentation by the relevant Corporate Social Responsibility and Local Committees Department.

The **Board of Statutory Auditors (BoSA)** in office as at 31 December 2025 is composed of 5 Standing Auditors and 2 Alternate Auditors. The members of the Board of Statutory Auditors meet the requirements of integrity and professionalism laid down by law and by the Articles of Association, as well as the requirements of independence pursuant to law and the Corporate Governance Code.

[GOV-1_05]

Composition of the Board of Statutory Auditors as of 31/12	2025						2024					
	Men		Women		Total		Men		Women		Total	
Members of the Board of Statutory Auditors	3	60%	2	40%	5	100%	3	60%	2	40%	5	100%
Members aged between 30 and 50	1	20%	0	0%	1	20%	1	20%	0	0%	1	20%
Members over 50 years of age	2	40%	2	40%	4	80%	2	40%	2	40%	4	80%

In view of the renewal, the Board of Statutory Auditors expressed its guidelines to the Shareholders on the composition of the new Board and the professional figures whose presence was deemed appropriate, also considering the diversity criteria recommended by the Corporate Governance Code. The guidelines were made available to the public in view of the Shareholders' Meeting of 27 June 2024, which appointed the Board of Statutory Auditors for the three-year period 2024-2026.

Roles and responsibilities of governance bodies

[GOV-1_08, GOV-1_09, GOV-1_10, GOV-1_11, GOV-1_12, GOV-1_13, GOV-1_14]

The model adopted by Iren Group is based on the division of responsibilities and a balanced relationship between management and control, in order to ensure effective, responsible and sustainable corporate governance. In addition to the legislation and the Articles of Association, it is the Corporate Governance Code - to which Iren has adhered - that outlines, among other features, the powers and responsibilities of the Board of Directors, of the Committees established within it, and of other relevant figures in the governance sphere.

Board of Directors

The **Board of Directors** is entrusted with guiding the Company, defining Group-wide policies (including sustainability policies), principles of conduct (including ethics and integrity aspects), strategies and objectives, and the Sustainability and Transition Plan, which the Board of Directors has chosen to integrate into business strategies, and monitoring their implementation.

In addition, the Board of Directors, in its role of guiding and assessing the adequacy of the Internal Control and Risk Management System (ICRMS), examines the impacts, risks and opportunities related to the socio-environmental and economic context and the Group's sustainability performance both when preparing the Business Plan, and when reviewing the annual budget, examining new extraordinary and development transactions, approving the Consolidated Financial Statements and interim reports. In the exercise of these functions, the Board of Directors - also with the support of the Internal Board Committees - has adopted and updated over time policies, procedures and documents on internal control and risk and sustainability management (guidelines, Risk Policy, Organisation, Management and Control Models, Sustainability Policy, Code of Ethics) that outline the tasks, functions and responsibilities of the various players and people involved in the individual processes.

In defining its strategic guidelines and plans, the Board of Directors contemplates the need to pursue sustainable success, which also extends to the drafting of the Remuneration Policy (see paragraph "Remuneration Policies" in this chapter) and the ICRMS (see paragraph "Internal Control and Risk Management System" in this chapter). The medium-term (2028) and long-term (2030) Strategic Plan approved by the BoD, which includes the Sustainability and Transition Plan to 2040, sets out ESG objectives and targets (see paragraph "Strategic Sustainability and Transition Plan" in the chapter Strategy for sustainable development), including in relation to climate change, on which the Group is committed to ensuring transparent reporting transparency, with particular focus on the four areas outlined by the Task Force on Climate-related Financial

Disclosures (TCFD) of the Financial Stability Board: governance, strategy, risks, metrics and targets, which have now been incorporated into the standards of the International Sustainability Standards Board (ISSB), specifically IFRS S2, which has adopted and consolidated their structure and content.

Once a year, when approving the Consolidated Financial Statements, the Board of Directors analyses and approves the Consolidated Sustainability Statement drawn up annually according to ESRS standards to disclose the Group's strategies and performance in the environmental, social and governance spheres, to make transparent the fulfilment of commitments undertaken, future commitments and the ability to meet the expectations of stakeholders.

Under the terms of the Articles of Association, the Board of Directors delegates powers to one or more of its members and can assign powers to the Chairperson, Deputy Chairperson and CEO, provided they do not conflict with each other. In line with the structure of delegated powers, outlined by the Board of Directors and currently in force:

- the Executive Chairperson oversees the effective functioning of the work of the Board of Directors, plays a liaison role between the executive and non-executive directors, is Strategic Director of Finance, Strategies and Delegated Areas (Finance and Investor Relations, Regulatory Affairs, Communication and External Relations, Innovation, Internationalisation and strategic partnerships, Institutional Relations and Public Affairs, Merger and Acquisition, Corporate Secretariat), as well as being Director in charge of risk management relating to the areas under his or her responsibility;
- the Executive Deputy Chairperson is the Strategic Director of Human Resources, CSR and Delegated Areas (Corporate Affairs, Internal Audit and Compliance, Personnel and Organisation) within which he or she is responsible for managing the 231/2001 system, the privacy system (GDPR), the environmental and social sustainability of the Company's activities and processes, preparing the Consolidated Sustainability Statement, as well as being a Director in charge of risk management related to the areas under his or her responsibility. The Deputy Chairperson updates the Board of Directors and the Control, Risks and Sustainability Committee (CRSC) on the status of sustainability projects, stakeholder engagement and consultation activities on sustainability issues with stakeholders, also managed through the Corporate Social Responsibility and Local Committees Department. Through Local Committees, of which the Deputy Chairperson is an *ex officio* member, stakeholders can also draw the Group's attention to issues concerning services and environmental and social sustainability topics.
- The Chief Executive Officer and General Manager is responsible for the Administration, Ordinary Finance and Control areas - within which strategic planning is developed, with the indication of targets and the monitoring and control of the Group's activities and results - Legal Affairs, Procurement, Logistics and Services, Energy Management, Information Technologies and Systems, Risk Management, Environment Business Unit, Energy Business Unit, Networks Business Unit, and Market Business Unit. Holds the role of director in charge of managing the risks pertaining to related areas of responsibility.

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

The Delegated Bodies may delegate part of their tasks and responsibilities to their hierarchical reports, e.g. in matters of workplace health and safety, and environmental protection. In such cases, the delegation process is based on notarised powers of attorney and letters of appointment naming the delegated persons. The Delegated Bodies are responsible for assessing whether the delegated persons possess the appropriate skills and personal characteristics, and request periodic reports on the powers conferred with regard to economic, environmental and social aspects. Delegated persons are generally executives or junior managers, but in certain contexts (e.g. security) may reach clerical workers. The Corporate Affairs and Organisation Departments check the overall consistency and correctness of the delegation system.

The Board of Directors adopts appropriate solutions to facilitate the identification and management of situations where a Director may be vested with personal interests or interests on behalf of third parties in a particular transaction. In this case, as provided for by art. 2391 of the Italian Civil Code, the Director makes a prior communication to the other Directors and to the Board of Statutory Auditors - specifying the nature, terms, origin and scope of the interest - and, in the case of one of the Delegated Bodies, must also refrain from carrying out the transaction, vesting the Board of Directors with the same.

In performing its functions, the Board of Directors is supported by three Internal Board Committees whose dual mission is to support it in its deliberations and in preparing certain decisions through their recommendations. During each meeting of the Board of Directors, a constant data stream by the Internal Board Committees towards all Directors was ensured, while guaranteeing the prompt notification of any critical areas identified.

Control, Risks and Sustainability Committee

The Control, Risks and Sustainability Committee (CRSC), composed of four Non-Executive and Independent Directors, supports the Board of Directors, with adequate preliminary activity, in evaluations and decisions related to the ICRMS, including ESG risks, as well as in those related to the approval of periodic financial reports and sustainability statement. Among its most important functions - laid down by the Board of Directors in a set of Regulations (made public on the Group's website) - are:

- to assess, together with the Manager in charge for financial reporting, and having consulted with the Independent Auditor and the Board of Statutory Auditors, the proper use of the accounting standards and their consistency for the purpose of drafting the Consolidated Financial Statements;
- to assess whether the periodic financial and non-financial disclosures are suitable to correctly represent the Company's business model, its strategies, the impact of its business and the performance achieved;
- to examine, on an annual basis, the results of impairment tests;

- to examine in advance the half-yearly report to the Board of Directors prepared by the Financial Reporting Manager, concerning the activities carried out, any critical issues that have emerged and the actions taken, and the results of the assessments of the system of internal controls on accounting and financial reporting;
- to express opinions on specific aspects relating to the identification of the main business risks and to support the Board of Directors' assessments and decisions relating to the management of risks arising from prejudicial facts of which the latter has become aware;
- to examine the periodic reports on the assessment of the ICRMS and those of particular relevance drafted by the Internal Audit Department;
- to monitor the independence, adequacy, effectiveness and efficiency of the Internal Audit Department;
- to request that the Internal Audit Department carry out checks on specific operating areas, providing simultaneous communication to the Chairperson of the Board of Statutory Auditors;
- to examine the risk analysis carried out with reference to the Group's Business Plan, prior to its approval by the Board of Directors, as well as with reference to the strategic initiatives implemented by the Company and/or its subsidiaries, where they fall within the scope of the Board of Directors;
- to review the Group's sustainability policies and other ESG-relevant policies and procedures prior to approval by the Board of Directors, monitoring their observance of and supervising their compliance with any relevant principles of conduct;
- examine, together with the Director of Corporate Social Responsibility and Local Committees, the correct use of standards for the purposes of preparing the sustainability reporting required by current regulations relevant to the internal control and risk management system;
- to examine the findings of the materiality analysis of ESG impacts, risks and opportunities conducted on a regular basis;
- to examine the issues in the preliminary work in terms of long-term sustainability of the underlying principles and guidelines of strategic planning, the Business Plan and short-term planning, monitoring the effective implementation thereof;
- to supervise the system for assessing and improving the environmental, economic and social impacts deriving from the business activities in local areas;
- to examine the periodic reports on the implementation of the structured methods of discussion with stakeholders in the local areas where the Group operates, also through instruments such as Local Committees, and those on the consistency with the corporate social responsibility questions of the Group's cultural and image promotion activities.
- to verify that the Corporate Social Responsibility and Local Committees Department has adequate professionalism and resources.

With regard to the members of the Control, Risks and Sustainability Committee, at the time of their appointment, the Board of Directors is expected to evaluate at least one of them for adequate experience in: a) assessing the operating processes of complex organisations; b) analysis of accounting, financial and sustainability reporting; c) strategic planning processes; d) strategic risk management; e) monitoring of environmental, social and governance sustainability issues; f) guidance and assessment of environmental and social aspects. In addition to the above, all members of the Committee must in any case possess sufficient knowledge, skills and experience to be able to monitor the adequacy of the Internal Control System.

Remuneration and Appointments Committee

The Remuneration and Appointments Committee (RAC) is composed of four Non-Executive Directors, the majority of whom – including the Chairperson – are independent. Upon appointment, the Board of Directors assessed that all members of the RAC have adequate knowledge and experience in the field of remuneration policies. Among its most important functions - laid down by the Board of Directors in a set of Regulations (made public on the Group's website) - are:

- to formulate proposals to the Board of Directors, including with the assistance of an independent consultant, if necessary, with regard to the definition of the policy for the remuneration of Directors, Group Senior Executives with Strategic Responsibilities and members of the Board of Statutory Auditors ("Remuneration Policy"), after interaction with the CRSC, with regard to risk profiles;
- to submit proposals or express opinions to the Board of Directors, on the remuneration of Executive Directors and other Directors holding special offices, and to the competent Delegated Bodies, on the remuneration of Senior Executives with Strategic Responsibilities, as well as on the setting of performance targets that are correlated to the short- and medium-/long-term variable component connected to such remuneration;
- to monitor the implementation of the decisions taken by the Board of Directors and the competent Delegated Bodies, to the extent of their respective competences, verifying, in particular, the actual achievement of the short- and medium-/long-term performance objectives;
- to formulate proposals concerning the remuneration of the members of the Company's Internal Board Committees;
- evaluate periodically the adequacy, overall consistency and concrete application of the Remuneration Policy, making use of the information provided by the competent Delegated Bodies and formulating proposals on the subject to the Board of Directors;
- perform the functions provided for by the Procedure on Related Party Transactions of Iren, in the case of transactions concerning the remuneration of Directors and Senior Executives with Strategic Responsibilities;
- submit the Annual Remuneration Report, prepared pursuant to Article 123-ter of the Consolidated Law on Finance, to the Board of Directors for approval, for submission to the Shareholders' Meeting convened to approve the annual Financial Statements;
- examine and monitor the outcomes of the engagement activities carried out in support of the Annual Remuneration Report, including with the help of advisors;

- report on the methods of performing its own duties to the Shareholders' Meeting called to approve the Annual Financial Statements, through its Chairperson or another member indicated by the same.
- establish the annual board evaluation procedure on the operation of the Board itself and of the Internal Board Committees and on their size and composition, also taking into account elements such as the professional characteristics, experience, including managerial, and gender of its members, and their seniority in office; specifically, after coordination with the Chairperson of the Board of Directors, the Committee identifies the parties with which the assessment is concerned and, having regard to the best practices, also availing itself of the assistance of an expert consultant in the sector;
- analyse, in conjunction with the Chairperson of the Board of Directors, the findings of the Board evaluation in order to formulate any observations and/or suggestions on issues within its remit with a view to their subsequent sharing by the Board of Directors;
- formulating, taking into account the results of the board evaluation, opinions to the Board of Directors on the size and composition of the Board and its Committees, and expressing recommendations on the professional and managerial figures whose presence on the Board is deemed appropriate, so that the Board of Directors can express its orientation to the shareholders prior to the appointment of the new Administrative Body;
- make recommendations to the Board of Directors on the maximum number of positions as Director or Statutory Auditor in other companies listed on regulated markets (including foreign markets), in financial, banking, insurance or large companies, that is compatible with an effective performance of the office of Director of Iren;
- make recommendations to the Board of Directors on any problematic cases connected with application of the prohibition on competition provided for in relation to Directors in Article 2390 of the Italian Civil Code;
- compatibly with the provisions of the Articles of Association in force, propose to the Board of Directors candidates for the office of Director in cases of co-optation, where it is necessary to replace Independent Directors, ensuring compliance with the provisions on the minimum number of Independent Directors and the quotas reserved for the less represented gender.

In consultation with the CRSC, prior to its approval by the Board of Directors, the RAC reviews the Policy for managing dialogue with shareholders and investors as well as updates thereto.

Related Party Transactions Committee

The Related Party Transactions Committee (RPTC), composed of four Directors meeting the requirements of independence, expresses its opinion in relation to the execution of minor and major transactions with Related Parties and, in general, also performs all the other functions assigned to it pursuant to the Consob Regulation on Related Party Transactions.

The Procedure on Related Party Transactions, the update of which was approved by the Board of Directors on 18 December 2024 (following the opinion of the RPTC) with effect from 1 January 2025, aims, in particular, to:

- regulate the performance of transactions with related parties by Iren, directly or through subsidiaries, identifying internal procedures and rules capable of ensuring the substantial and procedural transparency and correctness of such transactions;
- establish the methods for fulfilling the related disclosure obligations, including those provided for in legal and regulatory measures in force and applicable.

Board of Statutory Auditors

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

- the compliance of the acts and deliberations of the governing bodies with the regulation, statutory provisions and the Corporate Governance Code, as well as the tangible means of implementing the same;
- the compliance of management choices with the principles of correct administration and, thus, with the general criteria of economic rationality, such as control of substantial legitimacy and compliance with the operative procedures and/or practices in force;
- the adequacy of the organisation structure compared to the size and complexity of the Company, placing particular attention on the completeness of existing Company departments, on the separation and on contrasting responsibilities in the functions and duties, as well as the clear definition of mandates or powers of each department;
- the adequacy of the internal control system in relation to the size and complexity of the Company and the sector in which the Group operates, as well as strategic objectives;
- the adequacy of the procedures adopted by the Board of Directors to regulate transactions with related parties, as well as the compliance of the same with the laws and regulations on transparency and public information;
- within the scope of the functions assigned to it by Article 2403 of the Italian Civil Code, compliance with the provisions on sustainability reporting introduced by Legislative Decree No. 125/2024 (transposing the CSRD), and reporting on this in its annual report to the Shareholders' Meeting convened to approve the Financial Statements.

The Board of Statutory Auditors reports to the Shareholders' Meeting on the results of the year and the activities carried out in the fulfilment of its duties, and make any observations and proposals regarding the Financial Statements and their approval. Furthermore, the Board of Statutory Auditors, in its capacity as the "Internal Control and Audit Committee", is entrusted with the following tasks:

- monitor the statutory audit of the Separate Financial Statements and Consolidated Financial Statements, also taking into account any findings and conclusions of the quality controls carried out by Consob;

- review and monitor the autonomy of the Independent Auditors, especially concerning the adequacy of the provision of non-audit services, and, oversee the adoption of appropriate procedures for the authorisation of eligible non-audit services and evaluate in advance each request to refer to Independent Auditors for eligible non-audit services.

The outcome of the supervisory activities carried out is reported in the Report of the Board of Statutory Auditors to the Shareholders' Meeting.

Governance at managerial level

The ESG (Environment, Social, Governance) Strategic Integration Committee has been set up to integrate and monitor ESG factors, from strategic planning to the management and monitoring of the Group's activities. It includes the Directors of the main Staff Departments and Business Units, with the aim of ensuring:

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

The Committee works closely with the Sustainable Finance Committee responsible for defining and managing the Group's sustainable finance framework.

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

- an in-depth look at regulatory and contextual developments in the field of sustainable development, sharing its findings with the departments concerned from time to time;
- setting objectives, targets and sustainability impacts for the Strategic Plan, as well as annual budgets, sustainable finance, Group short- and long-term remuneration system, in coordination with Strategic Planning, Finance and the Business Units;
- collaboration with the Risk Management Department in identifying ESG risks to which the Group is exposed;
- overseeing the double materiality analysis for the purpose of defining ESG issues relevant to strategy and reporting;
- monitoring sustainability targets and sharing the commitments made in this Policy with the heads of the various functions;
- preparing periodic reports for the Board of Directors, the CRSC and Top Management;
- defining guidelines, and overseeing and managing activities for Group sustainability reporting;
- ensuring the updating and dissemination of the Code of Ethics, promoting knowledge of its contents and ensuring the correct interpretation and implementation of its provisions.
- defining the engagement, management and analysis plan of the results of stakeholder engagement, including through the management of Iren Local Committees;
- creation of customer satisfaction surveys for the Group;
- processing and provision of data and information for sustainability ratings.

Through the Strategic Planning and Investment Assessment Department, and in conjunction with the Corporate Social Responsibility and Local Committees Department, Iren's Administration, Finance and Control Department coordinates the integration of sustainability planning with the Group's strategic and industrial planning. Furthermore, through the Management Control Department, it oversees the process of preparing and reporting the information required by the European Taxonomy.

The Risk Management Department is in charge of the integrated management of the Group's Enterprise Risk Management (ERM) system (methodological setting, Policy definition and system monitoring), of the management of insurance policies, through a process of periodic evaluation of the claims rate in the various Group sectors. It also oversees the Group's Business Continuity Management (BCM) model, the objective of which is to guarantee business resilience in the face of unforeseen events, ensuring the continuity of business processes deemed critical (see paragraph "Business Continuity Management" in the chapter Customer orientation).

The Risk Management Department also actively participates in the drafting of the Business Plan on which it develops three strands of analysis:

- a qualitative-quantitative risk assessment with a specific focus on plan investments and climate change risks. The qualitative risk assessment is based on an analysis of industry trends, the Group's exposure to related strategic risks and the related ability of the Business Plan to mitigate these. The quantitative drivers of risks that had an impact during the Plan's years are thus thoroughly examined, and with the help of the Planning and Control Department and the risk owners, the relative impacts, likelihood of occurrence, and mitigation measures that are functional to the measurement of both inherent and residual risk value are quantified. This assessment leads to the enhancement of the Plan's stress test and related rating indices.
- analysis of Plan investments, identifying the mitigating effect of investments on risks and the execution risks of the categories of capital expenditure and the main relevant initiatives;

- finally, an analysis of the risk factors from climate change impacting the Group was carried out, with modelling of the most significant assets and risk factors for different energy scenarios and time horizons. Based on the results of the model, investments to mitigate the risks of climate change are evaluated.

M&A transactions and other strategic initiatives are also subject to detailed analysis, with a particular focus on the impact of such transactions on the Group's sustainability objectives (environmental Indicators, where significant, social Indicators regarding, for example, compliance with labour law, health and safety policies by the target company and governance) and consistency with the EU Taxonomy.

Iren's **Internal Audit and Compliance Department** ensures the constant monitoring of the ICRMS, prepares and contributes to keeping the 231 Models of the individual Group Companies constantly updated by supporting the Supervisory Boards, and oversees the application of and compliance with regulations on the protection of privacy and personal data.

Iren's **Personnel and Organisation Department** ensures the implementation of the commitments contained in the Sustainability Policy regarding the protection of workers and equal opportunities, and promotes the development of human resources and the organisation in line with the principles underlying the Policy. Furthermore, it ensures the development, maintenance and improvement of the Integrated Management System (Quality, Safety, Environment, Energy Efficiency and Information Security) by supporting the Departments in carrying out process and environmental risk assessments (in line with the ERM system) and in defining improvement actions. The department ensures that process documentation is monitored and that regular internal audits are carried out on processes, on the monitoring of environmental legislative obligations, and on environmental and safety legislative compliance. Finally, the Service guarantees supporting the definition of surveillance and control plans, management of environmental accidental events and simulations of environmental emergencies.

The **Climate Change Risk Commission** - in which the Director of Risk Management, the Director of Corporate Social Responsibility and Local Committees, the CFO, the Business Unit Directors, the Head of Enterprise Risk Management and the Head of CSR Planning and Reporting participate - examines the Group's risk profile on a periodic basis, defining and proposing updates to the CEO on risk class management strategies and reporting any emerging critical issues to the Delegated Bodies. The Commission is entrusted with the functions of:

- examining the status of the Group's climate change risks and making decisions on how to manage them by the various risk owners;
- proposing to the CEO any modifications or additions to the Climate Change Risk Policy;
- analysing and reporting to the CEO on the possible management-operational implications that may arise with regard to climate change risks;
- verifying and monitoring the climate change risk profile and compliance with the set risk limits and thresholds associated with the defined monitoring Indicators;
- defining and proposing management strategies to the CEO for individual risk classes related to climate change.

The allocation of roles and activities to Executives and all the organisation's resources is formalised through organisation charts, documents describing main responsibilities and activities, and service orders, documents that report updates to the organisational structure and related activities and responsibilities whenever there are changes. These documents are made available through the Company intranet.

The organisation function contributes to verifying the consistency between the organisational hierarchy, the division of responsibilities and proxies according to the activities performed.

Information flows on sustainability issues

[GOV-2_01, GOV-2_02, GOV-2_03, GOV-2_04]

The Board of Directors and its Internal Committees are informed of material impacts, risks and opportunities on a systematic and regular basis, in order to ensure proper implementation of due diligence and monitoring of the effectiveness of strategies, policies, procedures and actions taken.

Specifically, in addition to the occasions on which specific material topics are discussed, the CRSC receives a half-yearly report from the Risk Management Department, the Internal Audit and Compliance Department, and the Administration, Finance and Control Department - which ultimately assesses the maintenance of the ICRMS - and from the Corporate Social Responsibility and Local Committees Department, concerning the activities implemented in the ESG area. The frequency may be increased in the event of extraordinary events or significant changes in the economic, regulatory or environmental environment, also with the intervention of other central corporate Departments, including the Legal and Corporate Affairs Departments. Downstream, and in any case at least every six months, the CRSC reports to the Board of Directors on the results of its investigative activity.

When reviewing and discussing Group strategies or significant transactions, the CRSC and the Board of Directors focus on risk analysis and sustainability assessments by the relevant functions, possibly with the support of external experts.

Furthermore, the Board of Directors monitors the effectiveness of policies and the results of the Group's actions, targets, and economic, environmental and social performance, in the implementation of due diligence, when approving the Group's strategic planning, annual budget, Consolidated Financial Statements, the Consolidated Sustainability Statement, quarterly reports and policies. The periodic update of the strategy allows the Board to check its resilience and adequacy to cope with identified impacts, risks and opportunities. Similarly, when developing extraordinary transactions (off-plan investments, M&A), the Board of Directors, supported by the relevant Departments, assesses not only the opportunities, but also the risks

and impacts of such transactions and how these may affect the strategy and business model. In all target-setting processes and in the monitoring process of relevant initiatives, a risk assessment is implemented, which Top Management carefully evaluates together with the economic and financial and strategic assessment. Strategic and investment decisions are all weighed for their level of risk.

Annually, the Board of Directors is informed by the Director of Corporate Social Responsibility and Local Committees about ESG impacts, risks and opportunities, on the occasion of the approval of the double materiality analysis - submitted in advance to the CRSC - which is used not only as a guide for sustainability reporting, but also as an input in strategic planning, in order to adopt strategies in which actions and investments can be tools to mitigate risks, seize opportunities, prevent and/or mitigate potential negative impacts and implement positive impacts. The material impacts, risks and opportunities considered by the Board of Directors and Group management in 2025 are discussed in more detail in the paragraph “Double materiality assessment” in the chapter Strategy for sustainable development.

The CRSC also assesses, prior to the approval of the Consolidated Sustainability Statement, the proper adoption of the ESRS.

In the performance of its supervisory role, the Board of Statutory Auditors receives regular information on sustainability issues by attending Board meetings and, through at least one member, Committee meetings, as well as at specific meetings at which the Delegated Bodies or other Group managers are usually called upon to speak.

In 2025 (the year in which the Board’s term of office is renewed), the Board of Directors – following any preliminary investigations carried out, in accordance with their respective areas of responsibility, by the Control, Risks and Sustainability Committee or the Related Party Transactions Committee – addressed specific issues of significance in terms of impacts, risks and opportunities, including: regular reporting by the Supervisory Board on matters relevant to the Group’s 231 system; review of the results of the impairment test; review of strategic initiatives and M&A transactions (both from a risk perspective and with regard to ESG aspects), as well as the most significant related party transactions; adoption/updating of procedures and documents to ensure the effectiveness of the internal control and risk management system, and review of relevant issues in this area (including approval of the Group Audit Plan and review of the results of specific audits); updating of certain risk policies; approval of the Risk Management Department’s Work Plan; approval of the three-year Crisis Simulation Plan and the Ordinary Testing Plan drawn up as part of the Group’s Business Continuity Management Project; review of the 2025 remuneration policies and short-term incentive schemes for the Group’s Executive Directors and Senior Executives with Strategic Responsibilities; review and regular updating of the status of compliance with Directive (EU) 2022/2555 (the 'NIS 2' Directive) and Italian Legislative Decree 138/2024, on cybersecurity and corporate governance; and a report on the outages that occurred on the Turin electricity grid during the summer period.

Material impacts, risks and opportunities were also discussed as part of the induction programme organised, in line with the recommendations of the Corporate Governance Code, by the Chairperson of the Board of Directors for the benefit of the Directors, in particular the newly appointed Directors, and Iren’s Statutory Auditors.

Furthermore, in preparation for the Board of Directors’ review and approval of the Group’s Business Plan to 2030, numerous meetings (including informal discussions) were held between the Directors – in the presence of the Board of Statutory Auditors – to discuss risks, opportunities and ESG aspects related to the company’s strategy.

Performance monitoring

[GOV-2_04]

In addition to what has already been described, the main opportunities and tools to support Directors and Top Management in monitoring objectives and performance are:

- the Business Plan, approved by the Board of Directors, which plans the Group’s medium- and long-term economic, financial, ESG and industrial targets. The Plan, which is subject to risk assessment, is monitored by the Strategic Planning and Investment Assessment Department, the Corporate Social Responsibility and Local Committees Department, in cooperation with the Group’s Management and Business Units, when it is periodically updated considering emerging scenarios and macro-trends;
- the annual budget, approved by the Board of Directors, which sets out the economic, financial and ESG objectives, as well as the main operational and industrial milestones, and which is subject to risk assessment. Budget targets are monitored on a quarterly basis by the Group’s Management and Business Units and by the Board of Directors;
- the quarterly and annual financial reports in which the CEO analyses the situation in relation to the Group’s economic, financial, ESG and industrial targets. Following this analysis, the CEO and CFO discuss the results and any corrective actions with the Board of Directors, which is responsible for approval;
- the activities of the Investment Committee, which regularly analyses and discusses new initiatives and opportunities that the Group could pursue to help achieve or strengthen its objectives;
- the relevant initiatives monitoring programme, which provides a Steering Committee composed of the Group’s Strategic Executives with a monthly update report on the Group’s main physical, economic, sustainability status and risk assessment developments.

Internal Control and Risk Management System

[GOV-2_02, IRO-1_12, IRO-1_13]

In accordance with the Corporate Governance Code and internal guidelines, Iren Group has adopted an **Internal Control and Risk Management System (ICRMS)** that is configured as a transversal process involving, with different roles and within the scope of their respective competences, the administrative and supervisory bodies of the Parent and the Group Companies, the CRSC, the Directors in charge of the ICRMS, the Head of the Internal Audit Department, the Director of Risk Management, the Financial Reporting Manager, as well as all Group personnel. In particular, the Board of Directors plays a role in guiding and assessing the adequacy of the ICRMS and exercises the following functions, subject to the opinion of the Control, Risks and Sustainability Committee:

- defines the plan (strategic priorities, commitments and objectives) for the sustainable development of the Group;
- define sustainability policies and conduct principles in order to ensure the creation of value over time for Shareholders and for other stakeholders;
- defines the ICRMS guidelines in line with the strategies, and evaluates, at least once a year, the adequacy of the system with respect to the characteristics of the Company and the risk profile assumed, as well as its effectiveness;
- describes, in the Corporate Governance Report, the main features of the ICRMS, the way it is coordinated between the entities involved in it, and expresses its assessment of its adequacy;
- appoints and revokes the Head of the Internal Audit Department - defining his or her remuneration in line with corporate policies, and ensuring that he or she is provided with adequate resources to perform his or her duties - and approves, at least once a year, the work plan prepared by him or her, after consulting the Supervisory Body and the CEO;
- evaluates the opportunity to take measures to ensure the effectiveness and impartiality of the corporate functions involved in the controls, verifying that they have adequate professionalism and resources;
- entrusts the Supervisory Body or a specially constituted body with the supervisory functions over Model 231;
- evaluates, after consultation with the Supervisory Body, the results presented by the Statutory Auditor in any letter of suggestions and in the additional report addressed to the Supervisory Body;
- approves, on an annual basis, the work plan prepared by the Director of Risk Management, after hearing the opinion of the CRSC;
- approves, every three years, the test plan defined within the framework of the Business Continuity Model proposed by the Director of Risk Management, after hearing the opinion of the CRSC.

Within the scope and limits of the powers delegated by the Board of Directors, the Chief Executive Officer and General Manager, in liaison with the Chairperson and Deputy Chairperson, is responsible for:

- overseeing the functionality of the Internal Control System, supporting the CRSC in identifying the main corporate risks and periodically submitting them to the Board of Directors for review;
- implements the guidelines defined by the Board of Directors, ensuring that the competent corporate structures design, implement and manage the internal control and internal audit system, constantly verifying its overall adequacy, effectiveness and efficiency, and adapting it to the dynamics of the operating conditions and the legislative and regulatory framework.

Risk management is an essential component of the ICRMS. The Group's **Enterprise Risk Management Model** contains the methodological approach for the identification, assessment and integrated management of risks, regulates the role of the various parties involved in the process, which reports to the Board of Directors, and provides for specific committees to manage each type of risk, with a particular focus on financial, credit, energy, cyber, climate change, tax, operational and reputational risks.

Specific policies have been defined for each type of risk with the primary goal of setting out strategic guidelines, the organisational and managerial principles, the macro processes and techniques necessary for active management of the related risks. The assessment of environmental and social impacts is integrated into the governance of the Enterprise Risk Management Model for each risk category.

The Risk Management Department periodically updates the Group Risk Map through interviews with Risk Owners throughout the Group and the sharing and fine-tuning of the results. The risk map is very detailed and contains qualitative-quantitative assessments of each elementary risk, as well as details of existing or prospective controls and mitigation actions.

The **Risk Policies** are approved by the Board of Directors upon the proposal of the Director in charge of the ICRMS with risk management delegations (CEO), formulated in agreement with the Chairperson of the Board of Directors and the Deputy Chairperson (who are also identified as Directors in charge of the ICRMS with reference to the matters falling within their respective delegated powers), to the extent of their respective competences, after receiving the non-binding opinion of the CRSC and after informing the Board of Statutory Auditors.

Specifically, the **Climate Change Risk Policy** analyses and regulates the risk factors, distinguishing them into physical and transitional, and the related strategies towards these factors (exclusion, acceptance and management).

The document also includes guidelines for reporting, aimed at ensuring transparency of information to all stakeholders.

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

The Director of Risk Management and the other risk control departments are convened at least twice a year by the CRSC to report on the risk situation and monitoring.

For specific projects of a strategic nature - such as the Business Plan, acquisition transactions or investments of an industrial nature - the CRSC requires the Risk Management Department to carry out a specific risk assessment, also with a particular focus on the impact of such transactions on the Group's ESG objectives and consistency with the EU Taxonomy.

The half-yearly report presented by the Head of the Internal Audit Department to the CRSC includes the results of Internal Audit verifications, any critical issues that emerged and follow up on the progress of the actions initiated following the audits of previous years. In addition, the CRSC receives in-depth information from the Directors/Managers of other functions that support the Committee's activities, including the CFO, the Director of Risk Management, the Head of Compliance with System 231 and Privacy, and the Director of Corporate Social Responsibility and Local Committees.

Based on the information received, the CRSC reports to the Board of Directors every six months, highlighting any critical issues encountered and expressing an opinion on the adequacy of the ICRMS.

The Board of Directors, through the CRSC, convenes the Director of Risk Management on at least a half-yearly basis, who reports on risks, provides other analyses, such as the findings of Risk Committee reports, and reports the outcomes of specific risk assessments.

Iren Group has also adopted, with the approval of the Board of Directors and the opinion of the CRSC, the Crisis Management Procedure, as part of the Business Continuity Management (BCM) model, which provides for the provision of organisational and technological safeguards to ensure the continuity of processes, as well as a proactive and structured response in the response and monitoring phases of emergency and/or crisis events.

The main objective of the BCM is to ensure business resilience in the face of unforeseen events by ensuring the continuity of business processes deemed critical. In this context, the Board of Directors approved a three-year Crisis Simulation and Ordinary Test Plan with approximately four crisis tests and four ordinary tests per year. The objective of the Plan is to effectively exercise the Group's ability to respond to all interruption scenarios of the tested processes, while the tests in the ordinary way allow to verify the appropriate implementation of continuity strategies and to identify further ones, finally defining an action plan.

Internal Control over Sustainability Reporting System

[GOV-5_01, GOV-5_02, GOV-5_03, GOV-5_04, GOV-5_05]

The Group has structured a procedure for assessing the risks and internal controls of the sustainability reporting process. The Manager in charge of certifying the Consolidated Sustainability Statement provides Iren's Board of Directors with an annual report on the activities carried out at Group level, on any critical issues that have emerged and on the actions taken to overcome them, as well as on the outcome of the assessments of the internal control system for consolidated sustainability reporting. This information is submitted in advance to the CRSC and the Board of Statutory Auditors.

The approach adopted for risk assessment and, more generally, for the design of the **Internal Control over Sustainability Reporting System** (ICSRS), is based on the COSO framework - Achieving Effective Internal Control of Sustainability Reporting (ICSR).

The framework provides guidance for the ICSRS to ensure that sustainability data and information give a true and fair view of the Company's performance, in compliance with laws and regulations. The risk assessment forms the basis for determining the qualities of the ICSRS and includes:

- the integration of ESG risk identification, assessment and monitoring into the risk management system;
- carrying out an assessment to identify significant areas of disclosure to be monitored;
- the implementation of a process to identify and assess risk areas related to sustainability reporting.

In particular, the specific sub-processes of sustainability reporting are analysed and, for each sub-process, potential risks are identified and formalised in a **risk control matrix** that is periodically updated.

The risks identified are assessed and prioritised according to their degree of materiality, according to a scale (high, medium, low) that takes into account the likelihood of occurrence and the impact generated.

The most material risks identified are: estimation errors, which could occur in the use of the Group's predefined criteria when it is necessary to make estimates for a specific sustainability disclosure; processing errors in terms of the calculation of specific data required for reporting and arising from multiple management systems; incompleteness of data due to failure to integrate the data relating to one or more companies within the reporting boundary.

For each of these risks, a mitigation strategy is adopted that includes controls at different levels:

- Level 1: controls applied by **operational departments** on the quality, accuracy and reliability of data;
- Level 2: **computer checks and verifications on completeness**, clarity and consistency of data with the requirements of the standards carried out by the Corporate Social Responsibility and Local Committees Department;
- Level 3: checks by **the Internal Audit Department** on the functioning of the design of controls and their operation.

The approach used by Iren Group for the ICSRS includes, among its key elements:

- communication on the functioning of the ICSRS through adequate information flows to and from the corporate functions designated to oversee sustainability information;

- monitoring, i.e. the periodic evaluation of the ICSRS by means of verification and management supervision, ordinary control activities and specific initiatives, communication of internal control deficiencies to the responsible functions, management and the Board of Directors.
- the application of improvements, if monitoring reveals inadequacies in the design and operative effectiveness of controls, that are monitored.

The monitoring of the ICSRS is based not only on the **dissemination of the relevant documentation to all the departments concerned**, but also on the assessment that the controls have been designed and implemented in such a way as to provide adequate assurance that the identified risk can be correctly mitigated (design adequacy) and that the control operates as it was designed (operational effectiveness).

Governance policies and tools

[S1-1_01, S1-1_03, S1-1_07, S2-1_01, S2-1_08, S3-1_06, S4-1_06]

Iren Group considers sustainability to be a fundamental lever for its corporate culture, incorporating it into its strategy, and for creating value over time for the Group and its stakeholders. For this reason, it is committed to conducting its activities with the interests of its stakeholders in mind, in the knowledge that dialogue and shared objectives are tools through which to create mutual value.

Code of Ethics

The Code of Ethics outlines the set of values and responsibilities of Iren Group and identifies the **rules of conduct and behaviour** for employees and all those who work with and for the Group. The Code sets out fundamental principles concerning: respect for the Italian Constitution, laws, regulations and ethical principles, human rights and personal dignity; honesty, quality and integrity; anti-discrimination; social responsibility; protection of the market, competition and industrial property; protection of personal data; confidentiality of information; transparency of communication and promotional activities; management of gifts, gratuities and benefits; administrative and accounting reliability; and protection of the environment and natural resources.

The Code of Ethics also regulates the criteria of conduct in relations with shareholders and investors, with personnel – with particular reference to personnel policies, diversity and inclusion, combating violence, harassment and bullying, occupational health and safety, well-being, duties of employees, conflicts of interest and use of company resources – and in relations with customers, suppliers, external collaborators, institutions and communities. Other provisions relate to the implementation of the Code, with a focus on its dissemination, updating, the relevant company structures, reporting and sanctions.

In October 2025, the Code of Ethics was updated, with a particular focus on:

- strengthening the reference to international standards (ILO, OECD, Paris Agreement, UN Global Compact) and ensuring consistency with the EU Charter of Fundamental Rights;
- increasing the focus on stakeholder engagement and on the commitment to green transition and, in particular, on the circular economy, combating climate change, and promoting educational and training initiatives for the transition;
- placing greater emphasis on issues related to anti-discrimination, the commitment to valuing diversity and inclusion – including through the promotion of female managers and intergenerational dialogue – and the combating of all forms of violence, harassment and bullying in the workplace, in line with the Group's adopted Policy;
- establishing a closer link with the Privacy Management Model, including details on technical and organisational measures;
- introducing rules on the use of artificial intelligence, with reference to ethical values, transparency and the protection of fundamental rights;
- increasing the clarity and comprehensiveness of information on the reporting channels and the procedures for handling reports, on the protection of whistleblowers, and on the follow-up procedure;
- strengthening the contractual value of the Code of Ethics, providing more detailed information on disciplinary and contractual sanctions, the updating of the Code, and the responsibilities of the company structures.

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

Compliance with the contents of the Code of Ethics by all those who work for and with the Group is fundamental to its smooth operation, reliability and reputation. Executives and Managers of company bodies or departments undertake to disseminate the knowledge and sharing of the rules of the Code of Ethics, which is an integral part of employment contracts, to make employees and collaborators follow them, to encourage and protect reports of possible violations from any type of retaliation, as well as promptly reporting any reports received, taking the immediate and essential corrective actions required by the situation.

With regard to the external parties to whom the Code is addressed, the Group undertakes to introduce contractual clauses and/or to obtain signed declarations that formalise the acknowledgement, acceptance and compliance with the principles set out in the Code.

In order to make the Group's commitments to ethical and responsible conduct known in a transparent manner, the Code of Ethics is published on the Group's website.

Sustainability Policy

Iren Group has formalised its own Sustainability Policy, which has been approved by the Board of Directors and adopted by all Group Companies. This policy serves as a guide to inform company decisions and to make concrete commitments aimed at ensuring responsible business management. The Sustainability Policy, published on the Group's website, is designed to facilitate the integration of sustainability issues at both a strategic and an operational level and to promote awareness of the commitments undertaken in pursuing sustainable development over the medium- and long-term, in line with the Group's mission, vision, values and Code of Ethics, and in accordance with the 231 Model.

The Sustainability Policy identifies Iren Group's approach towards ESG factors, considered material according to the double materiality analysis, commitments and courses of action to contribute to building a sustainable future, strengthen its sustainability performance, and manage and mitigate ESG risks to which the Group is exposed, in an integrated manner with the Group's risk management system. In expressing the conviction that the sustainable development of the Group is based on the principles of business ethics, continuous improvement, and criteria of management efficiency and economy, the Policy is oriented to:

- support the strategic choices - including the governance of risks, opportunities and impacts - that are operationally articulated in the Strategic Plan;
- create the framework for the various corporate policies such as the Integrated Management System Policy (QSA, Energy Efficiency and Information Security), the Risk Management Policies (Energy Risk Policy, Operational Risk Policy, Climate Change Risk Policy, Cyber Risk Policy and Tax Risk Policy), the Diversity and Inclusion Policy, the Policy for Managing Dialogue with Shareholders and Investors, the Privacy Management Model, the Biodiversity Policy and other relevant policies;
- improve the ESG risk management process;
- facilitate the non-financial reporting process;
- increase the knowledge and awareness of the expected outcomes regarding the material topics;
- spreade the culture of sustainability.

In the following sections of this document, we will explore in greater detail the commitments that Iren Group undertakes through its Sustainability Policy, in relation to:

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

The Sustainability Policy also identifies the parties responsible for its adoption, approval and implementation, and defines monitoring and reporting activities.

The commitments of the Sustainability Policy and the Code of Ethics – approved by the Board of Directors – are based on the principles of the Constitution of the Italian Republic, the UN Universal Declaration of Human Rights, the International Labour Conventions and Recommendations issued by the ILO (International Labour Organisation), the Global Compact, the OECD Guidelines for Multinational Enterprises, as well as the United Nations Sustainable Development Goals (SDG). In defining these commitments, the Group has considered all stakeholders, noting their legitimate interests through constant dialogue and discussion to ensure a continuous flow of information, including through the reporting of the Group's social, environmental and governance performance, highlighting the progress made in maintaining commitments and achieving objectives.

Model 231

Iren and the Group's main companies have adopted Organisation, Management and Control Models pursuant to Legislative Decree No. 231/2001 (Model 231), which configure a structured and organic system of procedures and control activities aimed at preventing behaviour that could lead to the commission of the offences contemplated by the Decree, including the crime of corruption.

The adoption of Model 231, in addition to representing grounds for exemption from the Company's liability with regard to the commission of the offences referred to in Legislative Decree no. 231/2001, is an act of social responsibility towards its members, employees, customers, suppliers as well as the community and represents a fundamental tool for spreading the culture of sustainability (see paragraph "Organisation and Management Model Legislative Decree no. 231/01" in the chapter Business conduct).

Remuneration policies

[GOV-3_01, GOV-3_02, GOV-3_03, GOV-3_04, GOV-3_05, GOV-3_06]

The Remuneration Policy adopted by Iren Group represents a tool to support its medium- and long-term strategies for sustainable development. The incentivising capacity of the systems is at all times guaranteed in line with the Group's strategic objectives, which include ESG objectives. In general, the Remuneration Policy is a tool to ensure the pursuit of business sustainability objectives, guarantee an increase in shareholder value, in line with the Business Plan, and adequate retention of strategic positions for governance and business.

In addition to illustrating the criteria for determining the fixed remuneration due to Non-Executive Directors, members of the Board of Statutory Auditors, members of the internal Board Committees and the Lead Independent Director, the Policy indicates the guidelines, including in terms of pay mix, for the Executive Chairperson, Executive Deputy Chairperson, the CEO and General Manager and the other Senior Executives with Strategic Responsibilities (Directors of the Waste Management BU, Energy BU, Market BU, Networks BU, Administration, Finance and Control, Personnel and Organisation, Technologies and Information Systems, Procurement, Logistics and Services).

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

On the proposal of the Remuneration and Appointments Committee (RAC) and having consulted the Board of Statutory Auditors, the Board of Directors defines the structure and remuneration for Directors with specific duties (Chairperson, Deputy Chairperson and CEO), and the remuneration for Directors participating in Internal Board Committees. It also defines the Remuneration Policy for the Group's Board of Directors and Senior Executives with Strategic Responsibilities subject to the RAC's preliminary survey, carried out in conjunction with the Control, Risks and Sustainability Committee (CRSC), with regard to risk and sustainability profiles.

The Board of Directors, following the preliminary work of the RAC, also defines the objectives to which the short- and long-term annual variable component of the remuneration of the Executive Chairperson, the Executive Deputy Chairperson and the Chief Executive Officer and General Manager is correlated.

The Deputy Chairperson determines the remuneration of Senior Executives with Strategic Responsibilities, taking into account the provisions of the Remuneration Policy, and defines the objectives to which their short- and long-term variable component is related, after consulting the RAC, which may avail itself of external consultants specialising in remuneration policies.

The remuneration of Non-Executive Directors is commensurate with the commitment required of each of them, also taking into account any participation in one or more Internal Board Committees.

As regards the Directors with specific duties (Chairperson, Deputy Chairperson and CEO), the gross annual remuneration for the positions held was established by the Board of Directors, after a survey carried out by the Remuneration and Appointments Committee, in compliance with the limits established by the Shareholders' Meeting.

For the Executive Chairperson, the Executive Deputy Chairperson, the Chief Executive Officer and General Manager and for Senior Executives with Strategic Responsibilities, the variable part of the remuneration is divided into two parts, the short-term part and the long-term part.

Short-term variable remuneration is paid upon achievement of all performance targets and is set, in the target amount, equal to: 34.6% of the gross annual salary for the Chief Executive Officer and General Manager; 37.9% of the gross annual salary for the Executive Deputy Chairperson and Strategic Director of Human Resources, CSR and delegated areas; 30.8% of the gross annual salary for the Executive Chairperson and Strategic Director of Finance, Strategies and delegated areas; 37.8%, on average, of the gross annual salary of the other Senior Executives with Strategic Responsibilities in force at the end of the period of reference. The short-term variable remuneration is based on an MbO (Management by Objectives) system that takes into consideration the Group's main objectives relating to economic and financial performance (weighting 40%), the main strategic projects (weighting 30%) and ESG factors (weighting 30%) through performance objectives linked to the priority areas of intervention defined in the Business Plan:

- decarbonization: reduction of the carbon intensity of energy production, Scope 2 and Scope 3 emissions, energy savings in production processes, emissions avoided from the recovery of waste managed;
- circular economy: increase of sorted waste collection rates in the local areas served and of waste to material recovery treated in Group plants, production of biomethane from biodegradable waste and reuse of purified water;
- water resources: increase of treatment capacity in the local areas managed, reduction of water withdrawals from the environment for distribution, reduction of leakages and division into districts of the aqueduct network;
- resilient cities: extension of district heating, increase of environmentally friendly vehicles in the corporate fleet, green electricity sold to retail customers, energy savings from products/services offered by the Group;
- people: increase in recruitment, under 30 hires, training hours per employee, people evaluated on performance, share of female managers, accident incidence rate and coverage of employees with corporate health care.

These objectives are also cascaded down to Company managers.

The system provides a "gate" condition linked to the maintenance of the rating on investment grade by a leading rating agency. For 2025, in addition to the minimum threshold of the individual objective, equal to 60%, a minimum threshold of average overall achievement of the individual objectives greater than and/or equal to 70% has been established, as a further condition for access to the payment. In order to incentivise the Group's value creation with respect to the planned targets, a

correction factor for individual results with a priori defined weights and metrics was maintained in 2025 as well. The maximum amount attainable as short-term variable compensation can reach 120% of the target amount.

The Plan for **variable long-term remuneration** - LTI Plan 2025-2027 (Long-Term Incentive), approved by the Board of Directors on 18 December 2024, provides for the accrual of a monetary bonus based on the 2025-2027 three-year performance. The Plan has among its recipients: Executive Chairperson and Deputy Chairperson, Chief Executive Officer, Senior Executives with Strategic Responsibilities, and other Top Management resources capable of making a significant contribution to the achievement of the objectives of the Business Plan. With reference to the executive Chairperson and Deputy Chairperson, the Chief Executive Officer and General Manager, and the other Senior Executives with strategic responsibilities, the maximum monetary incentive is set at 100% of individual gross annual remuneration calculated as of 1 January 2025, without prejudice to the cases of possible adjustment set out in the LTI Plan Rules.

The awarding of the prize is subject to the passing of a "gate" condition (recognition, at the end of 2027, of the Investment Grade rating by one of the major rating agencies) and the achievement of the following objectives, identified in accordance with the provisions of the Business Plan: Cumulative EBITDA 2025-2027 (weight: 35%); Cumulative Operating Cash Flow Levered 2025-2027 (weight: 20%); Cumulative Investments 2025-2027 (weight: 20%); Sustainability/ESG - composite target (weight: 25%). For each economic-financial objective, a threshold level has been defined, equal to 90% of the target as defined, below which no disbursement of the linked premium will be made. An overall threshold level has been defined for the Sustainability/ESG objective, equal to 70% of the defined target, below which no disbursement of the related bonus portion is envisaged. The ESG composite target considers:

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

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

In general, without prejudice to compliance with current legislation, no indemnity is provided for the termination of the directorship of Non-Executive Directors of Iren. For the Executive Chairperson, the Executive Deputy Chairperson and the Chief Executive Officer and General Manager, in the event of early termination of office (in the absence of just cause or justified reason) with simultaneous termination of the employment relationship, in accordance with the legal framework governing permanent employment contracts, an indemnity is provided for, up to a maximum of twenty-four months' salary, calculated in accordance with the provisions of the Remuneration Policy. For all Senior Executives with strategic responsibilities, payments and accruals as of the end of the relationship have been established in accordance with the law and the relevant National Labour Contract.

The Group prepares an annual report on remuneration and compensation paid during the period of reference, for any reason and in any form, by Iren or its subsidiaries. In addition to ensuring transparency, the Report is aimed at increasing the knowledge and awareness of shareholders and, in general, investors and the market.

The Report, preliminarily examined by the RAC and approved by the Board of Directors, is submitted to the vote of the Shareholders' Meeting: a binding vote for the Remuneration Policy (first section) and a non-binding vote for the part relating to the Compensation paid (second section). The Shareholders' Meeting, held on 24 April 2025, approved the Remuneration Policy 2025 and resolved in favour of the compensation paid for the financial year 2024. The voting results are available on the Group's website.

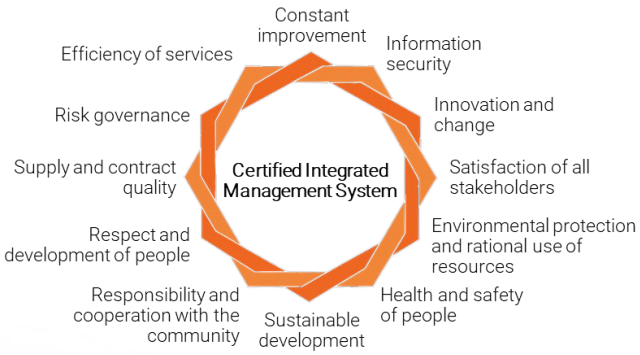
The remuneration policy for Iren Group's Directors and Senior Executives with Strategic Responsibilities, as well as its implementation, is one of the topics covered by the Policy for Managing Dialogue with Shareholders and Investors in general.

Certified Integrated Management System

Iren Group has developed a certified integrated management system (QSA, Energy Efficiency and Information Security) structured in such a way as to implement adequate control over all operational processes that affect the quality of service, with a view to increasing customer focus and based on risk identification and management.

The Certified System is actually a streamlined and flexible organisational model that adapts quickly to changes in customer expectations and needs and organisational changes within the Group, thereby ensuring continuous monitoring of the effectiveness and efficiency of the processes at the same time.

The values of Iren Group are outlined and reflected in the Management System Policy, which is distributed to and shared by all personnel, in the basic principles of the integrated certified system reported on the graph:



Main certifications [1]

[IREN_ESRS2_ 01]

	ISO 9001 (Quality)	ISO 45001 (Safety)	ISO 14001 (Env.)	ISO 27001 (Information security)	EMAS	UNI 11352 (ESCo)	ISO 50001 (energy efficiency)	ISO 17025 (Lab.)
Iren	●	●	●	●				
Iren Ambiente	●	●	●		● (5 sites)			
Acam Ambiente	●	●	●					
Amiat	●	●	●					●
Bonifica Autocisterne	●							
Bonifiche Servizi Ambientali	●	●	●					
CRCM			●					
Ekovision	●							
Futura	●		●					
I.Blu	●	●	●					
Iren Ambiente Parma	●	●	●					
Iren Ambiente Piacenza	●	●	●					
Manduriambiente	●	●	●		● (1 site)			
ReCos	●	●	●					
Re Mat	●		●					
San Germano	●	●	●					
Scarlino Energia			●					
Sei Toscana	●	●	●					
Semia Green			●					
Sienambiente	●	●	●		● (4 sites)			
Territorio e Risorse	●	●	●					
TRM	●	●	●		● (1 site)			
Uniproject	●	●	●					
Valdarno Ambiente	●	●	●		● (1 site)			
Iren Energia	●	●	●		● (6 sites)	●	●	
Alfa Solutions	●	●	●					●
Cierre	●	●						●
Iren Smart Solutions	●	●	●			●	●	
Ireti	●	●	●					
Acam Acque	●	●	●					
Acquaenna	●	●	●					
ASM Vercelli	●	●	●					
Iren Acqua Piacenza	●	●	●					
Iren Acqua Reggio	●	●	●					●
Iren Acqua Tigullio	●	●	●					
Iren Laboratori	●	●	●					●
Ireti Gas	●	●	●					
Iren Mercato	●	●						
Atena Trading	●	●						
Salerno Energia Vendite	●							
Egea Holding	●	●	●				●	
Ardea	●	●	●			●	●	
Egea Acque	●							
Egea Ambiente	●	●	●					
Egea Energie	●							
Egea New Energy					● (1 site)			
Reti Metano Territorio	●	●	●					
Sisea	●	●	●		● (1 site)			
Tecnoedil Lavori	●	●	●					
% coverage [2]	**99.6%**	**97.4%**	**91.6%**	**9.6%**	**5.9% [3]**	**8.8%**	**9.3%**	**17.9%**

[1] Orange dots indicate new certifications acquired during 2025.
[2] The % coverage is calculated as the ratio between the number of employees of the companies subject to certification and the total number of employees of the Group.
[3] The % coverage is calculated as the ratio of the number of employees at certified sites to the total number of employees in the Group.

There are also additional certifications in the Group:

- ISO 18295-1 certification (service requirements for customer contact centres) for Iren Mercato and Iren Smart Solutions;
- ISO 18295-2 certification (requirements for organisations using external contact centres) for Iren Mercato;
- F-GAS certification (management of installations with fluorinated gases) for Iren Smart Solutions;
- certification of Iren Mercato in accordance with Certiquality Technical Document 66 and ST TRAC_EE (tools to guarantee the origin of the green energy sold);

- SA8000 certification (Corporate Social Responsibility certification) for San Germano.
- ISO 17020 certification (Inspection Body) for Iren Laboratories;
- UNI/PdR 125:2022 certification (Gender Equality) for San Germano and Sisea.

The Personnel and Organisation Department is responsible for overseeing the management systems of the main companies in the Group.

All audits carried out by the Certification Bodies in 2025 were successful and confirmed the maintenance of the Certifications held.

Due diligence

[GOV-4_01]

As set out in the Sustainability Policy, the Group is committed to implementing its due diligence in a structured way to **identify, prevent, mitigate and account for how it addresses actual and potential negative impacts** on corporate governance, employment, human rights, the environment, corruption and consumers in its operations, supply chain and business relationships. The Group has integrated due diligence into its Code of Ethics and, through the materiality assessment process, which involves stakeholders, and the risk management system, identifies the actual or potential impacts of its activities. Materiality assessment and risk assessment, both approved by the Board of Directors, are used as input into strategic planning including for the purpose of preventing and/or mitigating potential negative impacts by taking appropriate measures in the short-, medium- and long-term.

The certified management system, based on risk analysis, includes specific procedures for the prevention of negative impacts and continuous monitoring, also through third parties, of the effectiveness of the system itself. The system's procedures provide for ways to put an end to or minimise the effects of negative impacts. In the case of negative impacts not covered by the management system, a procedure is in place that provides for specific activities and roles to assess the gravity of the impacts, manage them strategically, tactically and operationally, up to and including actions to be taken to prevent future occurrences, with an indication of costs, key lessons learned and action plans for improvement. Furthermore, in order to consider stakeholder concerns on a continuous basis, the Group has structured several channels through which stakeholders can **submit complaints and reports** about the negative effects of the Group's activities on human rights and the environment.

Elements	Chapter and "paragraph" reference
Due diligence into the governance, strategy and business model	• Iren Group **governance** "Governance at managerial level", "Information flows on sustainability issues", "Internal Control and Risk Management System", "Remuneration Policies" • **Strategy for sustainable development**
Involvement of stakeholders at all key stages of due diligence	• **Strategy for sustainable development** "Group stakeholder engagement" • **Sustainable use of water and marine resources** "Engagement of communities" • **Supporting the circular economy** "Engagement of communities" • **Iren** people "Engagement of people" • **Suppliers and partners** "Engagement of the supply chain" • **Sustainable development of local communities** "Engaging communities through dialogue and listening", "Creation of social value" • **Customer orientation** "Active Engagement of customers and consumers", "Continuous dialogue with customers and consumers"
Identification and assessment of negative impacts	• **Strategy for sustainable development** "Double materiality assessment" • **Policies for the environment** "Environmental impacts, risks and opportunities" • **Meeting the challenge of climate change** (Introduction) • **Preventing pollution** (Introduction) • **Sustainable use of water and marine resources** (Introduction) • **Protecting biodiversity** "Analysis of impacts, risks and opportunities" • **Supporting the circular economy** (Introduction) • **Proactively managing social IROs** • **Iren people** (Introduction) • **Suppliers and partners** (Introduction) • **Sustainable development of local communities** (Introduction) • **Customer orientation** (Introduction) • **Business conduct** (Introduction)
Addressing negative impacts	• **Policies for the environment** • **Meeting the challenge of climate change**: 'Sustainability and Transition Plan: focus on climate', 'GHG uptake and storage' • **Preventing pollution** "Actions and resources to prevent pollution" • **Sustainable use of water and marine resources** "Actions and resources for water and marine resources", "Optimised management of activities and processes to limit impacts on water resources" • **Protecting biodiversity** "Actions and resources for biodiversity" • **Supporting the circular economy** "Actions for the circular economy" "Circular economy in production processes" • **Iren people** "Actions and resources for people" • **Suppliers and partners** "Sustainable supply chain: actions and monitoring" • **Sustainable development of local communities** "Acting for communities" • **Customer orientation** "Actions and resources for customers and end-users" • **Business conduct**: "Organisation and Management Model Legislative Decree 231/01", "Privacy management model"
Effectiveness of interventions and communication	• **Meeting the challenge of climate change** "Group performance", "Climate targets" • **Preventing pollution** "Monitoring pollution", "Targets to prevent pollution" • **Sustainable use of water and marine resources** "Targets for water and marine resources" • **Protecting biodiversity** "Targets for biodiversity" • **Supporting the circular economy** "Targets for the circular economy" • **Iren people** "Actions and resources for people", "Our targets for Iren people" • **Suppliers and partners** "ESG supply chain targets" • **Sustainable development of local communities** "Monitoring the effectiveness of actions", "Our targets for local communities" • **Customer orientation** "Our targets for consumers and end-users"

Value chain in the business model

[SBM-1_01, SBM-1_02, SBM-1_03, SBM-1_04, SBM-1_05, SBM-1_06, SBM-1_09, SBM-1_10, SBM-1_13, SBM-1_14, SBM-1_25, SBM-1_26, SBM-1_27, SBM-1_28]

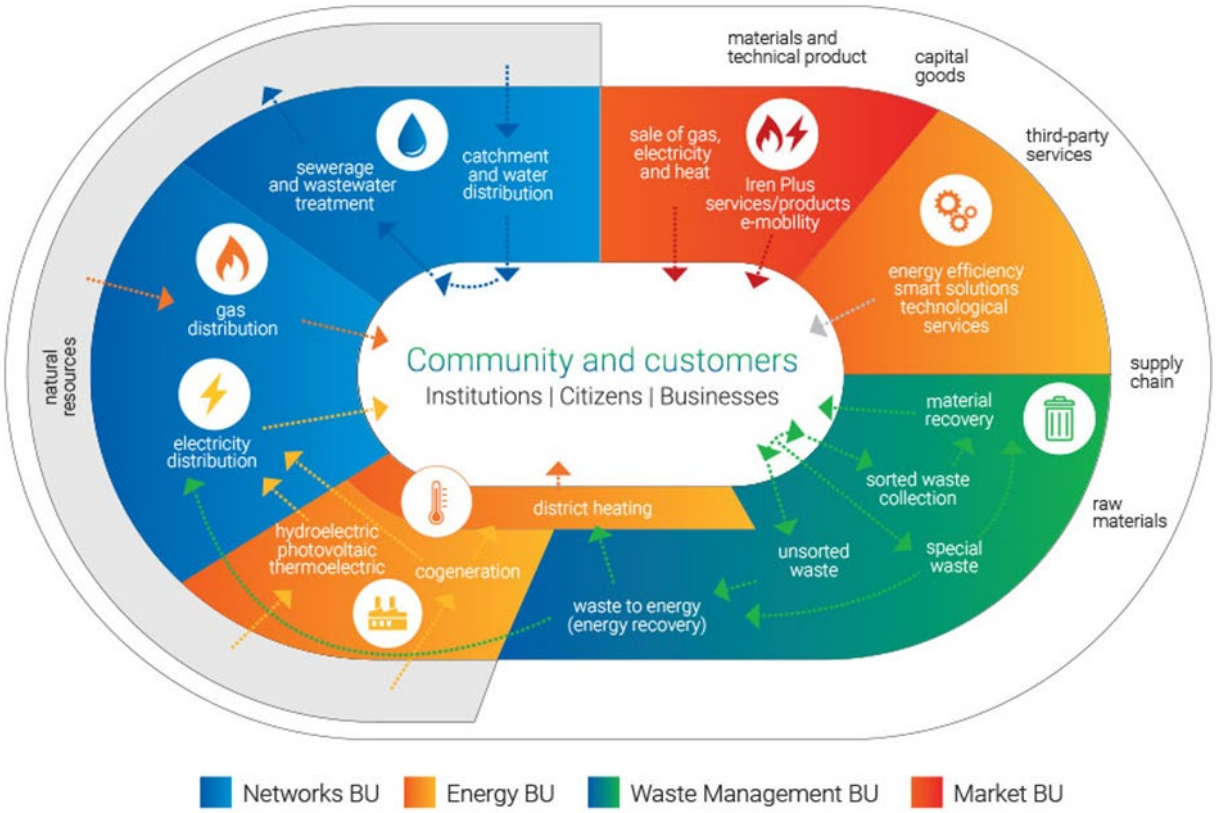
Iren Group's business model (see paragraph 'Iren Group's business model' in the Introduction to the Integrated Annual Report) focuses on transforming resources (environmental, social, economic and governance) to create both short- and long-term value for the Group and its stakeholders. For this reason, the Group is committed to improving the quality of life in the communities in which it operates, through the provision of services and the creation of infrastructure that enhances the local area.

On account of the synergies between the various business areas, also with a view to innovation, the Group guarantees the utmost commitment to reduce the environmental and social impact, to satisfy the needs of customers and communities and to guarantee high safety standards for employees and suppliers. The business model also integrates a commitment to sustainable development, aligning with the **United Nations Sustainable Development Goals** (SDGs). The analysis of the 17 SDGs and their targets led the Group to identify the areas of activity that contribute to their achievement, defining 9 priority Goals, to which Goal 17 is added, considered essential for the success of the other goals.

These goals are an integral part of the Sustainability and Transition Plan, which combines economic, financial, environmental and social sustainability, taking into account the priorities of stakeholders, which emerged from their involvement in the materiality assessment of impacts and in an ongoing dialogue.

Integrated value chain

The **value chains**, comprising inputs, activities and outputs, see the integration of the Group's four business units, supported by natural resources (water), raw materials (gas, energy, fuels), waste generated by the community and business activities, assets (plants, networks, equipment, vehicles), materials and technical products, and third-party services (IT, insurance, consulting and maintenance). These resources, together with the human capital and skills that are central to the growth strategy, enable the Group to produce energy and offer services to domestic, business and public administration customers. Financial resources are also to be considered, as economic and financial solidity is an essential prerequisite for the achievement of the Group's strategic targets. Access to financial markets and diversification of funding sources enable us to support growth and resiliently address the challenges of an ever-changing environment.



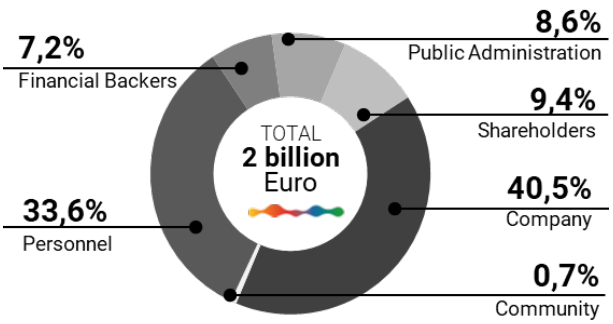
The main outputs of the Group's activities are:

- electricity generated (conventional and renewable) and fed into the national grid;
- thermal energy produced and fed into district heating networks and distributed to customers (retail, business and institutional);
- electricity and gas distributed to end-users on behalf of Group and third-party sales companies and sold to end customers (retail, business and institutional);
- water distributed and sold to end-users (retail, business and institutional);
- treated wastewater returned to the environment or reused for irrigation or industrial purposes by third parties;
- sewage sludge spread on agricultural land or used for energy recovery in Group or third-party plants;
- biogas and biomethane produced from organic waste and biomass self-consumed or used by third parties for transport;
- products from recycled wood and plastics sold to business customers;
- secondary raw material produced by waste treatment plants sold to industrial operators;
- compost generated from organic waste and biomass;
- materials sorted from waste for recovery or reuse in Group or third-party plants;
- carbon dioxide for food use sold to third parties;
- non-recoverable waste sent for energy recovery or disposal in Group or third-party plants;
- water discharges to Group or third-party plants or discharged into the environment;
- atmospheric emissions mainly from power generation, waste-to-energy and company vehicles.

Several of the outputs generated represent, in terms of circularity, inputs for other activities managed by the Group. For example, the waste produced is an input resource for the material recovery, energy recovery and waste treatment plants managed by the Group. Similarly, water distributed and used by communities is an input for sewerage and wastewater treatment activities, as well as water discharges from Group activities.

Through its outputs, the Group contributes to generating multiple benefits, as it provides essential community and environmental services, positively impacting people and the local areas and contributing to the efficient management of resources and the creation of value for communities and investors, including through the economic value generated and distributed, as depicted in the chart opposite.

[IREN_ESRS2_03]



Group revenue

[SBM-1_05, SBM-1_06, SBM-1_10, SBM-1_13, SBM-1_14]

The Group does not produce goods or provide services that are prohibited in the relevant markets for the sectors in which it operates and is not active in the coal, petroleum, chemical production, weapons production, tobacco cultivation or production sectors.

Total and fossil fuel-related revenue (€)	2025	2024
Total Group revenue	6,574,056,485	6,043,125,281
Gas-related revenue [1]	2,200,018,176	2,078,705,620

[1] The Group does not generate revenues from economic Taxonomy-aligned activities related to fossil gas. For further details, see the paragraph "European Taxonomy" in the section Green transition.

Awards and recognition

[IREN_ESRS2_19]

In 2025, Iren Group received various recognitions related to ESG topics.

Sustainable Development Award 2025: promoted by the Sustainable Development Foundation and the Italian Exhibition Group, under the patronage of the Ministry of the Environment and Energy Security, the award was presented to Iren, which ranked first in the circular economy sector, for the WEEE circuit board recycling plant it built in Tuscany. This is the first plant in Italy capable of recovering precious metals such as gold, silver, palladium, and copper from WEEE.

Quality of the water service: Ireti was awarded first place in Italy by **ARERA** for the technical quality performance of its water service in Piacenza. Good results were also achieved by ASM Vercelli (seventh place) and by the service provided by Ireti in Parma (eighth place).

Top Utility 2025: Iren Group received the '**Competitiveness and Efficiency**' Award, which recognises the best-performing Italian companies in the energy, water, gas and waste sectors. The award was presented to Iren for its excellent performance in service management and for the efficiency of its infrastructure.

Smau Innovation Award 2025: Iren received the award for its Iren Energy Monitoring service, an application developed for Iren Mercato customers in collaboration with the start-up Midori, which enables customers to monitor the energy consumption of their homes, break it down into individual appliances and devices, and receive practical advice on how to improve their habits, optimise energy use, and reduce waste and inefficiency.

ESG Identity Corporate Awards: Iren was honoured by ETica News with two major awards relating to its ESG performance over the past ten years: **'Strongest Performer Mid Cap'** and **'Best Finance Identity Mid Cap'**. The Group also features in the Top 10 of the ESG Identity Corporate Index, a quantitative analysis model of the degree to which ESG factors are integrated into corporate strategies.

The Il Sole 24 Ore ESG Observatory recognised Iren for its ESG performance. The companies were assessed on the basis of a ranking derived by calculating the average of three indicators (developed by Bicocca University in Milan): awareness, monitoring and governance, which were determined through a questionnaire on the policies and strategies adopted by the company.

At the **iNEST Consortium's Open Innovation Day**, I.Blu was recognised as one of the most innovative companies in the region. This award, which recognises companies that stand out for their innovation and technological experimentation, testifies to the value of I.Blu's work in the post-consumer plastic recovery sector, a strategic area for reducing environmental impact and achieving sustainability objectives at the European level.

Ad & Biogas Industry Awards 2025: Sienambiente's Cortine biodigester named the best plant worldwide in the category of plants over 1 MW. The award positively acknowledges the design approach and the plant's integration into the surrounding landscape: various technological features and solutions are integrated into a single plant, which is also capable of capturing carbon dioxide, making it a unique and globally effective model, particularly given the plant's location in a valuable environmental and historical setting.

For the fifth consecutive year, Iren was certified **Best in Media Communication**, in recognition of its narrative consistency, transparency and commitment to clear and accessible communication. The Group was named one of the 19 most virtuous organisations in terms of the quality of its storytelling, its media reputation and its contribution to the national information system. In addition, Iren also won the Special Prize **for 'Clarity of Message'**, thanks to the docu-series Circular Future Tour, produced by Eduiren in collaboration with Giffoni Innovation Hub to showcase the green transition and the technologies that make it possible.

ASC AI Media Awards 2025: Iren won the award in the '**Digital Workplace**' category for its Noi.Iren project. This award recognises the best internal and external communication solutions implemented by companies. Iren was recognized for placing collaboration at the heart of its operations and for adopting a people-centric design. A channel capable of responding promptly and consistently to the needs of all its audiences.

Global Capital Bond Awards 2025, a prestigious accolade in the international bond market landscape. Iren received the award in the '**Most Impressive Corporate Hybrid Capital Issuer**' category for issuing a hybrid bond considered among the best in Europe. The award-winning transaction generated strong interest, with demand almost eight times the initial offer.

NC Awards 25: an award in the Sponsorship category and a special 'Communication and Local Area' award went to Iren Luce Gas e Servizi's multi-channel campaign for the Nitto ATP Finals in Turin, which created an immersive and engaging narrative capable of transforming a sponsorship into a genuine bridge of shared values between the brand and the world of sport.

Strategy for sustainable development

[SBM-1_21, SBM-1_22, SBM-1_23, SBM-2_10, SBM-3_10]

Iren Group integrates environmental, social and governance (ESG) factors into its strategy and operations through a structured process. This process involves a series of key steps: analysis of the sustainability context and scenarios, a double materiality assessment to identify sustainability issues that are relevant at a strategic level and for stakeholders, definition of objectives, management of impacts, risks and opportunities, planning of actions, investments and remuneration policies aimed at achieving the set objectives, and monitoring and reporting, all while ensuring the active involvement of relevant stakeholders.

At Iren Group, the strategic planning process is carried out annually, and the next cycle is scheduled for 2026.

Sustainability context and scenario analysis

As part of its strategic planning process and its assessment of impacts, risks and opportunities, the Iren Group carefully examines the macroeconomic, financial, energy and climate context and scenarios in the short-, medium- and long-term. The aim of this analysis is to identify the factors that are relevant to the business in terms of competitiveness, sustainability, regulation and regulatory compliance, and to assess their potential impact on the achievement of the company's development objectives. For details on the energy, regulatory and financial scenarios, see the paragraphs “Market Context” and “Legislative and regulatory framework” in the Director’s Report.

Any significant changes in the scenario and/or in the relevance of sustainability issues, also taking into account the views of stakeholders, are considered key inputs for the planning process and may lead to a review of the company's strategy and/or targets. In particular, the Group pays close attention to regulatory, market and technological developments, sharing many of its business plans in advance with the relevant Area Authorities and Public Administrations, which are often called upon to approve these plans. In 2025, the analysis revealed factors that led to a focus on core activities, on investments directed primarily towards the organic development of regulated activities, and on restoring profitability through a more selective allocation of assets. The analysis also led to an extension of the time horizons of the Strategic Plan for Sustainability and Transition, as well as a reshaping of the medium- and long-term targets (see paragraph ‘Strategic Sustainability and Transition Plan’ in this chapter).

In 2025, Iren Group continued to operate in a context still characterised by geopolitical, economic, environmental and social complexities. The conflicts in Ukraine and the Middle East, which are far from being resolved, have continued to generate economic, political, energy and human rights impacts, with significant consequences for global governance and stability, not least in view of the social, environmental and financial effects of military spending.

Global indicators of economic uncertainty reached high levels, with recessionary effects, particularly in the most vulnerable countries, and weak investment, exacerbated by US tariff policies that created tensions in the globalisation process. The international landscape was also characterised by a lack of cohesion between global institutions and by contradictions between EU countries, while China and several countries in the Global South, on the other hand, emphasized the importance of multilateralism.

Migration continued to generate tensions, highlighting the lack of effective management strategies. On the labour front, despite a reduction in the global unemployment rate recorded by data from the International Labour Organisation (ILO), critical issues such as forced labour and an ageing population persisted, particularly in OECD countries and in Italy, where the working-age population is shrinking, with significant consequences for countries’ economic development and well-being.

On the social front, 2025 saw insufficient progress and setbacks in the area of **gender equality**, which are even more significant on the thirtieth anniversary of the Beijing Declaration on Women's Rights and Gender Equality.

In the field of technology, **artificial intelligence** has experienced a significant acceleration, raising important questions in terms of its ethical, environmental, social and security impact, with a growing demand for electricity and the associated emissions, and the need for renewables to play a central role, as highlighted in the International Energy Agency's (IEA) 2025 'Energy and AI' report. At the same time, there has been a slowdown in the industrialization of key **technological innovations** for the energy sector and the circular economy, which are crucial to enabling the transition.

The **renewables** sector continued to grow, despite facing significant structural barriers: permit-related bureaucracy, inadequate grid infrastructure, geopolitical dependencies, gaps in public policy and financing difficulties. In the absence of targeted interventions (permit reforms, grid investments, coherent policies and more resilient supply chains), the pace of the energy transition risks being insufficient to meet the 2030 climate targets.

With the United States' withdrawal from the Paris Agreement and the EU's failure to present a clear emission reduction target for 2035, the possibility of making significant progress in the fight against **climate change** is highly questionable. The most alarming evidence emerged from the IEA's World Energy Outlook 2025, which confirms that the path to limiting the global temperature increase to 1.5°C is likely to be compromised. Despite the growth of renewable energy, CO_2 emissions from the combustion of fossil fuels in industrial processes have reached record levels. The 'Planetary Health Check 2025' report found that seven of the nine planetary boundaries identified by science in 2009 have already been exceeded, including climate, biosphere integrity, land and water use, nutrient flows, new chemicals and ocean acidification. A temperature rise of more than 1.5°C significantly increases the risk of irreversible impacts and makes cities more vulnerable, with half a billion people at risk of flooding in urban areas. The growing demand for **critical minerals** for the energy transition has received particular attention, especially given their role in the sustainable development of emerging countries.

COP30 in Belém reaffirmed the importance of **climate cooperation**, but also highlighted global fragmentation and the difficulty of reconciling scientific requirements with political realities. Despite the absence of a final decision on fossil fuels and against deforestation, technical cooperation was nevertheless initiated and investments were allocated, through Nationally Determined Contributions (NDCs), to accelerate the phase-out of fossil fuels, reduce the social impact on workers in fuel-related sectors, triple funding for climate adaptation by 2035, and establish global indicators to monitor progress. In this context, many countries have confirmed their commitment to move forward without hesitation, including outside the UN negotiation process, to accelerate the transition.

The UN 2025 Report on **the Sustainable Development Goals** (SDGs) confirmed delays and difficulties exacerbated by conflicts and geopolitical tensions, but also the UN's renewed support for the 2030 Agenda, as stated by Secretary-General Guterres, and the adoption by Member States of a declaration that strongly reaffirmed their commitment to its implementation, as a valid roadmap for achieving sustainable development and overcoming the multiple crises facing the world.

Commitment to the **circular economy** has increased, although the achievement of a large-scale circular transition remains a long way off; the multilateral dialogue on plastic pollution has not yet reached a final agreement, notwithstanding the willingness of all countries to continue negotiations. Current policies in European countries continue to prioritize downstream actions, such as waste management, while measures such as eco-design, circular planning and reuse continue to encounter difficulties.

Water has gained greater prominence in sustainability debates, driven by the boom in water-intensive data centres, the increasing risks of water scarcity linked to climate change, and the dependence on access to fresh water across all sectors and in food systems.

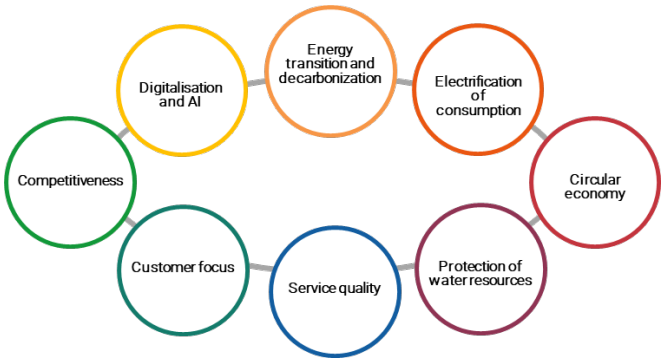
In the area of **biodiversity**, COP16 marked a step forward in mobilizing financial resources and in the goal of reducing subsidies for activities harmful to nature.

In **the financial sector**, 2025 saw the Federal Reserve and major US asset managers withdraw from certain international alliances on sustainable finance, while European authorities, including the ECB and the EBA, strengthened their commitment, supporting the central role of sustainability information and promoting guidelines and transparency on ESG risks. The year was characterised by fluctuating flows in assets under management and by the leading role of sustainable bond funds in inflows. In addition, the ESMA guidelines to combat greenwashing in ESG funds came into force.

The mandatory nature of **sustainability reporting**, guided at the European level by the CSRD and the new ESRS, has required a significant organisational and strategic effort on the part of companies, with the introduction of regulatory changes aimed at simplifying obligations and reducing overlaps with other legislation. **Regulatory developments** were at the heart of the debate, recognised as a key factor in strengthening trust between businesses and consumers and reducing the risks associated with unsustainable business models.

Analysis of the resilience of the business model and strategy

In this context, the central role of companies in promoting sustainable development is reaffirmed, through the adoption of concrete plans and actions, based on the ongoing monitoring of trends, to create shared value for the company and its stakeholders. In particular, Iren Group analyses and assesses the **main macrotrends** (shown opposite) that, in the medium- and long-term, will be decisive for its sustainable development, using them as a basis for analysing the resilience of its business model and strategy.



The resilience of the strategy is tested annually through three different risk assessments, which are closely linked to the Business Plan:

- the **quantitative assessment** measures in a timely manner the effects on Net Financial Position (NFP), EBITDA and rating ratios of approximately 55 risks that are attributable not only to the double materiality assessment but to all Group activities. This assessment makes it possible to determine resilience, while also highlighting the maximum financial stress that the Group may have to face over the Plan horizon;
- **investment assessment:** this assesses the risk associated with all the CAPEX items in the Business Plan. For each investment, both the level of execution risk and the level of mitigation of the Group's inherent risks are measured on a scale from 1 to 5, again in relation to the Plan's time horizon.
- **climate risk analysis** (see also the paragraph "Analysis of resilience to climate risks" in the chapter Meeting the challenge of climate change) assesses the impact of climate scenarios on specific assets. The mitigation investments identified by this analysis are incorporated into the Business Plan.

The analysis incorporates the findings of the assessment of material impacts, risks and opportunities (see paragraph "Double materiality assessment" in this chapter) over short-, medium- and long-term time horizons, in line with strategic planning and capital allocation plans. This enables the Group to effectively address impacts and risks and to seize relevant opportunities.

Within this framework, the Group has planned its investments, allocating a significant portion to the main sustainability issues identified (see paragraph "Resources for the transition and sustainability strategy" in this chapter), thereby enhancing consistency between its strategy, the management of impacts, risks and opportunities, and sustainable development.

Strategic Sustainability and Transition Plan

[SBM-1_23, SBM-2_08, SBM-2_09, SBM-2_11]

In 2025, the Group updated its strategy in line with the main macro-trends of the sector and the findings of the resilience analysis and sustainability scenarios described above. The strategy is outlined in the **Business Plan** to 2030, approved by the Board of Directors, which incorporates the **Sustainability and Transition Plan** with a new long-term horizon to 2040, in order to make the objectives, targets, actions and investments required to achieve them robust and tangible, taking into account the factors identified during the analysis phase.

The **strategic update** took into account the elements of discontinuity and uncertainty that are impacting the green transition in Europe, which have reduced the likelihood of developing the pathways required to achieve the targets set within the time-frame envisaged in the Business Plan approved in 2024. In particular, this uncertainty is driven by: the political and economic scenario that took shape in 2025; ongoing financial uncertainties; the slowdown in the development of infrastructure and the industrialisation of technological innovations relevant to the energy sector and the circular economy; the inconsistency between the existing administrative constraints on the development of renewable energy sources and the plans for energy independence and critical raw materials; and, finally, the reduced clarity of regulatory constraints due to repeated regulatory revisions.

The Business Plan to 2030, updated in 2025, confirms the focus on **three strategic pillars**:

- **Green transition** (decarbonization, the circular economy, and the sustainable use of energy and water resources), which takes a more targeted and resilient approach. In consideration of the altered market conditions and the authorisation duration for developing new renewable capacity, Iren has focused the investment plan on interventions that can safeguard the environment and the ecosystems in which it operates, such as implementing systems to maximise heat produced by waste-to-energy plants for district heating or building 5 new wastewater treatment plants, using natural resources in a conscious and sustainable way, and giving new life to waste by recovering materials and energy. This approach not only protects profitability, but also improves the quality of the investment portfolio and ensures growth consistent with sustainability metrics;
- the **creation of value for the local areas** translates into the development of infrastructure essential to local growth and the strengthening of the Group's local 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;
- **Service** quality, supported by the optimisation of processes to boost efficiency, the enhancement of infrastructure resilience, and the improvement of the customer experience through a widespread local presence.

These strategic pillars, which continue to represent the framework for capital allocation decisions and remain the cornerstones of the Group's development path, are interpreted, in light of the evolving competitive and regulatory dynamics, within a more focused business model (**focused multi-utility**). This involves concentrating managerial, operational and financial resources on core activities and reducing exposure to residual activities or those for which a competitive advantage has not yet been developed, in part to further enhance the Group's ability to respond to its main customer bases. The integration of the **Sustainability and Transition Plan**, with a **time horizon to 2040**, into the Business Plan and the drivers of capital allocation defines the role that the Iren Group plays in achieving sustainable development, in line with the relevant scenarios and the resilience of its business model.

The **Sustainability and Transition Plan** sets out the new medium-term (2030) and long-term (2040) targets across the **five focus areas: decarbonization, circular economy, water resources, resilient cities** and **people.**

The following is a summary of the medium- and long-term objectives and targets of Iren Group and their correlation with the categories of customers and stakeholders.

Focus area	TARGET 2030	TARGET 2040	Customers/ stakeholders	SDGs
Decarbonization				
Installed power from renewable sources	1,070 MW	1,390 MW	environment, community, institutions	
Carbon intensity of energy generation (Scope 1)	312 gCO_2/kWh	129 gCO_2/kWh	environment, business customers, community, suppliers, investors	
Certified renewable electricity purchased (Scope 2)	50%	100%	environment, community	
Reduction of Scope 3 emissions (compared to 2020) deriving from: • use of sold products (gas) • fuel and energy related activities	-17% -1%	-26% -40%	environment, community, suppliers, investors	
Energy savings from production processes	828,000 TOE	1,162,000 TOE	environment, suppliers	
Emissions avoided from waste recovery	1,654,000 tCO_2eq	2,036,000 tCO_2eq	community, institutions, environment	
Circular economy				
Sorted waste collection in legacy regions Sorted waste collection in other areas	75.5% 70.8%	80.0% 74.0%	customers, communities, institutions, suppliers, environment	
Material recovery from waste in Group facilities	1,533,000 t	1,539,000 t	communities, business customers, institutions, investors, environment	
Biomethane from biodegradable waste	31.1 million m^3	31.1 million m^3	community, institutions, environment	
Reuse of water from wastewater treatment	6.2 million m^3	20 million m^3	environment, business customers, community	
Water resources				
Wastewater treatment capacity	4,438,000 A.E.	4,438,000 A.E.	environment, business customers, community	
Water withdrawals from the environment	240 l/inhab./day	228 l/inhab./day	environment, community	
Water network leaks (legacy regions) Water network leaks (all regions)	26.5% 27.5%	22.0% 24.0%	environment, community, investors	
District subdivision of water networks (legacy regions) District subdivision of water networks (all regions)	78.9% 76.0%	89.2% 87.2%	environment, community	
Resilient cities				
District heated volumes	125 million m^3	135 million m^3	customers, users, community, environment	
Eco-vehicles on total fleet	35%	53%	environment, community	
Green electricity sold to retail clients	2,500 GWh	3,000 GWh	customers, environment	
Energy saving from Group products/services	513,000 TOE	587,000 TOE	customers, community, environment	
Group store network in local areas	304	304	customers, users	
Iren people				
Employment, development and skills enhancement New hires (cumulative from 2020) [1] Training hours per capita Employees evaluated on performance [2]	+6,740 23.8 89%	+9,400 25.0 90%	Own workforce	
Diversity & Inclusion Women in managerial roles Hires under 30 out of total hires [3]	27% ≥ 50%	30% ≥ 50%	Own workforce	
Welfare and people care Injury incidence rate Employees with corporate health care	44 100%	41 100%	Own workforce	

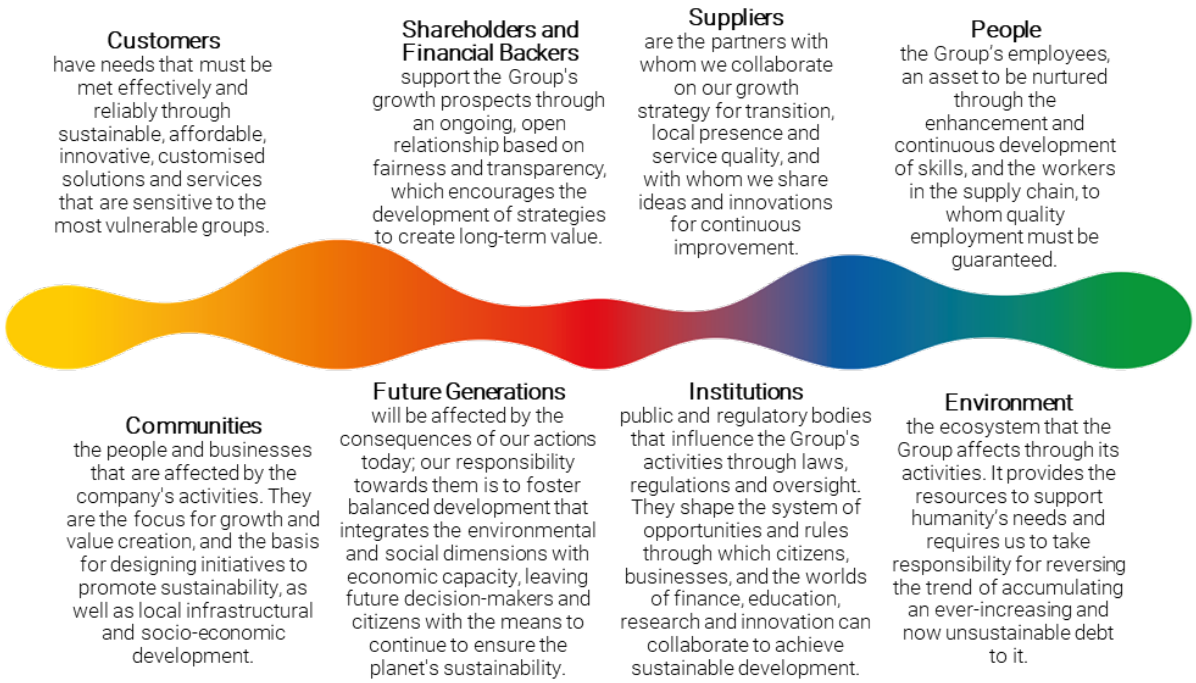
[1] Progressive growth compared to 2020; [2] Out of eligible population: Executives, Junior Managers and white-collar employees in service for more than 6 months in the year; [3] Progressive percentage on cumulative recruitment from 2020 onwards on a permanent basis and independent of contract takeovers and internalisations.

Following the presentation of the updated Business Plan, feedback from the Group's main stakeholders was generally positive, both in terms of the increased focus on activities related to essential services and the overall level of investment.

Group stakeholder engagement

[SBM-2_01, SBM-2_02, SBM-2_03, SBM-2_04, SBM-2_05, SBM-2_06, SBM-2_07, SBM-2_12]

Engagement with stakeholders plays a crucial role in managing activities and defining the Group's sustainable development strategies. Communication, together with the ability to listen and participation are the fundamental tools of the relationship between the Group and its stakeholders. Iren Group's Sustainability Policy places dialogue and collaboration with stakeholders, together with the assessment of impacts, among the fundamental prerequisites for creating shared value and sustainable development. The main categories of relevant stakeholders for the Group, identified as part of the materiality assessment process, are:



The Group has structured a **system of systematic stakeholder engagement**, through the **Iren Local Committees** (see paragraph "Creation of social value" in the chapter Sustainable development of local communities), created as a tool for dialogue, discussion and participatory planning with the stakeholders. The process of selecting the stakeholders to be represented on these Committees, as established by the Regulations approved by the Board of Directors, is structured through a bottom-up mechanism that encourages local stakeholders to express their interest, thus excluding the Group's self-referentiality in the choice of relevant interests.

The Chairperson and Deputy Chairperson of Iren are members of the Local Committees through which stakeholder involvement is organised via periodic meetings, where specific topics are addressed at the request of the stakeholders themselves or at the Group's suggestion, and via sessions where sustainability actions and initiatives for local areas and communities are co-designed, also via the use of the collaboration platform Irencollabora.it open to all stakeholders. In addition, the activities of the Iren Local Committees include projects to improve environmental and social performance, as the Committees are also a tool for gathering ideas and proposals for designing new sustainable development solutions, enhancing the experiences, knowledge and skills of local communities to create shared value and generate development for the Group and for the areas in which it operates, with the aim of creating concrete and tangible projects. The flow of information produced by the Local Committees is also a source of inspiration for the Group to adopt innovative service strategies and anticipate the needs of the local area.

As far as shareholders and **investors** are concerned, in addition to Shareholders' Meetings, involvement is structured through the Policy for Managing Dialogue with General Shareholders and Investors (published on the Group's website) approved by the Board of Directors (see paragraph "Policy for dialogue with shareholders and investors" in the chapter Business conduct).

In addition, the Group organised a **systematic involvement of suppliers** through the ESG Supply Chain project (see paragraph "ESG Supply Chain Project" in the chapter Suppliers and partners), which involves the supply chain in a path of growth on sustainability issues. As far as the involvement of Group employees is concerned, see the various initiatives described in the chapter Iren People.

In the **materiality assessment process**, which is assessed and approved by the Board of Directors, the understanding of the stakeholders' view of the impacts of the Group's activities is fundamental to guiding the sustainability strategy and reporting, making it increasingly relevant and focused on stakeholders' interests. Systematic engagement of stakeholders also stimulates the adoption of innovative initiatives, improving knowledge of strategies and the services offered.

Double materiality assessment

[SBM-3_01, SBM-3_02, SBM-3_03, SBM-3_04, SBM-3_05, SBM-3_06, SBM-3_07, SBM-3_08, SBM-3_11, SBM-3_12, IRO-1_01, IRO-1_02, IRO-1_03, IRO-1_04, IRO-1_05, IRO-1_06, IRO-1_07, IRO-1_08, IRO-1_09, IRO-1_10, IRO-1_11, IRO-1_12, IRO-1_13, IRO-1_14, IRO-1_15, IRO-2_13]

The materiality analysis is the starting point for identifying the most relevant issues for the Group and its stakeholders, for defining the issues to be addressed and explored in the Consolidated Sustainability Statement and for providing input in the definition of development strategies. For this reason, it is a constituent element of the due diligence activity.

The analysis conducted by Iren Group in 2025 has allowed for the structured identification of the impacts, risks and opportunities related to environmental, social and governance issues that are most relevant to the Group's direct operations and along the value chain, considering the three different time horizons in which they are expected to occur: short-term (< 1 year); medium-term (1 to 5 years); and long-term (over 5 years).

The analysis of the materiality of impacts and the analysis of financial materiality are interconnected, since the assessment of impacts and dependencies can reveal elements to be evaluated in terms of risks and opportunities that generate financial effects and, at the same time, the assessment of risks and opportunities elements to be useful for evaluating impacts. This integrated analysis, which is part of the Group's Enterprise Risk Management (ERM) system, is the result of a process involving all the Departments and Business Units responsible for the topics covered, as well as Top Management. The analysis, which is the responsibility of the Corporate Social Responsibility and Local Committees Department, is specifically examined by the CRSC and approved by the Board of Directors.

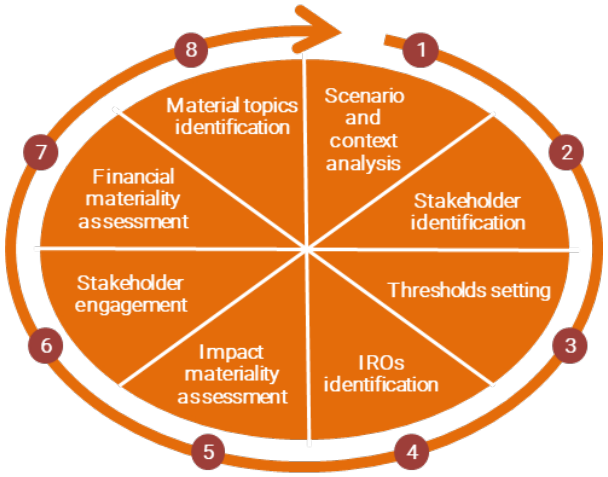
The approach adopted by Iren Group is to review the double materiality assessment annually. The analysis carried out in 2025 was further refined, particularly with regard to the assessment of impacts, risks and opportunities across the different time horizons, in order to more accurately capture their development in the short-, medium- and long-term.

The material impacts, risks and opportunities identified are taken into account in the Group's strategic planning process, which is the tool used to promptly identify any initiatives required to pursue significant opportunities and to minimise impacts and risks. The steps in the materiality assessment process are described below.

Context analysis and stakeholder identification

The value chains of all businesses managed by the Group were analysed, identifying for each segment of the chain (upstream, own operations, downstream) the inputs, activities, stakeholders involved and outputs. In the light of the analysis performed, the main stakeholder categories relevant to the Group were defined:

- consumers/customers;
- communities;
- workers;
- suppliers;
- institutions;
- shareholders and lenders;
- environment;
- future generations.



For the context analysis, various inputs were used including: corporate documents (e.g. policies, procedures, risk register, Sustainability and Transition Plan), environmental impact analyses carried out by Group Companies, interviews with key Business Unit managers, Implementation Guidance EFRAG IG 1 Materiality assessment, OECD guide on due diligence for responsible business conduct, external expert assessments contained in reports and analyses (e.g. "The Global Risk Report 2025" by the World Economic Forum; the COSO Framework "Enterprise Risk Management Applying enterprise risk management to environmental, social and governance-related risks"; "The Sustainable Development Goals Report 2025" and the "Global Sustainable Development Report" by the United Nations; "The Sustainable Development Report 2025" by the UN Sustainable Development Solutions Network – SDSN; the "Global Outlook on financing for sustainability development 2025" by the OECD; the "Political declaration" adopted by the UN High-Level Political Forum on Sustainable Development 2023; the "Seventh Assessment Report" by the IPCC, the "Global Corporate Sustainability 2025" of the OECD) in addition to the benchmark analysis conducted on peers, competitors and international industry players.

Thresholds setting

Consistent with the approach adopted by the Group's ERM system, appropriate scales for assessing impacts, risks and opportunities have been identified and thresholds have been defined to determine their materiality, considering the combination of severity and likelihood, as well as irremediable character for impacts (threshold 15, on a scale of 1 to 25).

Identification of impacts, risks and opportunities

Starting from the context analyses described above, potentially material impacts, risks and opportunities for Iren Group were identified: 74 unique risks, 24 opportunities and 38 impacts (17 negative and 21 positive) were subsequently assessed. With regard to the identification of risks and opportunities, possible links to impacts and dependencies were also considered.

Impact materiality

The assessment of the significance of impacts involved Group Managers responsible for their management and stakeholders representing the main categories identified. In particular, the following were involved: 21 managers from the 4 Business Units and 7 Staff Departments, through dedicated interviews, and 65 stakeholders from the 8 identified categories, through an online questionnaire.

The involvement of Managers enabled potentially material impacts to be shared and integrated. Each identified impact was assessed for its significance/gravity (measured through the parameters of scale, scope and irremediable character, the latter only for negative impacts) and likelihood for potential impacts only, using a 5-level scale (where 1=low and 5=very high) and without considering existing mitigation measures. In particular:

- the scale measures how severe the negative impact is or how much benefit the positive impact brings to people or the environment;
- the scope, which assesses how widespread the positive or negative impact is. In the case of environmental impacts, the scope is considered as the extent of environmental damage at the area impacted. In the case of impacts on persons, the scope is understood as the number of persons adversely affected;
- irremediable character (only with respect to negative impacts), assesses whether and to what extent negative impacts can be remedied, i.e. restoring the environment or affected persons to their original state, considering both the financial and time resources required to remedy the impact.

Likelihood also allows the materiality of potential impacts to be defined.

The evaluations expressed were consolidated through the construction of weighted averages. A significant proportion of the impacts are inherent to the Group's activities, while others are linked to its strategy (see table below).

The Group is involved in the material impacts both through its own operations and through its upstream and downstream business relationships (for more details, see the chapter "Value chain in the business model"). The effect of these impacts on people and/or the environment is examined in greater detail in relation to each material topic in the relevant sections of this report. The analysis did not reveal any geographic factors and/or business relationships that entail an increased risk of negative impacts.

The updated assessments led to the exclusion of the impact related to physical, economic and information inaccessibility to the managed services, which was found to be non-material for both stakeholders and the Group's management, while two new impacts were found to be material: the promotion of a culture of sustainability and support for issues related to sustainable development among institutions.

The material impacts that emerged from the analysis are shown in the table below, which represents for each impact the associated topic[2], the time horizons and the segments of the value chain on which they are reflected.

Impact *(connection to business model and strategy)*		Topic	Time horizon	Value chain
✓ (A)	Offering services dedicated to efficiency, energy self-production and sustainable mobility that support communities and customers to reduce their impact on climate change *(of a strategic nature)*	**Climate change**	S/M/L	Downstream
✓ (A)	Contribution to the achievement of national and international environmental/climate objectives through the Group's Sustainability and Transition Plan, reduction in the consumption of non-renewable natural and energy resources, and awareness-raising and collaboration initiatives with stakeholders *(of a strategic nature)*	**Climate change**	S/M/L	Own operations/ Downstream
✗ (A)	Generation of GHG (greenhouse gas) emissions by the Group through its activities and production processes *(related to managed activities)*	**Climate change**	S/M/L	Transversal
✗ (A)	Use of non-renewable energies, such as methane gas, in the Group's activities and production processes *(related to managed activities)*	**Climate change**	S/M/L	Upstream/Own operations

[2] All material impacts, risks and opportunities identified are subject to the disclosure requirements of the ESRS. No impacts, risks or opportunities were identified that require specific additional disclosures.

Impact *(connection to business model and strategy)*		Topic	Time horizon	Value chain
✓ (A)	Improvement in the quality of the water resources returned to the environment thanks to wastewater treatment systems (wastewater treatment plants) and constant analyses carried out *(related to managed activities and of a strategic nature)*	**Pollution**	S/M/L	Own operations/ Downstream
✗ (P)	Potential environmental impacts generated by the supply chain, also resulting from insufficient monitoring by Iren Group *(related to managed activities)*	**Pollution**	S/M	Upstream/ Downstream
✓ (A)	Contribution to the reduction of water stress, through the reuse of water resources in business processes, the reduction of water withdrawals from the environment for drinking water distribution, raising awareness among citizens on the reduction of water consumption and the possibility of reusing treated water offered by the Group *(related to managed activities and of a strategic nature)*	**Water and marine resources**	S/M/L	Transversal
✗ (A)	Potential contribution to water stress related to withdrawals/consumption in the management of production processes, including water distribution to end-users *(related to managed activities)*	**Water and marine resources**	S/M/L	Transversal
✓ (A)	Promotion/implementation of initiatives by Iren Group (green energy production, waste and wastewater treatment, urban reforestation, etc.) and/or participation in third-party initiatives to promote the protection and development of biodiversity *(related to managed activities and of a strategic nature)*	**Biodiversity and ecosystems**	S/M/L	Own operations/ Downstream
✓ (A)	Reduction of waste production and consequent improvement of environmental quality, also related to the Group's development of incentivising and efficient waste collection systems *(related to managed activities and of a strategic nature)*	**Resource use and circular economy**	S/M/L	Upstream/Own operations
✓ (A)	Contribution to the reduction of raw materials usage through the extraction of new resources from waste (recycling, material recovery and preparation for reuse) carried out by Iren Group *(related to managed activities and of a strategic nature)*	**Resource use and circular economy**	S/M/L	Upstream
✗ (P)	Potential contribution of Iren Group to resource stress arising from the use of goods and products with low content of renewable materials *(related to managed activities)*	**Resource use and circular economy**	S/M	Upstream
✓ (A)	Creation of stable, quality employment, also thanks to the constant focus on enhancing the skills of the Group's employees, contributing to social development and reducing youth unemployment *(related to managed activities and of a strategic nature)*	**Own workforce**	S/M/L	Iren' own operations
✓ (A)	Equal professional and remuneration opportunities for less represented categories and combating all forms of discrimination also through active participation in collaborative initiatives with third parties *(related to managed activities and of a strategic nature)*	**Own workforce**	S/M/L	Own operations
✓ (A)	Protecting the privacy of employees through the Company's privacy management system and the promotion of a culture of personal data protection within the Group *(related to managed activities)*	**Own workforce**	S/M/L	Own operations
✓ (A)	Reduction of work-related injuries and illnesses through continuous improvement of safety culture and health prevention within the Group *(related to managed activities and of a strategic nature)*	**Own workforce**	S/M/L	Own operations
✗ (A)	Work-related injuries and illnesses for Group employees *(related to managed activities)*	**Own workforce**	S/M/L	Own operations
✓ (A)	Promotion of a culture of sustainable growth in companies in the value chain, with positive repercussions on the socio-economic growth of the companies themselves and their workers *(related to managed activities and of a strategic nature)*	**Workers in the value chain**	S/M/L	Upstream
✗ (P)	Potential negative social impacts generated within the supply chain, also resulting from insufficient monitoring by the Group *(related to managed activities)*	**Workers in the value chain**	S/M/L	Upstream
✓ (P)	Increased value distributed to stakeholders and direct and indirect economic impacts for communities *(related to managed activities and of a strategic nature)*	**Affected communities**	S/M/L	Transversal
✓ (A)	Contribution to economic and social development and to the reduction of environmental impacts, supported by the Group's activities in the areas of efficiency of infrastructures favouring the green transition, digitisation, technological innovation, collaboration with innovative start-ups, universities, research centres and other partners *(related to managed activities and of a strategic nature)*	**Affected communities**	S/M/L	Downstream

Impact *(connection to business model and strategy)*		Topic	Time horizon	Value chain
✓ (A)	Dissemination of a sustainability culture within the communities served through the promotion of information and training initiatives *(related to managed activities and of a strategic nature)*	**Affected communities**	S/M/L	Downstream
✗ (A)	Visual impact on the local area due to the presence of Group facilities (i.e. waste-to-energy plants, wastewater treatment plants, power stations) *(related to managed activities)*	**Affected communities**	S/M/L	Downstream
✗ (A)	Potential inconveniences related to traffic, the presence of construction sites, noise pollution, the emissions of vibrations and the spread of odours resulting from the activities managed by the Group *(related to managed activities)*	**Affected communities**	S/M/L	Own operations/ Downstream
✓ (P)	Development of new products/services, projects and cultural dissemination initiatives for the sustainable use of resources, including through continuous dialogue with stakeholders *(related to managed activities and of a strategic nature)*	**Consumers and end-users**	S/M/L	Own operations/ Downstream
✓ (A)	Ensuring constant and secure access to managed services for citizens/customers, with special attention to vulnerable groups *(related to managed activities)*	**Consumers and end-users**	S/M/L	Downstream
✗ (P)	Potential uncontrolled circulation of information/data concerning citizens/customers (processing of personal data not in accordance with the law) *(related to managed activities)*	**Consumers and end-users**	B	Own operations/ Downstream
✓ (A)	Value creation fostered by ethical management, stable corporate governance, proper risk management and stakeholder engagement on integrity principles in business activities with particular regard to corruption *(related to managed activities and of a strategic nature)*	**Business conduct**	S/M/L	Transversal
✓ (A)	Information transparency on strategies and activities and systematic listening to stakeholders through Iren's Local Committees and structured and secure reporting channels *(related to managed activities and of a strategic nature)*	**Business conduct**	S/M/L	Transversal
✓ (P)	Reduction of environmental and social impacts generated by the supply chain through supplier selection, involvement and monitoring activities *(related to managed activities and of a strategic nature)*	**Business conduct**	S/M/L	Upstream/ Downstream
✓ (A)	Support for issues related to sustainable development within institutions, including through active participation in associations and collaborative networks *(of a strategic nature)*	**Business conduct**	S/M/L	Downstream
✗ (P)	Potential negative external impacts arising from regulatory violations and/or breaches of company ethics, and failure to manage risks *(related to managed activities)*	**Business conduct**	S/M	Transversal

✓ Positive impact ✗ Negative impact A = actual; (P) = potential

Stakeholder engagement

The impact materiality assessment process included consultation with stakeholders and external experts. Through an online questionnaire, evaluations of impacts (severity, scope, irremediable character) were collected from 65 stakeholders in the 8 main categories identified. It should be pointed out that some of the stakeholders involved are also industry or sustainability topic experts. The assessments were aggregated to those made by the Group's management.

Financial materiality

In the financial materiality assessment, sustainability risks and opportunities were identified that affect or could affect the Group's financial position, financial performance and cash flow, as well as access to the financial market and cost of capital. The analyses carried out on impacts were considered in order to verify possible areas of risk and opportunities related to them, as well as the dependencies revealed in the analysis of value chains. For the purpose of identifying, assessing and monitoring risks, the scales for assessing the magnitude of effects and likelihood defined in the Group's ERM model were applied (5-level scale where 1=low and 5=very high), examining the financial effects on the NFP arising from economic and/or financial damage, damage to third parties and material damage, considering the risk at the inherent level (without the planned mitigations) and its persistence in the short-, medium- and long-term.

Similarly, opportunities were assigned a value on a 1-5 scale for the magnitude of the potential financial effects (in terms of benefits) and for the likelihood of occurrence, assessed over the short-, medium- and long-term horizons.

The following were involved for the evaluation: 31 managers from the 4 Business Units and 11 Staff Departments, through dedicated interviews. Analyses conducted with management allowed the sharing and integration of potentially relevant risks and opportunities. The evaluations expressed were consolidated through the construction of weighted averages that took into account the inherent risk. Some risks and opportunities, which were deemed particularly strategic although not material from the financial point of view, were integrated among the material risks and opportunities on the basis of qualitative assessments.

In terms of risks, the assessment identified two new chronic climate risks as material in the long-term, while it led to the exclusion of a risk related to delays in the execution of works due to post-tender appeals, which was no longer considered material in relation to the new medium- and long-term time horizons.

Finally, four opportunities that were considered material in the previous reporting period were reassessed, partly in light of changing scenarios and the associated economic and financial impacts and were found to be no longer material. Specifically, these are opportunities related to changes in the policy and regulatory framework concerning support for the energy transition and corporate welfare.

The current economic and financial effects of material risks and opportunities are limited (5-10% of NFP). There are no risks or opportunities for which there is a significant risk of major corrections in the next financial year.

The following tables list the risks and opportunities found to be material, for which the associated issues, time horizons and segments of the value chain on which they are reflected are indicated.

Risks	Topic	Time horizon	Value chain
Acute physical risk related to water (drought, heavy rainfall, flooding) with significant damage/failure/malfunctioning of infrastructure, interruption or limitation of activities and reduction of hydropower generation, increased charges for interventions, disruption of supply of goods and services by strategic suppliers, soil pollution, impact on water quality/water stress, personnel health and safety criticalities	• Climate change • Own workforce • Consumers and end-users	M/L	Transversal
Acute physical risk related to solid mass (landslides, subsidence) with significant damage/failure/malfunctioning of infrastructure, interruption or limitation of activities, increased costs for interventions, disruption of supply of goods and services by strategic suppliers, personnel health and safety criticalities	• Climate change • Own workforce • Consumers and end-users	M/L	Transversal
Chronic physical risk related to temperature (change in temperature, thermal stress, temperature variability) with damage to infrastructure, lower plant efficiency, critical issues in the provision of services, variations in the demand for gas/district heating, with a consequent reduction in revenues	• Climate change • Consumers and end-users	M/L	Transversal
Acute physical risk related to temperature: heatwave, cold/frost, wildfires etc.	• Climate change	M/L	Upstream/ Own operations
Chronic physical risk related to water (changes in precipitation patterns and types, hydrological or precipitation variability, rising sea levels, water stress, saline intrusion) leading to fluctuations in the output of hydroelectric power plants, resulting in revenues reduction, unavailability of water resources to meet drinking water demand, saline intrusion phenomena, and critical issues at wastewater treatment plants	• Climate change • Consumers and end-users	L	Transversal
Chronic physical risk related to solid mass (coastal and soil erosion), resulting in damage to infrastructure, an increase in reports of leaks on the gas network from users, and issues related to the waste collection and urban hygiene service	• Climate change • Consumers and end-users	M/L	Transversal
Changing consumer needs towards energy-saving and environmentally friendly products and services (e.g. green energy)	• Climate change	L	Downstream
Decarbonisation of the thermal sector and non-achievement of renewable thermal energy targets with compensatory contribution payment	• Climate change	S/M/L	Own operations
Legal/regulatory changes related to emissions/energy efficiency/circular economy that impact the achievement of the Plan's targets and the Group's financial position (e.g. increase in costs deriving from the ETS, incentives on efficiency, reduction in cash flows from the recycling of plastic packaging, penalties deriving from stricter regulations, etc.)	• Climate change	B	Upstream/ Own operations
Risk that the Group does not exploit the leverage of technological change (e.g. investments in plants aimed at reducing emissions) and/or does not maintain the efficiency of existing infrastructures, thus not contributing to the reduction of impacts on the surrounding community and the environment, with effects on performance and competitive capacity (e.g. decrease in the market value of plants, costs of decommissioning/adaptation of plants that have become obsolete)	• Climate change • Pollution • Affected communities	B	Own operations
Risk of water, soil or air pollution and impact on the surrounding community (e.g. noise and odour pollution) from activities managed by the Group	• Pollution • Water and marine resources • Affected communities	B	Own operations/ Downstream
Disputes with public authorities, customers, consumer associations/class actions (e.g. following prolonged inefficiencies/claims for reimbursement)	• Consumers and end-users • Business conduct	S/M/L	Own operations/ Downstream

S=short-term, M=medium-term, L=long-term

Opportunities	Topic	Time horizon	Value chain
Reduced operating expenses and increased margin due to emission permit prices being lower than expected	• Climate change	M/L	Upstream
Growth in renewable power generation contributing to decarbonisation and green transition, and reduction of dependence on fossil fuels	• Climate change	L	Transversal
Changes in consumer behaviour resulting from increased sensitivity towards sustainable services/products (e.g. waste sorting, use of green/certified energy, responsible use of water resources), also thanks to environmental education and awareness-raising campaigns and programmes carried out by the Company, which can positively affect the Group's economic performance (e.g. lower costs for treating and sorting waste for recovery, acquisition of new market shares in the sale of green energy to support the green transition) and increase operational efficiency	• Climate change • Water and marine resources • Resource use and circular economy	M	Downstream
Greater efficiency in the use of resources, thanks to the adoption of innovative and technological tools with positive consequences on the Group's economic and financial performance (lower costs, higher revenues) and positive impacts on communities and reputation	• Climate change • Water and marine resources • Resource use and circular economy	L	Own operations/ Downstream
Business opportunities related to the green transition, the circular economy, local areas and technological and digital evolution (e.g. services for energy efficiency and self-production, material recovery from waste, sustainable mobility, etc.) with a consequent positive impact on communities and the environment	• Climate change • Pollution • Resource use and circular economy • Consumers and end-users	L	Transversal
Enhancement of human resources through performance appraisal and skills development programmes	• Own workforce	S/M	Own operations
Technological and process innovations, and initiatives to disseminate the culture of prevention that improve the health and safety of employees in the performance of their work activities	• Own workforce • Workers in the value chain	L	Upstream/Own operations
Promoting the inalienability of people's rights throughout the value chain	• Own workforce • Workers in the value chain	M	Transversal
Implementation of sustainable investments and initiatives that can contribute to the growth and improvement of the area in which the Group operates	• Affected communities	S/M/L	Own operations/ Downstream
Improved reputation/stakeholder loyalty and attractiveness driven by corporate strategy (including investments) and effective ESG risk management that produces value creation for the Group, stakeholders and the local area	• Business conduct	S/M/L	Own operations/ Downstream
Adherence to the Cooperative Compliance regime in the tax field	• Business conduct	S/M/L	Upstream/Own operations
Access to sustainable finance instruments	• Business conduct	S/M/L	Upstream/Own operations

S=short-term, M=medium-term, L=long-term

Identification of material topics

Based on the process described above and the thresholds defined, the material topics and sub-topics and the information to be disclosed were determined.

The double materiality assessment and identification of material topics was reviewed by the CRSC and subsequently the Board of Directors, which approved the results at its meeting on 18 December 2025.

The following table shows the topics identified, indicating their materiality in terms of impact or financial materiality and linking them to the areas of the Sustainability and Transition Plan, integrated into the Business Plan and the Group's strategic initiatives.

	Material topic (Level I)	Material topic (Level II)	Strategic plan/initiatives
ENVIRONMENT	Climate change	Climate change adaptation	Decarbonisation
		Energy	
		Climate change mitigation	
	Pollution	Water pollution	Decarbonisation Water resources
		Air pollution	
		Soil pollution	
	Water and marine resources	Water	Water resources
	Biodiversity and ecosystems	Direct impact drivers of biodiversity loss	Decarbonisation Water resources
	Use of resources and circular economy	Resource inflows, including resource use	Decarbonisation Circular economy
		Resource outflows, related to products and services	
		Waste	
SOCIAL	Own workforce	Working conditions	People
		Equal treatment and opportunities for all	
		Other work-related rights	
	Workers in the value chain	Working conditions	ESG supply chain
		Equal treatment and opportunities for all	
		Other work-related rights	
	Affected communities	Communities' economic, social and cultural rights	Decarbonisation Water resources Circular economy Resilient cities
	Consumers and end-users	Information-related impacts for consumers and/or end-users	Decarbonisation Water resources Circular economy Resilient cities
		Personal safety of consumers and/or end-users	
		Social inclusion of consumers and/or end-users	
GOVERNANCE	Business conduct	Corporate culture	Ethical governance ESG supply chain
		Protection of whistle-blowers	
		Management of relations with suppliers, including payment practices	
		Corruption and bribery	

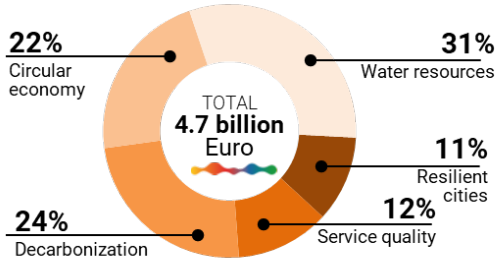
Impact materiality Financial materiality

Resources for the transition and sustainability strategy

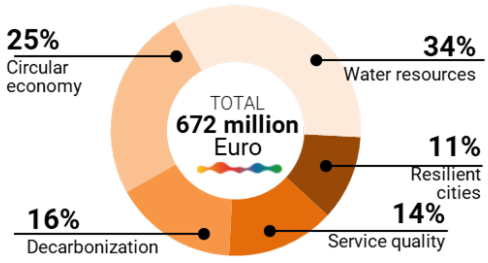
[MDR-A]

The Group has planned **investments totalling EUR 6.4 billion for the period 2025–2030**, 70% of which is earmarked for the implementation of the Sustainability and Transition Plan in its focus areas – decarbonization, circular economy, water resources, resilient cities and people – and for service quality. In addition, for the period 2031-2040, further annual investments are planned in line with the average annual amount envisaged for the period 2025-2030, thereby ensuring the continuity and implementation of transition initiatives over the long-term.

Investments for 2025–2030 for the Sustainability and Transition Plan and for service quality (B€)



2025 investments for the Sustainability and Transition Plan and for service quality (M€)



In 2025, **investments made** in the focus areas of the Sustainability and Transition Plan and in service quality amounted to 672 million euros, representing 73% of the total investments made.

Sustainable finance instruments

In addition to the objective of strengthening and maintaining a sound financial structure, the Group's financial management also involves integrating the concept of sustainability into its financial strategy. Indeed, one of the enabling levers for the achievement of the Business Plan targets is sustainable finance: the full integration of Environmental, Social and Governance (ESG) factors into the Group's strategy and operations allows investments, sustainability and financing sources to be combined and represents a driver of growth and value creation.

To support its investment strategies, the Group has over time made increasing and diversified use of numerous ESG financial instruments, which accounted for 85% of the Group's total medium-/long-term funding sources at the end of December 2025. In the Business Plan, sustainable finance is firmly established as a key element of the Group's vision and strategy.

The now consolidated use of various sustainable financial instruments, combined with the recognition of the Group's creditworthiness, guarantees the credibility of the Group's approach to finance guided by certain distinctive elements:

- Broad diversification of funding sources, both through the traditional banking system and multilateral banks – the European Investment Bank (EIB), the Council of Europe Development Bank (CEB) and other institutional investors – and through recourse to the capital markets;
- careful balance between sources and uses in order to coordinate short- and medium- to long-term instruments consistently with the composition of assets;
- proactivity in the management of financial maturities to seize all opportunities offered by the market as well as liability management operations;
- major commitment to maintaining a high creditworthiness, based on financial and equity strength;
- innovation in the use of sustainable finance instruments with strong integration of sustainability topics into the financial strategy;
- integrated management of financial and ESG risks in order to contribute, through careful and constant monitoring, to the sustainable success of the Group.

Iren Group therefore considers sustainable finance and all related instruments to be an opportunity to tangibly enhance its strategy and its commitment to sustainability, with increasing access to financial markets at competitive costs, and consequent positive effects on its economic, equity, financial and reputational situation.

To this end, the Group has adopted a Sustainable Financing Framework. This defines the guidelines for the use of sustainable financial instruments and for which a second party opinion has been issued by an external body that ensures their compliance with precise environmental criteria and certifies their alignment with the most widespread standards among issuers and market operators (Green Bond Principles and the Sustainability-linked Bond Principles of ICMA - International Capital Market Association, and Green Loan Principles and Sustainability-linked Loan Principles of LMA - Loan Market Association). The Framework complements the Green Use of Proceeds instruments with Sustainability-Linked instruments, thus expanding the portfolio available to the Group and ensuring the necessary support for the realisation of strategies in the short-term, through the use of proceeds to finance specific projects, and in the medium- to long-term, by linking financial

management to future sustainability targets integrated in the strategy. The main sustainable financial instruments in place are summarised below:

- Issuance of **six Green Bonds** and one Green Private Placement for a total of approximately EUR 3 billion, of which around EUR 2.5 billion is still outstanding.
- **Existing Sustainability-Linked loans**, the interest margin of which is linked to sustainability KPIs, amounting to EUR 400 million;
- **Outstanding Green Use of Proceeds loans** signed with multilateral entities such as the European Investment Bank (EIB) and the Council of Europe Development Bank (CEB), as well as with institutional investors such as Cassa Depositi e Prestiti (CDP), for nominal amounts totalling over EUR 1.2 billion;
- **A ceiling for the issuance of guarantees in a green format,** totalling EUR 80 million, to support any underlying transactions with sustainable characteristics, in accordance with the Sustainable Financing Framework which also includes a pricing benefit.

Iren recognises structured dialogue with stakeholders as a key element in guiding strategic decisions on sustainable finance. Ongoing dialogue with investors, banks and other financial market players enables the Group to stay abreast of key developments in the environment, share experiences and contribute to the development of responsible, long-term approaches. In this context, Iren participates in the Corporate Forum on Sustainable Finance, alongside 24 other European and UK companies that issue debt securities in a sustainable format and are committed to making a contribution to reducing greenhouse gas emissions.

Iren Senior Green Bonds Outstanding as of 31 December 2025

Senior Bonds	Iren acronym	ISIN code	Bond amount (€/000)	Amount outstanding (€/000)	Annual coupon (%)	Issue duration (years)	Issue Maturity	Price Issue (%)	Fitch/ S&P rating
Green Bond 2033	GB6	XS2906211946	500,000	500,000	3.625	8	23/09/2024 23/09/2033	99.300	BBB+ [BBB]
Green Bond 2032	GB5	XS2752472436	500,000	500,000	3.875	8	22/01/2024 22/07/2032	99.514	BBB+ [BBB]
Green Private Placement 2028	GPP1	XS2512307229	50,000	40,000	2.875	6	05/08/2022 05/08/2028	100.000	BBB+
Tap Issue Green Bond 2031	Tap GB4	XS2275029085	200,000	200,000	0.250	10	14/10/2021 17/01/2031	94.954	BBB+ [BBB]
Green Bond 2031	GB4	XS2275029085	300,000	300,000	0.250	10	17/12/2020 17/01/2031	99.030	BBB+ [BBB]
Green Bond 2029	GB3	XS2065601937	500,000	500,000	0.875	10	14/10/2019 14/10/2029	99.345	BBB+ [BBB]
Green Bond 2027	GB1	XS1704789590	500,000	500,000	1.500	10	24/10/2017 24/10/2027	98.356	BBB+ [BBB]
Total			2,550,000	2,540,000					

Allocation of Green Bond funds

In line with the Sustainable Financing Framework, the net proceeds from the Green Bonds issued are used to finance and/or refinance, in whole or in part, a list of sustainable projects and activities based on the criteria set out in the ICMA Green Bond Principles, which Iren Group has adopted.

The allocation of net proceeds for all green instruments takes place in accordance with the time-frame established in the Framework, i.e. within 24 months of issuance, which is the most common market practice.

All projects to which the proceeds have been allocated are confirmed and present in the Group's assets as at 31 December 2025.

The following table shows the progress of the allocation for each Green Bond outstanding based on the categories identified in the Sustainable Financing Framework, in which the various projects and financed activities are grouped. It should be noted that, in 2025, in accordance with the time-frame set out in the Framework, the allocation of the proceeds from the two issues (Green Bond 5 and Green Bond 6) made in 2024, totalling 1 billion euro, was completed. The selected projects constitute sustainable investments, in line with the Framework, and have been validated by an external certifier through the issuance of a second-party opinion. For more details on the allocation process and the selected projects, please refer to the Green Bond Report on the gruppoiren.it website (Investors > Debt Management > Sustainable Finance > Green Bond Report).

Income from green bonds allocated as at 31/12/2025 [1] [2]

	Green Bond 2033 (GB6)		Green Bond 2032 (GB5)		Green Private Placement 2028 (GPP1)		Tap Green Bond 2031 (Tap GB4)	
	Invest. (€/000)	Proj. (no.)	Invest. (€/000)	Proj. (no.)	Invest. (€/000)	Proj. (no.)	Invest. (€/000)	Proj. (no.)
Energy efficiency	49,100	2	74,760	3	-		106,059	9
Renewable energy	184,200	2	124,110	2	40,000	1	-	
Sustainable management of water and wastewater	46,100	1	140,914	2	-		38,105	2
Circular Economy	217,100	4	157,817	5	-		43,238	4
Sustainable mobility	-	-	-	-	-	-	2,505	1
Total allocated	496,500	9	497,600	12	40,000	1	189,908	16
Issue discount	3,500		2,400		-		10,092	
Total issue	500,000	9	500,000	12	40,000	1	200,000	16

	Green Bond 2031 (GB4)		Green Bond 2029 (GB3)		Green Bond 2027 (GB1)	
	Invest. (€/000)	Proj. (no.)	Invest. (€/000)	Proj. (no.)	Invest. (€/000)	Proj. (no.)
Energy efficiency	202,298	8	387,503	11	361,985	10
Renewable energy	28,489	3	4,263	1	31,553	3
Sustainable management of water and wastewater	8,394	3	66,273	5	56,119	4
Circular Economy	57,909	6	35,388	3	42,124	1
Sustainable mobility	-	-	3,298	1	-	-
Total allocated	297,090	20	496,725	21	491,780	18
Issue discount	2,910		3,275		8,220	
Total issue	300,000	20	500,000	21	500,000	18

[1] The 97 projects indicated in the table include projects common to the issues of Green Bonds and Green Private Placements for different years; excluding these projects, the total is 54.
[2] The Green Bond 2025 (GB2) was repaid in full on its maturity date of 19 September 2025; therefore, compared to the previous year, no data are reported. With regard to the Green Private Placement 2028 (GPP1), the original nominal amount of EUR 50 million was reduced as a result of a Liability Management transaction carried out in 2024.

The positive environmental impacts generated by projects financed through Green Bonds are monitored using specific sustainability indicators, which can be found at gruppoiren.it (Investors > Debt Management > Sustainable Finance). Further information on Green Bonds and the projects they finance can also be found there.

List of disclosure requirements included in consolidated sustainability statement

[IRO-2_01] [IRO-2_02]

Disclosure requirements		Page /(Notes) /DP incorporated by ref.	Information from other EU legislative acts	Reference page
ESRS 2- General disclosures				
BP-1	General basis for preparation of sustainability statements	109		
BP-2	Disclosures in relation to specific circumstances	109		
GOV-1	The role of the administrative, management and supervisory bodies	110-117	Gender diversity in Boards of Directors, paragraph 21(d) **Sustainable Finance Disclosure Regulation (SFDR)** Annex I, Table 1, Indicator no. 13 **Benchmarking Regulation** - Commission Delegated Regulation (EU) 2020/1816, Annex II	110
			% independent Board members, paragraph 21(e) **Benchmarking Regulation** - Commission Delegated Regulation (EU) 2020/1816, Annex II	110
GOV-2	Information provided to and sustainability matters addressed by the undertaking's administrative, management and supervisory bodies	117-120		
GOV-3	Integration of sustainability-related performance in incentive schemes	123-124		
GOV-4	Statement on due diligence	126	Statement on due diligence, paragraph 30 **SFDR** - Annex I, Table 3, Indicator no. 10	126
GOV-5	Risk management and internal controls over sustainability reporting	120-121		
SBM-1	Strategy, business model and value chain	127-129, 131-135 (SBM-1_01, SBM-1_02 in the Directors' Report, page 13)	Involvement in activities related to the fossil fuel sector, paragraph 40(d)_i **SFDR** Annex I, Table 1, Indicator no. 4 **Pillar 3** - Art. 449 bis Regulation (EU) 575/2013, Implementing Regulation (EU) 2022/2453, Table 1 - Qualitative Information on Environmental Risk and Table 2 - Qualitative Information on Social Risk **Benchmarking Regulation** - Commission Delegated Regulation (EU) 2020/1816, Annex II	129
			Involvement in activities related to the production of chemicals, paragraph 40(d_ii) **SFDR** Annex I, Table 1, Indicator no. 9 **Benchmarking Regulation** - Commission Delegated Regulation (EU) 2020/1816, Annex II	129
			Involvement in controversial weapons-related activities, paragraph 40(d)_iii **SFDR** Annex I, Table 1, Indicator no. 14 **Benchmarking Regulation** - Art. 12, paragraph 1, Commission Delegated Regulation (EU) 2020/1818 and Commission Delegated Regulation (EU) 2020/1816, Annex II	129
			Involvement in activities related to tobacco cultivation and production, paragraph 40(d)_iv **Benchmarking Regulation** - Art. 12, paragraph 1, Commission Delegated Regulation (EU) 2020/1818 and Commission Delegated Regulation (EU) 2020/1816, Annex II	129
SBM-2	Interests and views of stakeholders	131, 133-136		
SBM-3	Material impacts, risks and opportunities and their interaction with strategy and business model	133, 136-142 (SBM-3_09 phase-in)		
IRO-1	Description of the processes to identify and assess material impacts, risks and opportunities	119-120, 136-142		
IRO-2	Disclosure requirements in ESRS covered by the undertaking's sustainability statement	136-142, 146-152		

Disclosure requirements		Page /(Notes) /DP incorporated by ref.	Information from other EU legislative acts	Reference page
ESRS E1 - Climate change				
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Green transition

2

2.2.2

European Taxonomy

[DISCLOSURE PURSUANT TO ARTICLE 8 OF REGULATION (EU) 2020/852]

As part of the Action Plan for Sustainable Finance, the European Commission has defined the Taxonomy (Regulation (EU) 2020/852), a single system of classification of economic activities that defines the criteria for assessing environmental sustainability, encouraging companies to make their models more environmentally sustainable, implementing investments in this direction, and to provide disclosure of information related to the environment and climate. The Taxonomy identifies **six environmental objectives** to identify sustainable economic activities:

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

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

- contribute substantially to at least one of the six environmental objectives by meeting activity-specific technical screening criteria;
- Do Not Significant Harm (DNSH) to the remaining environmental objectives;
- comply with the minimum safeguards set out in the Organisation for Economic Cooperation and Development (OECD) Guidelines for Multinational Enterprises[3] and the UN Guiding Principles on Business and Rights[4].

A **Taxonomy-eligible economic activity** is one included in the Delegated Acts (EU 2021/2139, EU 2022/1214, EU 2023/2485 and EU 2023/2486), irrespective of whether it meets the technical criteria established for it. Taxonomy-eligible economic activities, therefore, constitute the set of activities that have the potential to align with the technical screening criteria.

A **Taxonomy-non-eligible economic activity** is one that is not included in the Delegated Acts. It is important to note that Taxonomy-non-eligible, and therefore excluded, activities include those deemed not to produce significant impacts on the environmental objectives considered by the Taxonomy. For example, one of these is the sale of electricity to end customers, which, according to Iren Group's evaluations, could contribute significantly to the climate change mitigation in a logic of progressive electrification of consumption, oriented towards the marketing of electricity produced 100% from renewable sources.

In 2021, the EU Delegated Regulation (2021/2139) – the Climate Delegated Act – came into force, which defines the technical criteria for the first two objectives (climate change mitigation and adaptation), integrated on 15 July 2022 by the Complementary Delegated Act (Commission Delegated Regulation (EU) 2022/1214), which includes gas and nuclear power generation in the Taxonomy. On 27 June 2023, the following were published in the Official Journal:

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

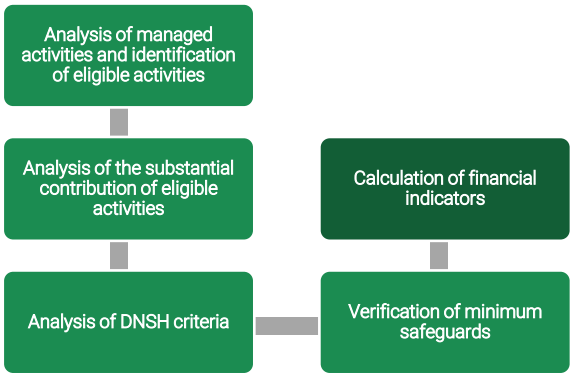
Companies obliged to publish Sustainability Statements under the Corporate Sustainability Reporting Directive (CSRD) must report three indicators (KPIs): turnover, operating expenditure (OpEx) and capital expenditure (CapEx), related to the activities covered by the Taxonomy.

In 2025, the European Commission launched a series of initiatives aimed at simplifying the application of the Taxonomy for companies, which culminated in Delegated Regulation (EU) 2026/73, published on 8 January 2026, amending Delegated Regulation (EU) 2021/2178 and the Climate and Environment Delegated Acts, and introducing simplification measures with regard to the content and presentation of KPIs and certain DNSH criteria. In view of the timing of the new regulation, the Group has deemed it appropriate to make use of the option, provided for in the same regulation, to postpone the application of the simplification rules until the next financial year.

[3] OECD Guidelines for Multinational Enterprises - aimed at multinational enterprises operating in OECD member countries - provide non-binding principles and standards for responsible business conduct based on applicable laws and internationally recognised standards.
[4] United Nations Guiding Principles on Business and Human Rights (UNGPs) are a tool, consisting of 31 principles, that implement the United Nations' "Protect, Respect and Remedy" framework for human rights in business.

To implement the European Taxonomy in the monitoring and reporting system, Iren Group has structured a process and an inter-departmental working group (Business Unit, Corporate Social Responsibility and Local Committees, Management Control, Regulatory Affairs, Corporate Affairs, Sustainable Finance and IT Systems) that carried out the analysis of all the activities managed, verifying their consistency with the requirements established by the Regulation, in the extension currently in force. The analyses were also extended to Group Companies that entered the scope of consolidation in 2025.

The activity analysis process adopted is set out as outlined on the side.



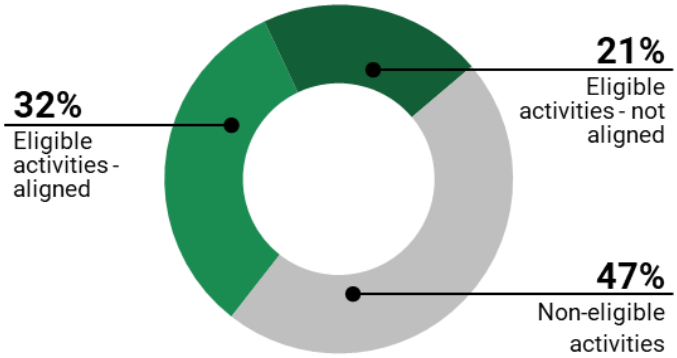
Alignment of Iren Group's activities to the Taxonomy

The portions of Taxonomy-aligned, Taxonomy-non-aligned and Taxonomy-non-eligible activities related to the three KPIs required by the Taxonomy are depicted below. More detailed information on aligned, non-aligned and non-eligible activities, as well as on the criteria for calculating their share of revenue, operating expenditure (OpEx) and capital expenditure (CapEx), can be found in paragraph "Assessment of eligibility and alignment" in this chapter.

Turnover (revenue)

The total revenue assumed for the definition of the indicator (denominator) are those reported in the Consolidated Financial Statements, in accordance with International Financial Reporting Standards.

In 2025, the share of **revenue from Taxonomy-eligible activities is 53%**, of which **32%** (approximately 2,110 million Euro) **is aligned with Taxonomy objectives**, and mainly relates to hydroelectric power generation, sorted waste collection activities, water collection, treatment and supply systems, wastewater collection and treatment systems, the installation of energy efficiency devices, and electricity distribution.

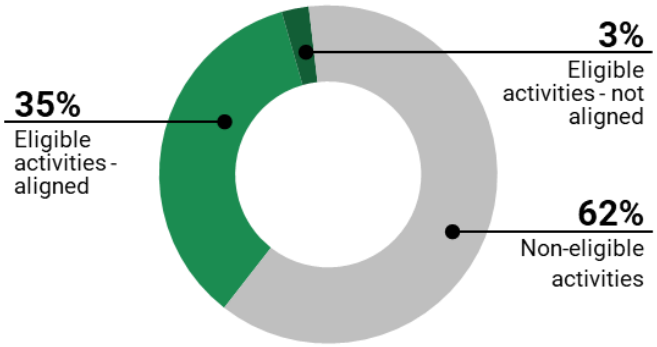


It should be pointed out that Taxonomy does not consider eligible activities that are of considerable importance for the Group, such as the sale of electricity and gas (around 38% of total revenue), which could, in fact, have a positive impact on climate change mitigation if geared towards the marketing of electricity from renewable sources or low-carbon gas. By sterilising this effect, the share of revenue related to eligible activities would be about 90%.

Operating expenses (OpEx)

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

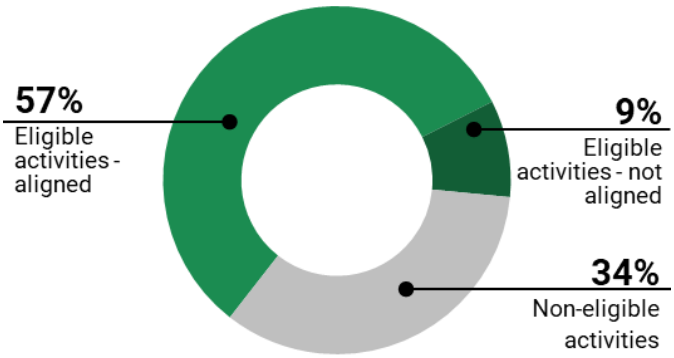
38% of 2025 OpEx relates to Taxonomy-eligible activities, of which **35%,** or approximately 685 million Euro, **is aligned with Taxonomy objectives**. This expenditure mainly relates to the recovery of materials from waste, separate waste collection, water collection, treatment and supply, wastewater collection and treatment, installation of energy efficiency devices and the distribution of electricity.



Capital expenditure (CapEx)

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

66% of 2025 CapEx relates to Taxonomy-eligible activities, of which 57%, or 751 million Euro**, is aligned with taxonomy objectives.** The largest share concerns investments in water collection, treatment and supply systems, wastewater collection and treatment systems, the development of district heating and electricity distribution networks, the collection and transport of sorted waste and photovoltaic power generation.



The increase in revenue (+9% compared to 2024), which also reflects the expansion of the consolidation scope due to the consolidation of the Egea Holding Group, maintains a distribution between aligned, eligible non-aligned and non-eligible activities similar to that of 2024, despite the fact that the change in the consolidation scope has led to a significant increase in revenue from cogeneration, conventional thermal generation and the sale of electricity and gas. In addition, there was the impact of the reduction in hydropower generation due to the lower water availability recorded during the year.

The trend in revenue is reflected in the distribution of operating expenses, which increased by 11% compared to the previous year.

Investments (CapEx), which increased significantly compared to 2024 (+38%), show a higher distribution across eligible activities (+ three percentage points), with an increase in the share of non-aligned activities mainly due to investments in the district heating sector acquired through the Egea Holding Group. The overall increase in capital expenditure confirms alignment with the Group's Sustainability and Transition Plan (see paragraph "Sustainability and Transition Plan" in the chapter Strategy for sustainable development).

Assessment of eligibility and alignment

In order to identify, among the eligible activities, those aligned with the Taxonomy, the technical screening criteria that determine the substantial contribution to the six Taxonomy objectives were analysed in depth for each Iren Group activity. Given the diversified nature of the sectors in which the Group operates, some activities may be eligible for more than one objective of the European Taxonomy with total or significant overlap (identical or comparable technical and DNSH screening criteria). For these cases, to avoid double counting, an unambiguous allocation of the activity was chosen according to the taxonomy objective to which it contributes most. These choices are described in this section and are reflected in the detailed KPI tables. Once again, for the year 2025, no activities specifically aimed at making a substantial contribution to **climate adaptation** and to the **protection and restoration of biodiversity and ecosystems** have been identified.

For the **CCM** objective, the analysis was carried out on the following activities:

- **power generation from renewable sources and storage**
  - **electricity generation from hydroelectric energy (4.5)**: the Group's power generation plants have a power density of more than 5W/m^2 or are run-of-river plants, and thus meet the technical screening criteria;
  - **electricity generation using photovoltaic solar technology (4.1), wind power (4.3), electricity (4.10) and thermal energy storage systems (4.11)**: there are no specific technical screening criteria, as the activities in themselves contribute to climate change mitigation;
  - **heat/cool generation from solar thermal (4.21) and bioenergy (4.24):** the Group's power generation plants meet the criteria and are aligned;
  - **electricity production from bioenergy (4.8):** two of the Group's generation plants meet the applicable criteria and are aligned;
- **power generation from gaseous fossil fuels**
  - **high-efficiency cogeneration of heat and power from gaseous fossil fuels (4.30), generation of electricity from gaseous fossil fuels (4.29), and generation of heat/cooling from gaseous fossil fuels in an efficient district heating system (4.31)**: these activities are eligible but not aligned as they do not meet the requirements for substantial contribution under the Complementary Delegated Act on gas and nuclear power;

- energy networks
  - electricity distribution networks (4.9): the network operated by Iren Group is part of the interconnected European system and, therefore, complies with the required technical screening criteria;
  - renewable and low-carbon gas distribution networks (4.14): network upgrading activities to enable the integration of hydrogen and other low-carbon emission gases into the gas distribution network are considered aligned, including activities to increase the mixture of hydrogen or other low-carbon gases in the gas system, as well as leakage detection and network repair activities to reduce methane leakage;
  - district heating distribution (4.15): 95% of the network operated by the Group meets the definition of an efficient district heating system required by the regulations;
- integrated water service
  - construction, expansion and management of water collection, treatment and supply systems (5.1): the activity is partially aligned in that energy consumption for extraction and treatment is equal to or less than 0.5 kWh per cubic metre of water ready to be supplied in 94% of the territorial systems managed by Iren Group;
  - construction, expansion and management of wastewater collection and treatment systems (5.3): the ratio of energy consumption to population equivalents served by each plant managed by the Group was analysed; the activity is partially aligned, as some plants, particularly those built in orographically unfavourable contexts, require the adoption of more energy-intensive technologies to ensure maximum efficiency of wastewater treatment. These plants, with the exception of one, are also aligned with the WTR activity 2.2 in which they were included;
- waste collection and treatment
  - collection and transport of non-hazardous waste in fractions separated at source (5.5): no specific technical screening criteria, the activity in itself contributes to climate change mitigation;
  - anaerobic digestion of organic waste (5.7) and composting of organic waste (5.8): Iren Group's plants comply with all the technical screening criteria and thresholds required by the regulations;
  - recovery of materials from non-hazardous waste (5.9): the flows of all Iren Group's plants were analysed; the activity is partially aligned as only some plants comply with the technical screening criterion related to the percentage of conversion of sorted waste treated into secondary raw materials;
  - closed landfills with biogas generation (5.10): the activity is aligned as the permanently closed landfills managed by the Group capture biogas for power generation and have procedures for controlling and monitoring emissions and methane leakage aligned with regulations;
- e-mobility (services within the Group and activities towards third parties): the activities managed by the Group concerning e-mobility in terms of management of transport and personal mobility devices (6.4), public (6.15) and own charging infrastructures (7.4) comply with the technical screening criteria; transport using cars and light commercial vehicles (6.5) is aligned for the share of vehicles that comply with the technical screening criteria;
- energy efficiency (in-house services and third-party activities): in this area, professional and technical activities (9.3), devices for the improvement and management of the energy efficiency of buildings (7.3) (7.5) and renewable energy technologies (7.6) comply with the technical screening criteria;
- real estate: the renovation of existing buildings (7.2) meets the technical screening criteria;
- other internal services: the management of the Company's data centres (8.1) is eligible but not aligned for 2025 too.

For the objective sustainable use and protection of water and marine resources (WTR), the analysis was carried out on the following activities:

- integrated water service:
  - manufacture and installation (and related services) of leakage control technologies (1.1): the activity is aligned, although for the purpose of KPI calculation it is only included in CCM activity 5.1;
  - water supply (2.1): the activity is eligible and overlaps with CCM activity 5.1 in which it has been included for KPI calculation purposes;
  - urban wastewater treatment (2.2): the activity is fully aligned with the Taxonomic criteria and overlaps with CCM activity 5.3. For the purpose of calculating KPIs, plants not included in the climate change mitigation objective were included in this activity.

For the objective of transition to a circular economy (CE), the analysis was carried out on the following activities:

- production of alternative water resources for purposes other than human consumption (2.2): the activity is aligned for a wastewater treatment plant where the water resource is recovered and used for irrigation purposes. This wastewater treatment plant is also aligned with activity WTR 2.2 and activity CCM 5.3, and is included in the latter for KPI calculation purposes;
- waste collection and treatment:
  - collection and transport of non-hazardous and hazardous waste (2.3): the activity is partially aligned and covers the perimeter of CCM 5.5 and PPC 2.1 activities. For the calculation of KPIs in this activity (CE 2.3), only waste transfer stations and hazardous waste collection not included elsewhere were considered;
  - recovery of organic waste through anaerobic digestion or composting (2.5): the activity is aligned with and includes the same plants analysed for CCM 5.7 and CCM 5.8, which were included for KPI calculation purposes;
  - depollution and dismantling of end-of-life products (2.6): the activity is aligned for two Electrical and Electronic Equipment (WEEE) waste treatment plants;
  - sorting and material recovery of non-hazardous waste (2.7): the activity overlaps with CCM activity 5.9; on the basis of the flow analysis, the activity is partially aligned as only some plants meet the technical screening criterion related to the percentage of conversion of treated waste into secondary raw materials; for the purpose of KPI calculation, these plants were considered in the climate change mitigation objective;

- **renovation of existing buildings (3.2):** the activity overlaps with CCM activity 7.2 and is not aligned with the technical screening criteria;
- **provision of Information Technology and Operational Technology (IT/OT) data-driven solutions (4.1):** the activity is aligned and mainly concerns the installation of OT sensors for the purpose of predictive maintenance on gas and water distribution networks.

Finally, for the **Pollution Prevention and Control (PPC)** objective, the analysis was carried out on the following activities:

- **collection and transport of hazardous waste (2.1)**: the activity is aligned and overlapping with CE activity 2.3 for the part concerning hazardous waste; for the purpose of KPI calculation, only transfer stations not included in CE activity 2.3 were considered in this activity;
- **treatment of hazardous waste (2.2)**: the activity is not aligned;
- **remediation of contaminated sites and areas (2.4)**: the activity is aligned with the required technical screening criteria.

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

DNSH (Do No Significant Harm) criteria

DNSH was verified for all activities considered aligned to technical screening criteria in order to assess that they do not cause significant harm to the other targets identified by the Taxonomy:

- **climate change adaptation:** in 2025, the Group updated its analysis aimed at verifying the DNSH criterion for the climate change adaptation objective. This criterion requires that an assessment of physical climatic risks (acute and chronic) is carried out for each activity and that an adaptation plan is implemented that presents possible solutions in the event of significant risk exposure. To this end, for the activities/assets managed by the Group, grouped into clusters on the basis of geographical and/or technological criteria, the material risk factors were identified, in the current and future scenarios with a time horizon of 2050, and an adaptation plan was defined, where necessary. The climate variables and qualitative information used to assess the 2050 scenario were taken from literature sources and public databases (e.g. Copernicus, World Resources Institute (WRI) Aqueduct);
- **sustainable use and protection of water and marine resources**: a risk assessment is required for all activities that interact with the water resource to preserve water quality and prevent water stress, as required by the Water Directive and water management plans. Management procedures were then identified and compliance with regulations, authorisations, any water management plans or other regional regulations and, where required, the presence of an Environmental Impact Assessment was verified;
- **transition to a circular economy:** where relevant, it has been verified that a plan exists to manage waste generated by activities in accordance with the waste hierarchy, the EU waste management protocol and the requirements for purchased services or products;
- **pollution prevention and control:** compliance with the required criteria, specific to each activity, was verified;
- **protection and restoration of biodiversity and ecosystems:** for all activities carried out near or in sites located in areas sensitive from a biodiversity point of view (including the Natura 2000 network of protected areas, UNESCO World Heritage Sites and Key Biodiversity Areas, as well as other protected areas), verification has been made that the criteria laid down in any authorisation requirements are met and, where applicable, that an Environmental Impact Assessment is in place.

Compliance with minimum safeguards

With regard to compliance with the minimum safeguards, the Group has verified the adequacy of its management system and procedures in place with respect to the four core areas provided for by European Taxonomy: human rights, including workers' and consumers' rights; extortion/corruption; taxation; fair competition.

The Group's Code of Ethics and Sustainability Policy (see paragraph "Governance policies and tools" in the chapter Iren Group governance) outline the benchmark principles and commitments for the protection of human rights (see paragraphs "Policies" in the chapter Iren people, "Policies for sustainable supply chain management" in the chapter Suppliers and partners and "Customer policies" in the chapter Customer orientation), respect for and protection of the market and competition, the adoption of conduct to counter corruption in the management of business relations by all the people who work for and with the Group, compliance with regulations and requirements in the tax and fiscal field.

These principles - in line with the provisions of the OECD Guidelines for Multinational Enterprises, the United Nations Guiding Principles on Business and Human Rights and the Fundamental Conventions of the International Labour Organisation - are also reflected in Model 231 adopted by the Group (see paragraph "Organisation and Management Model Legislative Decree No. 231/01" in the chapter Business conduct) aimed at preventing the commission of the offences provided for under Legislative Decree no. 231/2001, including bribery and extortion.

The Group has also adopted a tax strategy inspired by principles of honesty, fairness and compliance, characterised by traceability and segregation of roles (see paragraph "Fiscal strategy" in the chapter Business conduct).

The Internal Control and Risk Management System (ICRMS) is a further tool designed to ensure compliance with the minimum safeguards (see paragraph "Internal Control and Risk Management System" in the chapter Iren Group governance).

The set of policies, procedures and management systems covers the entire scope of the Group's activities and is fully aligned with the requirements of the Taxonomy.

Analytical tables

Methodology for calculating metrics

The criteria adopted for the calculation of KPIs are as follows:

- turnover (revenue) - the share (%) is calculated as the ratio of the volume of net revenue associated with the Taxonomy-aligned economic activities (numerator) to total net revenue (in accordance with International Financial Reporting Standards (IFRS) 1(82)(a) (denominator); Revenue from the construction and expansion of infrastructure related to service concession arrangements (International Financial Reporting Interpretations Committee (IFRIC) 12), mainly related to integrated water services, are included in both the denominator and numerator when these activities are Taxonomy-aligned;
- operating expenses (OpEx) - the share (%) is calculated as the ratio between the proportion of operating expenses related to Taxonomy-eligible activities - including training and other human resources adaptation needs, as well as non-capitalised direct costs of research and development - (numerator) and non-capitalised direct costs related to research and development, non-capitalised leases, building renovation measures, short-term rental, maintenance and repair, as well as any other direct costs associated with the day-to-day maintenance of property, plant and equipment, either by the Company or by third parties to whom these tasks are outsourced, that are necessary to ensure the continuous and effective operation of these assets (denominator);
- capital expenditures (CapEx) - the proportion (%) is calculated as the ratio of the proportion of capital expenditures related to assets aligned to taxonomy (numerator) and additions to property, plant and equipment and intangible assets during the year considered before depreciation, amortisation, impairment losses, and any reversals of impairment losses, including those resulting from restatements and reductions in value, for that year, and excluding changes in fair value (denominator). The denominator also includes increases to property, plant and equipment and intangible assets resulting from business combinations. Specifically, capital expenditures include costs accounted for on the basis of international accounting standards: IAS 16 "Property, Plant and Equipment", point 73(e), sub-paragraphs i) and iii); IAS 38 "Intangible Assets", point 118(e), sub-paragraph i); IAS 40 "Investment Property", point 76(a) and point 79(d), sub-paragraphs i) and ii); IFRS 16 "Leases", point 53(h).

The amounts analysed refer only to items with third parties; therefore, items between Group Companies are excluded, in order to avoid double counting in the calculation of KPIs.

TURNOVER (REVENUE) TEMPLATE

				Substantial contribution criteria						DNSH Criteria								
Economic activities	Code	Turnover	Proportion of turnover, year N	Climate change mitigation	Climate change adaptation	Water and marine resources	Circular economy	Pollution	Biodiversity and ecosystems	Climate change mitigation	Climate change adaptation	Water and marine resources	Circular economy	Pollution	Biodiversity and ecosystems	Minimum safeguards	Taxonomy-aligned or eligible proportion of turnover, year N-1	Category (enabling activity)	Category (transition activity)
		Thousands (€)	%	Yes; No; N/EL	Yes; No; N/EL	Yes; No; N/EL	Yes; No; N/EL	Yes; No; N/EL	Yes; No; N/EL	Yes/ No	Yes/ No	Yes/ No	Yes/ No	Yes/ No	Yes/ No	Yes/ No	%	E	T
A. TAXONOMY-ELIGIBLE ACTIVITIES (A.1 + A.2) [1]																			
A.1. Environmentally sustainable activities (Taxonomy-aligned)																			
Photovoltaic	CCM 4.1	28,308	0.4%	Yes	No	N/EL	N/EL	N/EL	N/EL		Yes		Yes		Yes	Yes	0.6%		
Wind power	CCM 4.3	2,022	0.0%	Yes	No	N/EL	N/EL	N/EL	N/EL		Yes	Yes	Yes		Yes	Yes	0.0%		
Hydropower	CCM 4.5	175,536	2.7%	Yes	No	N/EL	N/EL	N/EL	N/EL		Yes	Yes			Yes	Yes	3.4%		
Electricity generation from bioenergy	CCM 4.8	1,461	0.0%	Yes	No	N/EL	N/EL	N/EL	N/EL		Yes	Yes		Yes	Yes	Yes	-		
Electricity distribution	CCM 4.9	168,334	2.6%	Yes	No	N/EL	N/EL	N/EL	N/EL		Yes		Yes	Yes	Yes	Yes	2.6%	E	
Low-carbon emission gas distribution [2]	CCM 4.14	12,293	0.2%	Yes	No	N/EL	N/EL	N/EL	N/EL		Yes	Yes		Yes	Yes	Yes	0.4%		
District heating	CCM 4.15	83,291	1.3%	Yes	No	N/EL	N/EL	N/EL	N/EL		Yes	Yes		Yes	Yes	Yes	1.3%		
Biomass	CCM 4.24	66	0.0%	Yes	No	N/EL	N/EL	N/EL	N/EL		Yes	Yes		Yes	Yes	Yes	-		
Water distribution	CCM 5.1	495,074	7.5%	Yes	No	No	N/EL	N/EL	N/EL		Yes	Yes			Yes	Yes	7.9%		
Wastewater collection and treatment	CCM 5.3	175,239	2.7%	Yes	No	Yes	N/EL	N/EL	N/EL		Yes	Yes		Yes	Yes	Yes	3.1%		
Collection and transport of non-hazardous waste [3]	CCM 5.5	370,400	5.6%	Yes	No	N/EL	Yes	N/EL	N/EL		Yes		Yes			Yes	5.7%		
Anaerobic digestion	CCM 5.7	68,747	1.0%	Yes	No	N/EL	Yes	N/EL	N/EL		Yes	Yes		Yes	Yes	Yes	0.7%		
Composting	CCM 5.8	4,406	0.1%	Yes	No	N/EL	Yes	N/EL	N/EL		Yes			Yes	Yes	Yes	0.1%		
Material recovery from waste	CCM 5.9	57,326	0.9%	Yes	No	N/EL	Yes	N/EL	N/EL		Yes				Yes	Yes	1.0%		
Closed landfills with biogas production	CCM 5.10	5,134	0.1%	Yes	No	N/EL	N/EL	N/EL	N/EL		Yes			Yes	Yes	Yes	0.1%		
Personal mobility devices	CCM 6.4	333	0.0%	Yes	No	N/EL	N/EL	N/EL	N/EL		Yes		Yes			Yes	0.0%		
Company fleet	CCM 6.5	489	0.0%	Yes	No	N/EL	N/EL	N/EL	N/EL		Yes		Yes	Yes		Yes	-		T
Public electric charging columns	CCM 6.15	567	0.0%	Yes	No	N/EL	N/EL	N/EL	N/EL		Yes	Yes	Yes	Yes	Yes	Yes	0.0%	E	
Energy efficiency devices	CCM 7.3	199,013	3.0%	Yes	No	N/EL	N/EL	N/EL	N/EL		Yes			Yes		Yes	2.6%	E	
Electric charging columns at company premises	CCM 7.4	494	0.0%	Yes	No	N/EL	N/EL	N/EL	N/EL		Yes					Yes	0.0%	E	
Performance measurement, regulation and control devices	CCM 7.5	28,416	0.4%	Yes	No	N/EL	N/EL	N/EL	N/EL		Yes					Yes	0.5%	E	
Renewable energy technologies	CCM 7.6	9,779	0.1%	Yes	No	N/EL	N/EL	N/EL	N/EL		Yes					Yes	0.1%	E	
Professional services for energy performance of buildings	CCM 9.3	20,892	0.3%	Yes	No	N/EL	N/EL	N/EL	N/EL		Yes					Yes	0.4%	E	
Wastewater treatment	WTR 2.2	128,401	2.0%	Yes	No	Yes	N/EL	N/EL	N/EL	Yes	Yes			Yes	Yes	Yes	1.2%		
Collection and transport of non-hazardous and hazardous waste	CE 2.3	17,757	0.3%	Yes	No	N/EL	Yes	Yes	N/EL		Yes	Yes		Yes		Yes	0.4%		
Decontamination and dismantling of end-of-life products	CE 2.6	2,649	0.0%	N/EL	N/EL	N/EL	Yes	N/EL	N/EL		Yes	Yes		Yes	Yes	Yes	0.1%		
Predictive maintenance	CE 4.1	2,995	0.0%	N/EL	N/EL	N/EL	Yes	N/EL	N/EL		Yes	Yes		Yes		Yes	0.0%	E	
Collection and transportation of hazardous waste	PPC 2.1	4,722	0.1%	N/EL	N/EL	N/EL	Yes	Yes	N/EL		Yes	Yes	Yes		Yes	Yes	0.1%		
Remediation of contaminated sites and areas	PPC 2.4	43,605	0.7%	N/EL	N/EL	N/EL	N/EL	Yes	N/EL	Yes	Yes	Yes	Yes		Yes	Yes	0.3%		
Turnover of Taxonomy-aligned activities (A.1)		**2,107,750**	**32.1%**	29.0%	0.0%	2.0%	0.4%	0.7%	0.0%	**Yes**	**Yes**	**Yes**	**Yes**	**Yes**	**Yes**	**Yes**	**32.5%**		
Of which enabling		430,490	6.5%	6.5%	0.0%	0.0%	0.0%	0.0%	0.0%	Yes	Yes	Yes	Yes	Yes	Yes	Yes	6.1%	E	
Of which transition		489	0.0%	0.0%						Yes	Yes	Yes	Yes	Yes	Yes	Yes	0.0%		T

				Substantial contribution criteria						DNSH Criteria								
Economic activities	Code	Turnover	Proportion of turnover, year N	Climate change mitigation	Climate change adaptation	Water and marine resources	Circular economy	Pollution	Biodiversity and ecosystems	Climate change mitigation	Climate change adaptation	Water and marine resources	Circular economy	Pollution	Biodiversity and ecosystems	Minimum safeguards	Taxonomy-aligned or eligible proportion of turnover, year N-1	Category (enabling activity)	Category (transition activity)
A.2. Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)																			
		Thousands (€)	%	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL										
Electricity generation from bioenergy	CCM 4.8	1,979	0.0%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								-		
District heating	CCM 4.15	3,363	0.1%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								-		
Thermoelectric	CCM 4.29	388,625	5.9%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								5.6%		
Cogeneration	CCM 4.30	860,846	13.1%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								12.9%		
District heating production boilers	CCM 4.31	50,945	0.8%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								0.5%		
Water distribution	CCM 5.1	25,166	0.4%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								0.6%		
Wastewater collection and treatment	CCM 5.3	11,818	0.2%	EL	N/EL	EL	N/EL	N/EL	N/EL								0.0%		
Material recovery from waste	CCM 5.9	10,120	0.2%	EL	N/EL	N/EL	EL	N/EL	N/EL								0.3%		
Collection and transport of non-hazardous and hazardous waste	CE 2.3	9,622	0.1%	EL	N/EL	N/EL	EL	EL	N/EL								0.1%		
Collection and transport of hazardous waste	PPC 2.1	525	0.0%	N/EL	N/EL	N/EL	EL	EL	N/EL								0.0%		
Treatment of hazardous waste	PPC 2.2	6,556	0.1%	N/EL	N/EL	N/EL	N/EL	EL	N/EL								0.2%		
Turnover of not Taxonomy-aligned activities (A.2.)		**1,369,565**	**20.8%**	20.6%	0.0%	0.0%	0.1%	0.1%	0.0%								20.3%		
Total (A.1 + A.2)		**3,477,315**	**52.9%**	49.6%	0.0%	2.0%	0.5%	0.8%	0.0%								52.7%		
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES																			
Turnover of Taxonomy-non-eligible activities (B)		**3,096,741**	**47.1%**																
Total (A+B)		**6,574,056**	**100.0%**																

(1) The European Taxonomy covers activities in the different objectives that have total or significant overlap (identical or comparable technical and DNSH screening criteria). The activities for which such an overlap occurs are specifically: for water distribution CCM 5.1, WTR 1.1 and WTR 2.1; for wastewater treatment CCM 5.3, WTR 2.2 and CE 2.2; for waste collection CCM 5.5, CE 2.3 and PCC 2.1; for biodigestion and composting plants CCM 5.7, CCM 5.8 and CE 2.5; for waste treatment plants CCM 5.9 and CE 2.7. For more details on the considerations made in terms of the allocation of economic values for the calculation of KPIs, see paragraph "Assessment of eligibility and alignment" in this chapter.
(2) In order to determine the revenue referring only to the activities of upgrading the portion of managed distribution network (equal to approximately 6.5% of the total) to allow for the integration of hydrogen and other low-carbon gases and the detection and repair of network leaks to reduce methane losses, a criterion for parameterising the constraint on distribution revenue proportionate to the investments made was used.
(3) A criterion based on the direct costs of the activities has been used to determine revenues relating solely to the collection of non-hazardous waste in separate fractions.

Taxonomy Objectives		Proportion of turnover/total turnover	
		Taxonomy-aligned by objective (%)	Taxonomy-eligible by objective (%)
CCM	Climate change mitigation	31.2%	52.0%
CCA	Climate change adaptation	0.0%	0.0%
WTR	Protection of water and marine resources	4.6%	4.8%
CE	Transition to a circular economy	8.0%	8.4%
PPC	Pollution prevention and control	1.0%	1.3%
BIO	Protection and restoration of biodiversity	0.0%	0.0%

OPERATING EXPENSES TEMPLATE (OPEX)

				Substantial Contribution criteria						DNSH Criteria									
Economic activities	Code	OpEx	Proportion of OpEx, year N	Climate change mitigation	Climate change adaptation	Water and marine resources	Circular economy	Pollution	Biodiversity and ecosystems	Climate change mitigation	Climate change adaptation	Water and marine resources	Circular economy	Pollution	Biodiversity and ecosystems	Minimum safeguards	Taxonomy-aligned or eligible proportion of OpEx, year N-1	Category (enabling activity)	Category (transition activity)
		Thousands (€)	%	Yes; No; N/EL	Yes; No; N/EL	Yes; No; N/EL	Yes; No; N/EL	Yes; No; N/EL	Yes; No; N/EL	Yes/ No	Yes/ No	Yes/ No	Yes/ No	Yes/ No	Yes/ No	Yes/ No	%	E	T
A. TAXONOMY-ELIGIBLE ACTIVITIES (A.1 + A.2) [1]																			
A.1. Environmentally sustainable activities (Taxonomy-aligned)																			
Photovoltaic	CCM 4.1	10,223	0.5%	**Yes**	No	N/EL	N/EL	N/EL	N/EL		Yes		Yes		Yes	Yes	0.7%		
Wind power	CCM 4.3	306	0.0%	**Yes**	No	N/EL	N/EL	N/EL	N/EL		Yes	Yes	Yes		Yes	Yes	0.0%		
Hydropower	CCM 4.5	14,734	0.8%	**Yes**	No	N/EL	N/EL	N/EL	N/EL		Yes	Yes			Yes	Yes	0.9%		
Electricity generation from bioenergy	CCM 4.8	1,065	0.1%	**Yes**	No	N/EL	N/EL	N/EL	N/EL		Yes	Yes		Yes	Yes	Yes	-		
Electricity distribution	CCM 4.9	24,065	1.2%	**Yes**	No	N/EL	N/EL	N/EL	N/EL		Yes		Yes	Yes	Yes	Yes	1.3%	E	
Electricity storage	CCM 4.10	40	0.0%	**Yes**	No	N/EL	N/EL	N/EL	N/EL		Yes	Yes	Yes		Yes	Yes	0.0%	E	
Low-carbon emission gas distribution	CCM 4.14	548	0.0%	**Yes**	No	N/EL	N/EL	N/EL	N/EL		Yes	Yes		Yes	Yes	Yes	0.0%		
District heating	CCM 4.15	11,764	0.6%	**Yes**	No	N/EL	N/EL	N/EL	N/EL		Yes	Yes		Yes	Yes	Yes	0.6%		
Biomass	CCM 4.24	28	0.0%	**Yes**	No	N/EL	N/EL	N/EL	N/EL		Yes	Yes		Yes	Yes	Yes	-		
Water distribution	CCM 5.1	70,685	3.6%	**Yes**	No	No	N/EL	N/EL	N/EL		Yes	Yes			Yes	Yes	3.7%		
Wastewater collection and treatment	CCM 5.3	25,660	1.3%	**Yes**	No	Yes	N/EL	N/EL	N/EL		Yes	Yes		Yes	Yes	Yes	1.5%		
Collection and transport of non-hazardous waste	CCM 5.5	280,856	14.4%	**Yes**	No	N/EL	Yes	N/EL	N/EL		Yes		Yes			Yes	14.3%		
Anaerobic digestion	CCM 5.7	9,821	0.5%	**Yes**	No	N/EL	Yes	N/EL	N/EL		Yes	Yes		Yes	Yes	Yes	0.7%		
Composting	CCM 5.8	1,537	0.1%	**Yes**	No	N/EL	Yes	N/EL	N/EL		Yes			Yes	Yes	Yes	0.2%		
Material recovery from waste	CCM 5.9	27,685	1.4%	**Yes**	No	N/EL	Yes	N/EL	N/EL		Yes				Yes	Yes	1.6%		
Closed landfills with biogas production	CCM 5.10	1,884	0.1%	**Yes**	No	N/EL	N/EL	N/EL	N/EL		Yes			Yes	Yes	Yes	0.1%		
Personal mobility devices	CCM 6.4	254	0.0%	**Yes**	No	N/EL	N/EL	N/EL	N/EL		Yes		Yes			Yes	0.1%		
Company fleet	CCM 6.5	596	0.0%	**Yes**	No	N/EL	N/EL	N/EL	N/EL		Yes		Yes	Yes		Yes	0.0%		T
Public electric charging columns	CCM 6.15	238	0.0%	**Yes**	No	N/EL	N/EL	N/EL	N/EL		Yes	Yes	Yes	Yes	Yes	Yes	0.0%		
Energy efficiency devices	CCM 7.3	146,080	7.5%	**Yes**	No	N/EL	N/EL	N/EL	N/EL		Yes			Yes		Yes	7.2%	E	
Electric charging columns at company premises	CCM 7.4	741	0.0%	**Yes**	No	N/EL	N/EL	N/EL	N/EL		Yes					Yes	0.0%	E	
Performance measurement, regulation and control devices	CCM 7.5	2,299	0.1%	**Yes**	No	N/EL	N/EL	N/EL	N/EL		Yes					Yes	0.2%	E	
Renewable energy technologies	CCM 7.6	7,794	0.4%	**Yes**	No	N/EL	N/EL	N/EL	N/EL		Yes					Yes	0.4%	E	
Professional services for energy performance of buildings	CCM 9.3	10,955	0.6%	**Yes**	No	N/EL	N/EL	N/EL	N/EL		Yes					Yes	0.6%	E	
Wastewater treatment	WTR 2.2	14,490	0.7%	Yes	No	**Yes**	N/EL	N/EL	N/EL	Yes	Yes			Yes	Yes	Yes	0.6%		
Collection and transport of non-hazardous and hazardous waste	CE 2.3	1,208	0.1%	Yes	No	N/EL	**Yes**	Yes	N/EL		Yes	Yes		Yes		Yes	0.2%		
Decontamination and dismantling of end-of-life products	CE 2.6	4,615	0.2%	N/EL	N/EL	N/EL	**Yes**	N/EL	N/EL		Yes	Yes		Yes	Yes	Yes	0.3%		
Collection and transportation of hazardous waste	PPC 2.1	1,404	0.1%	N/EL	N/EL	N/EL	Yes	**Yes**	N/EL		Yes	Yes	Yes		Yes	Yes	0.1%		
Remediation of contaminated sites and areas	PPC 2.4	13,508	0.7%	N/EL	N/EL	N/EL	N/EL	**Yes**	N/EL	Yes	Yes	Yes	Yes		Yes	Yes	0.5%		
OpEx of Taxonomy-aligned activities (A.1.)		**685,084**	**35.0%**	33.2%	0.0%	0.7%	0.3%	0.8%	0.0%	**Yes**	**Yes**	**Yes**	**Yes**	**Yes**	**Yes**	**Yes**	**35.8%**		
Of which enabling		192,213	9.8%	9.8%	0.0%	0.0%	0.0%	0.0%	0.0%	Yes	Yes	Yes	Yes	Yes	Yes	Yes	9.7%	E	
Of which transition		596	0.0%	0.0%						Yes	Yes	Yes	Yes	Yes	Yes	Yes	0.0%		T

				Substantial Contribution criteria						DNSH Criteria									
Economic activities	Code	OpEx	Proportion of OpEx, year N	Climate change mitigation	Climate change adaptation	Water and marine resources	Circular economy	Pollution	Biodiversity and ecosystems	Climate change mitigation	Climate change adaptation	Water and marine resources	Circular economy	Pollution	Biodiversity and ecosystems	Minimum safeguards	Taxonomy-aligned or eligible proportion of OpEx, year N-1	Category (enabling activity)	Category (transition activity)
A.2. Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)																			
		Thousands (€)	%	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL										
Electricity generation from bioenergy	CCM 4.8	943	0.0%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								-		
District heating	CCM 4.15	230	0.0%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								-		
Thermoelectric	CCM 4.29	7,142	0.4%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								0.4%		
Cogeneration	CCM 4.30	23,652	1.2%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								1.2%		
District heating production boilers	CCM 4.31	4,192	0.2%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								0.1%		
Water distribution	CCM 5.1	4,825	0.2%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								0.3%		
Wastewater collection and treatment	CCM 5.3	1,781	0.1%	EL	N/EL	EL	N/EL	N/EL	N/EL								0.1%		
Material recovery from waste	CCM 5.9	4,548	0.2%	EL	N/EL	N/EL	EL	N/EL	N/EL								0.4%		
Company fleet vehicles	CCM 6.5	1,183	0.1%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								0.1%		
Collection and transport of non-hazardous and hazardous waste	CE 2.3	811	0.0%	EL	N/EL	N/EL	EL	EL	N/EL								0.1%		
Collection and transportation of hazardous waste	PPC 2.1	156	0.0%	N/EL	N/EL	N/EL	EL	EL	N/EL								0.0%		
Treatment of hazardous waste	PPC 2.2	1,446	0.1%	N/EL	N/EL	N/EL	N/EL	EL	N/EL								0.1%		
OpEx of not Taxonomy-aligned activities (A.2.)		**50,910**	**2.6%**	2.5%	0.0%	0.0%	0.0%	0.1%	0.0%								2.8%		
Total (A.1 + A.2)		**735,993**	**37.6%**	35.7%	0.0%	0.7%	0.3%	0.8%	0.0%								38.6%		
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES																			
OpEx of Taxonomy-non-eligible activities (B)		**1,219,057**	**62.4%**																
Total (A+B)		**1,955,050**	**100.0%**																

(1) The European Taxonomy covers activities in the different objectives that have total or significant overlap (identical or comparable technical and DNSH screening criteria). The activities for which such an overlap occurs are specifically: for water distribution CCM 5.1, WTR 1.1 and WTR 2.1; for wastewater treatment CCM 5.3, WTR 2.2 and CE 2.2; for waste collection CCM 5.5, CE 2.3 and PCC 2.1; for biodigestion and composting plants CCM 5.7, CCM 5.8 and CE 2.5; for waste treatment plants CCM 5.9 and CE 2.7. For more details on the considerations made in terms of the allocation of economic values for the calculation of KPIs, see paragraph "Assessment of eligibility and alignment" in this chapter.

Taxonomy Objectives		Proportion of OpEx/Total OpEx	
		Taxonomy-aligned by objective (%)	Taxonomy-eligible by objective (%)
CCM	Climate change mitigation	34.0%	36.6%
CCA	Climate change adaptation	0.0%	0.0%
WTR	Protection of water and marine resources	2.1%	2.1%
CE	Transition to a circular economy	16.7%	17.0%
PPC	Pollution prevention and control	0.8%	0.9%
BIO	Protection and restoration of biodiversity	0.0%	0.0%

CAPITAL EXPENDITURE TEMPLATE (CAPEX)

				Substantial Contribution Criteria						DNSH Criteria								
Economic activities	Code	CapEx	Proportion of CapEx, year N	Climate change mitigation	Climate change adaptation	Water and marine resources	Circular economy	Pollution	Biodiversity and ecosystems	Climate change mitigation	Climate change adaptation	Water and marine resources	Circular economy	Pollution	Biodiversity and ecosystems	Minimum safeguards	Taxonomy-aligned or eligible capex year N-1	Category (enabling activity)	Category (transition activity)
		Thousands (€)	%	Yes; No; N/EL	Yes; No; N/EL	Yes; No; N/EL	Yes; No; N/EL	Yes; No; N/EL	Yes; No; N/EL	Yes/ No	Yes/ No	Yes/ No	Yes/ No	Yes/ No	Yes/ No	Yes/ No	%	E	T
A. TAXONOMY-ELIGIBLE ACTIVITIES (A.1 + A.2) [1]																			
A.1. Environmentally sustainable activities (Taxonomy-aligned)																			
Photovoltaic	CCM 4.1	46,631	3.5%	**Yes**	No	N/EL	N/EL	N/EL	N/EL		Yes		Yes		Yes	Yes	4.4%		
Wind power	CCM 4.3	20	0.0%	**Yes**	No	N/EL	N/EL	N/EL	N/EL		Yes	Yes	Yes		Yes	Yes	0.0%		
Hydropower	CCM 4.5	21,691	1.6%	**Yes**	No	N/EL	N/EL	N/EL	N/EL		Yes	Yes			Yes	Yes	1.7%		
Electricity generation from bioenergy	CCM 4.8	6,020	0.5%	**Yes**	No	N/EL	N/EL	N/EL	N/EL		Yes	Yes		Yes	Yes	Yes	-		
Electricity distribution	CCM 4.9	78,804	6.0%	**Yes**	No	N/EL	N/EL	N/EL	N/EL		Yes		Yes	Yes	Yes	Yes	7.5%	E	
Electricity storage	CCM 4.10	0	0.0%	**Yes**	No	N/EL	N/EL	N/EL	N/EL		Yes	Yes	Yes		Yes	Yes	0.0%	E	
Thermal energy storage	CCM 4.11	5,761	0.4%	**Yes**	No	N/EL	N/EL	N/EL	N/EL		Yes	Yes	Yes		Yes	Yes	0.1%	E	
Low-carbon emission gas distribution	CCM 4.14	4,150	0.3%	**Yes**	No	N/EL	N/EL	N/EL	N/EL		Yes	Yes		Yes	Yes	Yes	0.8%		
District heating	CCM 4.15	118,095	8.9%	**Yes**	No	N/EL	N/EL	N/EL	N/EL		Yes	Yes		Yes	Yes	Yes	4.8%		
Solar thermal	CCM 4.21	219	0.0%	**Yes**	No	N/EL	N/EL	N/EL	N/EL		Yes		Yes		Yes	Yes	0.0%		
Biomass	CCM 4.24	0	0.0%	**Yes**	No	N/EL	N/EL	N/EL	N/EL		Yes	Yes		Yes	Yes	Yes	0.0%		
Water distribution	CCM 5.1	145,424	11.0%	**Yes**	No	No	N/EL	N/EL	N/EL		Yes	Yes			Yes	Yes	9.8%		
Wastewater collection and treatment	CCM 5.3	69,250	5.2%	**Yes**	No	Yes	N/EL	N/EL	N/EL		Yes	Yes		Yes	Yes	Yes	7.7%		
Collection and transport of non-hazardous waste	CCM 5.5	78,417	5.9%	**Yes**	No	N/EL	Yes	N/EL	N/EL		Yes		Yes			Yes	5.2%		
Anaerobic digestion	CCM 5.7	42,816	3.2%	**Yes**	No	N/EL	Yes	N/EL	N/EL		Yes	Yes		Yes	Yes	Yes	6.2%		
Composting	CCM 5.8	809	0.1%	**Yes**	No	N/EL	Yes	N/EL	N/EL		Yes			Yes	Yes	Yes	0.2%		
Material recovery from waste	CCM 5.9	9,417	0.7%	**Yes**	No	N/EL	Yes	N/EL	N/EL		Yes				Yes	Yes	0.7%		
Closed landfills with biogas production	CCM 5.10	29	0.0%	**Yes**	No	N/EL	N/EL	N/EL	N/EL		Yes			Yes	Yes	Yes	0.0%		
Personal mobility devices	CCM 6.4	130	0.0%	**Yes**	No	N/EL	N/EL	N/EL	N/EL		Yes		Yes			Yes	0.0%		
Company fleet	CCM 6.5	3,640	0.3%	**Yes**	No	N/EL	N/EL	N/EL	N/EL		Yes		Yes	Yes		Yes	0.3%		T
Renovation of existing buildings	CCM 7.2	1,340	0.1%	**Yes**	No	N/EL	No	N/EL	N/EL		Yes	Yes	Yes	Yes		Yes	0.6%		T
Energy efficiency devices	CCM 7.3	25,134	1.9%	**Yes**	No	N/EL	N/EL	N/EL	N/EL		Yes			Yes		Yes	1.8%	E	
Electric charging columns at company premises	CCM 7.4	858	0.1%	**Yes**	No	N/EL	N/EL	N/EL	N/EL		Yes					Yes	0.0%	E	
Performance measurement, regulation and control devices	CCM 7.5	12,544	0.9%	**Yes**	No	N/EL	N/EL	N/EL	N/EL		Yes					Yes	0.5%	E	
Renewable energy technologies	CCM 7.6	702	0.1%	**Yes**	No	N/EL	N/EL	N/EL	N/EL		Yes					Yes	0.1%	E	
Professional services for energy performance of buildings	CCM 9.3	159	0.0%	**Yes**	No	N/EL	N/EL	N/EL	N/EL		Yes					Yes	-	E	
Urban wastewater treatment	WTR 2.2	68,778	5.2%	Yes	No	**Yes**	N/EL	N/EL	N/EL	Yes	Yes			Yes	Yes	Yes	3.3%		
Collection and transport of non-hazardous and hazardous waste	CE 2.3	383	0.0%	Yes	No	N/EL	**Yes**	Yes	N/EL		Yes	Yes		Yes		Yes	0.0%		
Decontamination and dismantling of end-of-life products	CE 2.6	117	0.0%	N/EL	N/EL	N/EL	**Yes**	N/EL	N/EL		Yes	Yes		Yes	Yes	Yes	0.1%		
Predictive maintenance	CE 4.1	8,586	0.6%	N/EL	N/EL	N/EL	**Yes**	N/EL	N/EL		Yes	Yes		Yes		Yes	0.2%	E	
Collection and transportation of hazardous waste	PPC 2.1	1,875	0.1%	N/EL	N/EL	N/EL	Yes	**Yes**	N/EL		Yes	Yes	Yes		Yes	Yes	0.0%		
Remediation of contaminated sites	PPC 2.4	2	0.0%	N/EL	N/EL	N/EL	N/EL	**Yes**	N/EL	Yes	Yes	Yes	Yes		Yes	Yes	0.0%		
CapEx of Taxonomy-aligned activities (A.1.)		**751,797**	**56.9%**	50.8%	0.0%	5.2%	0.7%	0.1%	0.0%	**Yes**	**Yes**	**Yes**	**Yes**	**Yes**	**Yes**	**Yes**	**56.0%**		
Of which enabling		132,546	10.0%	9.4%	0.0%	0.0%	0.6%	0.0%	0.0%	Yes	Yes	Yes	Yes	Yes	Yes	Yes	10.2%	E	
Of which transition		4,979	0.4%	0.4%						Yes	Yes	Yes	Yes	Yes	Yes	Yes	1.0%		T

Economic activities	Code	CapEx	Proportion of CapEx, year N	Substantial Contribution Criteria: Climate change mitigation	Climate change adaptation	Water and marine resources	Circular economy	Pollution	Biodiversity and ecosystems	DNSH Criteria: Climate change mitigation	Climate change adaptation	Water and marine resources	Circular economy	Pollution	Biodiversity and ecosystems	Minimum safeguards	Taxonomy-aligned or eligible capex year N-1	Category (enabling activity)	Category (transition activity)
A.2. Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)																			
		Thousands (€)	%	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL										
Electricity generation from bioenergy	CCM 4.8	1,692	0.1%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								-		
District heating	CCM 4.15	55,054	4.2%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								-		
Thermoelectric	CCM 4.29	10,413	0.8%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								1.1%		
Cogeneration	CCM 4.30	29,070	2.2%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								1.9%		
District heating production boilers	CCM 4.31	956	0.1%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								0.3%		
Water distribution	CCM 5.1	4,505	0.3%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								1.9%		
Wastewater collection and treatment	CCM 5.3	1,142	0.1%	EL	N/EL	EL	N/EL	N/EL	N/EL								0.1%		
Material recovery from waste	CCM 5.9	7,727	0.6%	EL	N/EL	N/EL	EL	N/EL	N/EL								1.4%		
Company fleet vehicles	CCM 6.5	2,737	0.2%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								0.6%		
Data centre	CCM 8.1	260	0.0%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								0.0%		
Collection and transport of non-hazardous and hazardous waste	CE 2.3	510	0.0%	EL	N/EL	N/EL	EL	EL	N/EL								0.0%		
Collection and transportation of hazardous waste	PPC 2.1	208	0.0%	N/EL	N/EL	N/EL	EL	EL	N/EL								0.0%		
Treatment of hazardous waste	PPC 2.2	99	0.0%	N/EL	N/EL	N/EL	N/EL	EL	N/EL								0.1%		
CapEx of not Taxonomy-aligned activities (A.2.)		**114,373**	**8.6%**	8.6%	0.0%	0.0%	0.0%	0.0%	0.0%								7.3%		
Total (A.1 + A.2)		**866,171**	**65.5%**	59.4%	0.0%	5.2%	0.7%	0.2%	0.0%								63.4%		
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES																			
CapEx of Taxonomy-non-eligible activities (B)		**456,249**	**34.5%**																
Total (A+B)		**1,322,419**	**100.0%**																

(1) The European Taxonomy covers activities in the different objectives that have total or significant overlap (identical or comparable technical and DNSH screening criteria). The activities for which such an overlap occurs are specifically: for water distribution CCM 5.1, WTR 1.1 and WTR 2.1; for wastewater treatment CCM 5.3, WTR 2.2 and CE 2.2; for waste collection CCM 5.5, CE 2.3 and PCC 2.1; for biodigestion and composting plants CCM 5.7, CCM 5.8 and CE 2.5; for waste treatment plants CCM 5.9 and CE 2.7. For more details on the considerations made in terms of the allocation of economic values for the calculation of KPIs, see paragraph "Assessment of eligibility and alignment" in this chapter.

Taxonomy Objectives		Proportion of CapEx/Total CapEx	
		Taxonomy-aligned by objective (%)	Taxonomy-eligible by objective (%)
CCM	Climate change mitigation	56.1%	64.7%
CCA	Climate change adaptation	0.0%	0.0%
WTR	Protection of water and marine resources	10.4%	10.5%
CE	Transition to a circular economy	10.8%	11.4%
PPC	Pollution prevention and control	0.2%	0.2%
BIO	Protection and restoration of biodiversity	0.0%	0.0%

Template 1 - Nuclear and fossil gas related activities

	Nuclear energy related activities	
1.	The undertaking carries out, funds or has exposures to research, development, demonstration and deployment of innovative electricity generation facilities that produce energy from nuclear processes with minimal waste from the fuel cycle.	No
2.	The undertaking carries out, funds or has exposures to construction and safe operation of new nuclear installations to produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production, as well as their safety upgrades, using best available technologies.	No
3.	The undertaking carries out, funds or has exposures to safe operation of existing nuclear installations that produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production from nuclear energy, as well as their safety upgrades.	No
	Fossil gas related activities	
4.	The undertaking carries out, funds or has exposures to construction or operation of electricity generation facilities that produce electricity using fossil gaseous fuels.	Yes
5.	The undertaking carries out, funds or has exposures to construction, refurbishment, and operation of combined heat/cool and power generation facilities using fossil gaseous fuels.	Yes
6.	The undertaking carries out, funds or has exposures to construction, refurbishment and operation of heat generation facilities that produce heat/cool using fossil gaseous fuels.	Yes

Template 2 - (Revenue) - Taxonomy-aligned economic activities (denominator)

Row	Economic activities	Amount (€/000) and proportion					
		CCM + CCA		Climate change mitigation (CCM)		Climate change adaptation (CCA)	
		Amount	%	Amount	%	Amount	%
1.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation 2021/ 2139 in the denominator of the applicable KPI	-	-	-	-	-	-
2.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.27 of Annexes I and II to Delegated Regulation 2021/ 2139 in the denominator of the applicable KPI	-	-	-	-	-	-
3.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation 2021/ 2139 in the denominator of the applicable KPI	-	-	-	-	-	-
4.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.29 of Annexes I and II to Delegated Regulation 2021/ 2139 in the denominator of the applicable KPI	0.0	0.0%	0.0	0.0%	0.0	0.0%
5.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation 2021/ 2139 in the denominator of the applicable KPI	0.0	0.0%	0.0	0.0%	0.0	0.0%
6.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.31 of Annexes I and II to Delegated Regulation 2021/ 2139 in the denominator of the applicable KPI	0.0	0.0%	0.0	0.0%	0.0	0.0%
7.	**Amount and proportion of other taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI**	1,907,622	29.0%	1,907,622	29.0%	0.0	0.0%
8.	**Total applicable KPI**	3,260,483	49.6%	3,260,483	49.6%	0.0	0.0%

Template 2 (Operating expenses) - Taxonomy-aligned economic activities (denominator)

Row	Economic activities	Amount (€/000) and proportion					
		CCM + CCA		Climate change mitigation (CCM)		Climate change adaptation (CCA)	
		Amount	%	Amount	%	Amount	%
1.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the denominator of the applicable KPI	-	-	-	-	-	-
2.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.27 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the denominator of the applicable KPI	-	-	-	-	-	-
3.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the denominator of the applicable KPI	-	-	-	-	-	-
4.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.29 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the denominator of the applicable KPI	0.0	0.0%	0.0	0.0%	0.0	0.0%
5.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the denominator of the applicable KPI	0.0	0.0%	0.0	0.0%	0.0	0.0%
6.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.31 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the denominator of the applicable KPI	0.0	0.0%	0.0	0.0%	0.0	0.0%
7.	**Amount and proportion of other taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI**	649,859	33.2%	649,859	33.2%	0.0	0.0%
8.	**Total applicable KPI**	698,356	35.7%	698,356	35.7%	0.0	0.0%

Template 2 - (Capital Expenditure) - Taxonomy-aligned economic activities (denominator)

Row	Economic activities	Amount (€/000) and proportion					
		CCM + CCA		Climate change mitigation (CCM)		Climate change adaptation (CCA)	
		Amount	%	Amount	%	Amount	%
1.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the denominator of the applicable KPI	-	-	-	-	-	-
2.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.27 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the denominator of the applicable KPI	-	-	-	-	-	-
3.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the denominator of the applicable KPI	-	-	-	-	-	-
4.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.29 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the denominator of the applicable KPI	0.0	0.0%	0.0	0.0%	0.0	0.0%
5.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the denominator of the applicable KPI	0.0	0.0%	0.0	0.0%	0.0	0.0%
6.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.31 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the denominator of the applicable KPI	0.0	0.0%	0.0	0.0%	0.0	0.0%
7.	**Amount and proportion of other taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI**	672,057	50.8%	672,057	50.8%	0.0	0.0%
8.	**Total applicable KPI**	785,613	59.4%	785,613	59.4%	0.0	0.0%

Template 3 (Revenue) - Taxonomy-aligned economic activities (numerator)

Row	Economic activities	Amount (€/000) and proportion					
		CCM + CCA		Climate change mitigation (CCM)		Climate change adaptation (CCA)	
		Amount	%	Amount	%	Amount	%
1.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the numerator of the applicable KPI	-	-	-	-	-	-
2.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.27 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the numerator of the applicable KPI	-	-	-	-	-	-
3.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the numerator of the applicable KPI	-	-	-	-	-	-
4.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.29 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the numerator of the applicable KPI	0.0	0.0%	0.0	0.0%	0.0	0.0%
5.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the numerator of the applicable KPI	0.0	0.0%	0.0	0.0%	0.0	0.0%
6.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.31 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the numerator of the applicable KPI	0.0	0.0%	0.0	0.0%	0.0	0.0%
7.	**Amount and proportion of other taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the numerator of the applicable KPI**	1,907,622	100.0%	1,907,622	100.0%	0.0	0.0%
8.	**Total amount and proportion of taxonomy-aligned economic activities in the numerator of the applicable KPI**	1,907,622	100.0%	1,907,622	100.0%	0.0	0.0%

Template 3 (Operating Expenses) - Taxonomy-aligned economic activities (numerator)

Row	Economic activities	Amount (€/000) and proportion					
		CCM + CCA		Climate change mitigation (CCM)		Climate change adaptation (CCA)	
		Amount	%	Amount	%	Amount	%
1.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the numerator of the applicable KPI	-	-	-	-	-	-
2.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.27 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the numerator of the applicable KPI	-	-	-	-	-	-
3.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the numerator of the applicable KPI	-	-	-	-	-	-
4.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.29 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the numerator of the applicable KPI	0.0	0.0%	0.0	0.0%	0.0	0.0%
5.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the numerator of the applicable KPI	0.0	0.0%	0.0	0.0%	0.0	0.0%
6.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.31 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the numerator of the applicable KPI	0.0	0.0%	0.0	0.0%	0.0	0.0%
7.	**Amount and proportion of other taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the numerator of the applicable KPI**	649,859	100.0%	649,859	100.0%	0.0	0.0%
8.	**Total amount and proportion of taxonomy-aligned economic activities in the numerator of the applicable KPI**	649,859	100.0%	649,859	100.0%	0.0	0.0%

Template 3 (Capital Expenditure) - Taxonomy-aligned economic activities (numerator)

Row	Economic activities	Amount (€/000) and proportion					
		CCM + CCA		Climate change mitigation (CCM)		Climate change adaptation (CCA)	
		Amount	%	Amount	%	Amount	%
1.	Amount and proportion of Taxonomy-aligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the numerator of the applicable KPI	-	-	-	-	-	-
2.	Amount and proportion of Taxonomy-aligned economic activity referred to in Section 4.27 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the numerator of the applicable KPI	-	-	-	-	-	-
3.	Amount and proportion of Taxonomy-aligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the numerator of the applicable KPI	-	-	-	-	-	-
4.	Amount and proportion of Taxonomy-aligned economic activity referred to in Section 4.29 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the numerator of the applicable KPI	0.0	0.0%	0.0	0.0%	0.0	0.0%
5.	Amount and proportion of Taxonomy-aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the numerator of the applicable KPI	0.0	0.0%	0.0	0.0%	0.0	0.0%
6.	Amount and proportion of Taxonomy-aligned economic activity referred to in Section 4.31 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the numerator of the applicable KPI	0.0	0.0%	0.0	0.0%	0.0	0.0%
7.	**Amount and proportion of other taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the numerator of the applicable KPI**	672,057	100.0%	672,057	100.0%	0.0	0.0%
8.	**Total amount and proportion of taxonomy-aligned economic activities in the numerator of the applicable KPI**	672,057	100.0%	672,057	100.0%	0.0	0.0%

Template 4 (Revenue) - Taxonomy-eligible but not Taxonomy-aligned economic activities

Row	Economic activities	Amount (€/000) and proportion					
		CCM + CCA		Climate change mitigation (CCM)		Climate change adaptation (CCA)	
		Amount	%	Amount	%	Amount	%
1.	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity with the taxonomy referred to in Section 4.26 of Annexes I and II to Delegated Regulation (EU) 2021/2139 to the denominator of the applicable KPI	-	-	-	-	-	-
2.	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity with the taxonomy referred to in Section 4.27 of Annexes I and II to Delegated Regulation (EU) 2021/2139 to the denominator of the applicable KPI	-	-	-	-	-	-
3.	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity with the taxonomy referred to in Section 4.28 of Annexes I and II to Delegated Regulation (EU) 2021/2139 to the denominator of the applicable KPI	-	-	-	-	-	-
4.	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity with the taxonomy referred to in Section 4.29 of Annexes I and II to Delegated Regulation (EU) 2021/2139 to the denominator of the applicable KPI	388,625	5.9%	388,625	5.9%	0.0	0.0%
5.	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity with the taxonomy referred to in Section 4.30 of Annexes I and II to Delegated Regulation (EU) 2021/2139 to the denominator of the applicable KPI	860,846	13.1%	860,846	13.1%	0.0	0.0%
6.	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity with the taxonomy referred to in Section 4.31 of Annexes I and II to Delegated Regulation (EU) 2021/2139 to the denominator of the applicable KPI	50,945	0.8%	50,945	0.8%	0.0	0.0%
7.	**Amount and proportion of other taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI**	52,446	0.8%	52,446	0.8%	0.0	0.0%
8.	**Total amount and proportion of taxonomy-eligible economic activities in the denominator of the applicable KPI**	1,352,862	20.6%	1,352,862	20.6%	0.0	0.0%

Template 4 (OpEx) - Taxonomy-eligible but not Taxonomy-aligned economic activities

Row	Economic activities	Amount (€/000) and proportion					
		CCM + CCA		Climate change mitigation (CCM)		Climate change adaptation (CCA)	
		Amount	%	Amount	%	Amount	%
1.	Amount and proportion of taxonomy-eligible but Taxonomy-non-aligned economic activity with the taxonomy referred to in Section 4.26 of Annexes I and II of Delegated Regulation (EU) 2021/2139 to the denominator of the applicable KPI	-	-	-	-	-	-
2.	Amount and proportion of taxonomy-eligible but Taxonomy-non-aligned economic activity with the taxonomy referred to in Section 4.27 of Annexes I and II to Delegated Regulation (EU) 2021/2139 to the denominator of the applicable KPI	-	-	-	-	-	-
3.	Amount and proportion of taxonomy-eligible but Taxonomy-non-aligned economic activity with the taxonomy referred to in Section 4.28 of Annexes I and II to Delegated Regulation (EU) 2021/2139 to the denominator of the applicable KPI	-	-	-	-	-	-
4.	Amount and proportion of taxonomy-eligible but Taxonomy-non-aligned economic activity with the taxonomy referred to in Section 4.29 of Annexes I and II to Delegated Regulation (EU) 2021/2139 to the denominator of the applicable KPI	7,142	0.4%	7,142	0.4%	0.0	0.0%
5.	Amount and proportion of taxonomy-eligible but Taxonomy-non-aligned economic activity with the taxonomy referred to in Section 4.30 of Annexes I and II to Delegated Regulation (EU) 2021/2139 to the denominator of the applicable KPI	23,652	1.2%	23,652	1.2%	0.0	0.0%
6.	Amount and proportion of taxonomy-eligible but Taxonomy-non-aligned economic activity with the taxonomy referred to in Section 4.31 of Annexes I and II to Delegated Regulation (EU) 2021/2139 to the denominator of the applicable KPI	4,192	0.2%	4,192	0.2%	0.0	0.0%
7.	**Amount and proportion of other taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI**	13,510	0.7%	13,510	0.7%	0.0	0.0%
8.	**Total amount and proportion of taxonomy-eligible economic activities in the denominator of the applicable KPI**	48,496	2.5%	48,496	2.5%	0.0	0.0%

Template 4 (CapEx) - Taxonomy-eligible but not Taxonomy-aligned economic activities

Row	Economic activities	Amount (€/000) and proportion					
		CCM + CCA		Climate change mitigation (CCM)		Climate change adaptation (CCA)	
		Amount	%	Amount	%	Amount	%
1.	Amount and proportion of taxonomy-eligible but Taxonomy-non-aligned economic activity with the taxonomy referred to in Section 4.26 of Annexes I and II to Delegated Regulation (EU) 2021/2139 to the denominator of the applicable KPI	-	-	-	-	-	-
2.	Amount and proportion of taxonomy-eligible but Taxonomy-non-aligned economic activity with the taxonomy referred to in Section 4.27 of Annexes I and II to Delegated Regulation (EU) 2021/2139 to the denominator of the applicable KPI	-	-	-	-	-	-
3.	Amount and proportion of taxonomy-eligible but Taxonomy-non-aligned economic activity with the taxonomy referred to in Section 4.28 of Annexes I and II to Delegated Regulation (EU) 2021/2139 to the denominator of the applicable KPI	-	-	-	-	-	-
4.	Amount and proportion of taxonomy-eligible but Taxonomy-non-aligned economic activity with the taxonomy referred to in Section 4.29 of Annexes I and II to Delegated Regulation (EU) 2021/2139 to the denominator of the applicable KPI	10,413	0.8%	10,413	0.8%	0.0	0.0%
5.	Amount and proportion of taxonomy-eligible but Taxonomy-non-aligned economic activity with the taxonomy referred to in Section 4.30 of Annexes I and II to Delegated Regulation (EU) 2021/2139 to the denominator of the applicable KPI	29,070	2.2%	29,070	2.2%	0.0	0.0%
6.	Amount and proportion of taxonomy-eligible but Taxonomy-non-aligned economic activity with the taxonomy referred to in Section 4.31 of Annexes I and II to Delegated Regulation (EU) 2021/2139 to the denominator of the applicable KPI	956	0.1%	956	0.1%	0.0	0.0%
7.	**Amount and proportion of other taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI**	73,117	5.5%	73,117	5.5%	0.0	0.0%
8.	**Total amount and proportion of taxonomy-eligible economic activities in the denominator of the applicable KPI**	113,556	8.6%	113,556	8.6%	0.0	0.0%

Template 5 (Revenue) - Taxonomy-non-eligible economic activities

Row	Economic activities	Amount (€/000)	%
1.	Amount and proportion of the economic activity referred to in row 1 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.26 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the denominator of the applicable KPI	-	-
2.	Amount and proportion of the economic activity referred to in row 2 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.27 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the denominator of the applicable KPI	-	-
3.	Amount and proportion of the economic activity referred to in row 3 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.28 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the denominator of the applicable KPI	-	-
4.	Amount and proportion of the economic activity referred to in row 4 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.29 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the denominator of the applicable KPI	0.0	0.0%
5.	Amount and proportion of the economic activity referred to in row 5 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.30 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the denominator of the applicable KPI	0.0	0.0%
6.	Amount and proportion of the economic activity referred to in row 6 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.31 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the denominator of the applicable KPI	0.0	0.0%
7.	**Amount and proportion of other taxonomy-non-eligible economic activities not referred to in rows 1 to 6 abovein the denominator of the applicable KPI**	3,096,741	47.1%
8.	**Total amount and proportion of taxonomy-non-eligible economic activities in the denominator of the applicable KPI**	3,096,741	47.1%

Template 5 (OpEx) - Taxonomy-noneligible economic activities

Row	Economic activities	Amount (€/000)	%
1.	Amount and proportion of economic activity referred to in row 1 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.26 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the denominator of the applicable KPI	-	-
2.	Amount and proportion of economic activity referred to in row 2 of template 1 that is Taxonomy-non-eligible in accordance with Section 4.27 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the denominator of the applicable KPI	-	-
3.	Amount and proportion of economic activity referred to in row 3 of template 1 that is Taxonomy-non-eligible in accordance with Section 4.28 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the denominator of the applicable KPI	-	-
4.	Amount and proportion of economic activity referred to in row 4 of template 1 that is Taxonomy-non-eligible in accordance with Section 4.29 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the denominator of the applicable KPI	0.0	0.0%
5.	Amount and proportion of economic activity referred to in row 5 of template 1 that is Taxonomy-non-eligible in accordance with Section 4.30 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the denominator of the applicable KPI	0.0	0.0%
6.	Amount and proportion of economic activity referred to in row 6 of template 1 that is Taxonomy-non-eligible in accordance with Section 4.31 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the denominator of the applicable KPI	0.0	0.0%
7.	**Amount and proportion of other taxonomy-non-eligible economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI**	1,219,057	62.4%
8.	**Total amount and proportion of taxonomy-non-eligible economic activities in the denominator of the applicable KPI**	1,219,057	62.4%

Template 5 (CapEx) - Taxonomy-non-eligible economic activities

Row	Economic activities	Amount (€/000)	%
1.	Amount and proportion of economic activity referred to in row 1 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.26 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the denominator of the applicable KPI	-	-
2.	Amount and proportion of economic activity referred to in row 2 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.27 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the denominator of the applicable KPI	-	-
3.	Amount and proportion of economic activity referred to in row 3 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.28 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the denominator of the applicable KPI	-	-
4.	Amount and proportion of economic activity referred to in row 4 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.29 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the denominator of the applicable KPI	0.0	0.0%
5.	Amount and proportion of economic activity referred to in row 5 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.30 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the denominator of the applicable KPI	0.0	0.0%
6.	Amount and proportion of economic activity referred to in row 6 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.31 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the denominator of the applicable KPI	0.0	0.0%
7.	**Amount and proportion of other taxonomy-non-eligible economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI**	456,249	34.5%
8.	**Total amount and proportion of taxonomy-non-eligible economic activities in the denominator of the applicable KPI**	456,249	34.5%

Policies for the environment

[E1.MDR-P_01-06, E1-2_01, E2.MDR-P_01-06, E2-1_01, E2-1_02, E2-1_03, E3.MDR-P_01-06, E3-1_01, E3-1_02, E3-1_03, E3-1_04, E3-1_05, E3-1_06, E3-1_07, E3-1_09, E4.MDR-P_01-06, E4-2_01, E4-2_02, E4-2_04, E4-2_05, E4-2_06, E5.MDR-P_01-06, E5-1_01, E5-1_02, E5-1_03, E5-1_04]

Iren Group places environmental protection at the centre of its action and, with the aim of minimising the impacts of its activities, it adopts procedures and technologies so that, as indicated by the Sustainability Policy (see paragraph "Governance policies and tools" in the chapter Iren Group governance), it can go beyond mere compliance with regulatory requirements and, rather, identify, assess and manage the impacts, risks and opportunities arising from relevant environmental issues, namely, climate change, pollution, water resources, biodiversity and circular economy.

The Group adopts a certified Integrated Quality, Safety and Environment Management System, which systematises the set of standards and tools that guide operations also for environmental protection and continuous improvement. This system is based on the identification and assessment of impacts, identifying their relevance for the Group and for the context in which it operates and analysing the related risks and opportunities. In this context, in order to guide decisions and make concrete commitments to ensure responsible business management, in addition to the Sustainability Policy Iren Group has adopted an Environmental Policy.

Iren Group Environmental Policy

The Group works to improve the environmental quality and the quality of life of the communities in which it operates, through the provision of services and the creation of infrastructure to enrich and enhance the area. Through synergies across its business areas, coupled with a focus on innovation, the Group is dedicated to reducing its environmental footprint. This commitment is rooted in a sustainable development strategy that evaluates impacts, risks, and opportunities, aiming to minimize negative effects and maximize positive outcomes, with a strong awareness of the social implications tied to these issues.

This strategy is implemented through the adoption and maintenance of an Environmental Management System in compliance with the ISO 14001 standard. Each company within the Group aligns its individual policies with this overarching document.

The management actively promotes staff engagement in environmental sustainability goals, recognizing that participation and awareness are essential to preventing and reducing the environmental impact of the Group's activities. This commitment supports a proactive contribution to ecological transition.

Furthermore, the Group encourages its suppliers to measure and improve their environmental performance by adopting principles aligned with the Group's Environmental Policy. Suppliers are not only required to comply with legal regulations but are also expected to embrace the voluntary commitments outlined below. To this end, Iren Group evaluates and qualifies its suppliers based on environmental criteria and assesses their environmental performance in activities conducted for the Group.

In line with its sustainable development strategy and Sustainability Policy, the Group is committed to pursuing the following environmental objectives.

Counteracting climate change and reducing energy consumption by:

- setting objectives and implementing actions for climate change mitigation and adaptation in accordance with the guidelines outlined in the Group's Climate Change Risk Policy;
- optimizing and improving energy performance by assessing and monitoring the energy consumption of managed processes, implementing projects, and developing services and integrated solutions for energy efficiency targeted at clients and citizens;
- investing in the development and promotion of renewable energy to reduce greenhouse gas emissions and facilitate the energy transition, in line with temperature containment goals set by the Paris Agreement.

Preventing pollution of environmental media – air, water, and soil – by:

- identifying measures to prevent and reduce potential negative impacts on air, water, and soil;
- phasing out the use of concerning substances and replacing or reducing hazardous substances in procurement activities to minimize environmental risks;
- analysing potential emergency scenarios to avoid or mitigate the impact of possible incidents on people and the surrounding environment;

- providing training and drills for personnel to ensure a swift and effective response to environmental emergencies in case of environmental accidents.

Safeguarding the integrity of water and marine resources by:

- designing products and services that consider the protection of water resources, preservation of marine ecosystems, and the prevention and reduction of pollution, tailored to the specific territorial characteristics, business activities, and community needs;
- sourcing and using water resources responsibly to progressively reduce consumption, with particular focus on water-stressed and high-risk areas;
- adopting solutions and technologies that enable the reuse of process water and wastewater;
- improving the efficiency of water networks serving facilities and communities to ensure more sustainable water sourcing from the environment.

Protecting biodiversity and ecosystems within the organisation's areas of operation, in line with the Group's Biodiversity Policy, by:

- conducting risk analyses and evaluating direct and indirect impacts, with special attention to significant effects that the Group's activities may have on biodiversity and ecosystems;
- identifying actions, following the "mitigation hierarchy" outlined in the Group's Biodiversity Policy, to prevent negative impacts and, where unavoidable, implementing solutions to minimize, restore, or compensate for those impacts;
- procuring and consuming raw materials, components, and products that are more sustainable, promoting their traceability;
- engaging with local communities to foster synergies aimed at protecting high-biodiversity areas, enhancing urban biodiversity and ecosystems and restoring degraded ecosystems, thereby improving the conservation status of habitats and the species inhabiting them;
- protecting and conserving biodiversity in areas where the Group operates, particularly in and near sensitive or protected natural areas.

Supporting the development of a circular economy by:

- developing and managing collection systems and facilities for the recovery, recycling, and valorisation of waste, either as material or as an energy source;
- enhancing the value of waste generated by company processes in accordance with the European Union's "waste hierarchy";
- managing and using resources, products, and equipment rationally in company processes to reduce consumption and maximize recovery at the end of their lifecycle;
- conducting thorough lifecycle assessments of products - from raw material procurement to usage and disposal - to minimize the use of virgin resources, promote the use of renewable resources, and encourage the reuse of secondary (recycled) resources;
- collaborating with suppliers to implement initiatives that support the use of secondary raw materials.

The Environmental Policy and Sustainability Policy, which apply to all Group Companies, are reviewed annually and, if appropriate, updated according to the results of impact, risk and opportunity assessments or when regulatory requirements, business strategies or changes in context so require, also with a view to supporting continuous improvement. The policies are disseminated and made fully available to all Group personnel via the Company intranet, and to stakeholders via publication on the website www.gruppoiren.it.

The responsibility for the application of the Sustainability Policy lies with Top Management, while the CEO is responsible for the application of the Environmental Policy, while all Group employees are expected to contribute actively.

The commitments stated in the policies are realised in the Group's business strategy, which has defined impact reduction targets and adopts tools for the prevention, monitoring and measurement of the impact of its activities in the short, medium and long term (as illustrated in detail in the following chapters).

Environmental impacts, risks and opportunities

[E1.IRO-1_01, E2.IRO-1_01, E2.IRO-1_02, E3.IRO-1_01, E3.IRO-1_02, E4.IRO-1_01, E4.IRO-1_06, E5.IRO-1_01, E5.IRO-1_02]

The identification of the impacts, risks and opportunities relevant to Iren Group was carried out according to the process described in the paragraph "Double materiality assessment" in the chapter Strategy for sustainable development.

Specifically, the identification of potential **impact, risk and opportunity factors related to environmental issues** and **dependence on natural capital** was divided into several steps:

- **initial context analysis** in order to screen the Company's assets and activities, covering the entire consolidation scope of the Group. In this analysis, the value chains of all the businesses managed by the Group were analysed, identifying the inputs, activities, stakeholders involved and outputs for each segment of the chain (upstream, own operations, downstream). In this analysis, the following sources were considered: corporate documents, environmental impact

analyses conducted by Group Companies, interviews with individual Business Units, Group Risk Register, Implementation Guidance on double materiality assessment and Value Chain by EFRAG, OECD Due Diligence Guidance for Responsible Business Conduct, and external expert assessments contained in publicly available reports and analyses;

- **baseline analysis** on impacts and dependencies focused on **Iren's own operations**, considering all activities managed, for a preliminary qualitative assessment based on sectoral data. In particular, the analysis was carried out for homogeneous plant types (cogeneration, hydroelectric production, waste-to-energy, wastewater treatment, etc.) - characterised by similar technological, construction and operating logics - and according to comparable geographical conditions, which lead to the production of similar environmental effects. To carry out this clustering, the environmental aspect quantification and assessment sheets prepared within the framework of environmental management systems were used for the different activities and types of site in order to identify possible and recurring impacts. In relation to the supply chain, the main types of materials procured and the potential environmental impacts of their production were considered. At the same time, through **the analysis of value chains and climate and environmental scenarios**, dependencies relevant to the Group's activities were identified: these were climate change, extreme natural events, and water availability and quality;
- **Identification of impacts** with the **engagement of the communities concerned**, through dedicated meetings of the Iren Local Committees representing the stakeholder categories relevant to the Group. The assessments were aggregated to those made by the Group's management;
- **assessment of impacts, risks and opportunities identified** according to the methodology described in the paragraph "Double materiality assessment" in the chapter Strategy for sustainable development.

The materiality analysis of impacts and dependencies related to environmental issues also identified the main risks and opportunities associated with them. In addition to these, the main operational, physical (chronic and acute), transitional (regulatory, technological, market) and reputational factors with which risks and opportunities are associated in the environmental sphere were identified, considering risks in their intrinsic value. The **result of this analysis** was the identification of 12 impacts, 11 risks and 5 opportunities, related to the following factors:

- climate change;
- air pollution (not GHG);
- water pollution;
- soil pollution;
- water withdrawals;
- water discharges;
- direct impact on biodiversity;
- use of resources;
- waste.

These impacts, risks and opportunities and the related actions for their effective management are detailed in the following chapters devoted to the relevant environmental issues.

Meeting the challenge of climate change

[E1.SBM-3_01, E1.IRO-1_01, E1.IRO-1_02]

The process for identifying climate-related impacts, risks and opportunities, particularly in relation to GHG emissions, has been described in the paragraph "Double materiality assessment" in the chapter Strategy for sustainable development, for the general analysis part, and in the previous paragraph for the specific process concerning environmental aspects.

IMPACTS

- Use of non-renewable energies, such as methane gas, in the Group's activities and production processes
- Generation of GHG (greenhouse gas) emissions by the Group through its activities and production processes
- Contribution to the achievement of national and international environmental/climate objectives through the Group's Sustainability and Transition Plan, reduction in the consumption of non-renewable natural and energy resources, and awareness-raising and collaboration initiatives with stakeholders
- Offering services dedicated to efficiency, energy self-production and sustainable mobility that support communities and customers to reduce their impact on climate change

RISKS

- Acute physical risk related to water with significant damage/failure/malfunctioning of infrastructure, interruption or limitation of activities and a reduction of hydropower generation, increased charges for interventions, disruption of supply of goods and services by strategic suppliers, soil pollution, impact on water quality/water stress, personnel health and safety criticalities
- Chronic physical risk related to water, leading to fluctuations in the output of hydroelectric power plants, resulting in revenues reduction, unavailability of water resources to meet drinking water demand, saline intrusion phenomena, and critical issues at wastewater treatment plants
- Acute physical risk related to solid mass with significant damage/failure/ malfunctioning of infrastructure, interruption or limitation of activities, increased costs for interventions, disruption of supply of goods and services by strategic suppliers, personnel health and safety criticalities
- Chronic physical risk related to solid mass, resulting in damage to infrastructure, an increase in reports of leaks on the gas network from users, and issues related to the waste collection and urban hygiene service
- Chronic physical risk related to temperature with damage to infrastructure, lower plant efficiency, critical issues in the provision of services, variations in the demand for gas/district heating, with a consequent reduction in revenues
- Acute physical risk related to temperature such as heatwave, cold/frost, wildfires etc.
- Changing consumer needs towards energy-saving and environmentally friendly products and services (e.g. green energy) (transition risk)
- Decarbonisation of the thermal sector and non-achievement of renewable thermal energy targets with compensatory contribution payment (transition risk)
- Legal/regulatory changes related to emissions/energy efficiency/circular economy that impact the achievement of the Plan's targets and the Group's financial position (e.g. increase in costs deriving from the ETS, incentives on efficiency, reduction in cash flows from the recycling of plastic packaging, penalties deriving from stricter regulations, etc.) (transition risk)
- Risk that the Group does not exploit the leverage of technological change (e.g. investments in plants aimed at reducing emissions) and/or does not maintain the efficiency of existing infrastructures, thus not contributing to the reduction of impacts on the surrounding community and the environment, with effects on performance and competitive capacity (e.g. decrease in the market value of the plants, costs of decommissioning/adaptation of plants that have become obsolete) (transition risk)

OPPORTUNITIES

- Growth in renewable power generation contributing to decarbonisation and green transition, and reduction of dependence on fossil fuels
- Changes in consumer behaviour resulting from increased sensitivity towards sustainable services/products (e.g. waste sorting, use of green/certified energy, responsible use of water resources), also thanks to environmental education and awareness-raising campaigns and programmes carried out by the Company, which can positively affect the Group's economic performance (e.g. lower costs for treating and sorting waste for recycling, acquisition of new market shares in the sale of green energy to support green transition) and increase operational efficiency
- Greater efficiency in the use of resources, thanks to the adoption of innovative and technological tools with positive consequences on the Group's economic and financial performance (lower costs, higher revenues) and positive impacts on communities and reputation
- Business opportunities related to the green transition, the circular economy, local areas and technological and digital evolution (e.g. services for energy efficiency and self-production, material recovery from waste, sustainable mobility, etc.) with a consequent positive impact on communities and the environment
- Reduced operating expenses and increased margin due to emission permit prices being lower than expected

Analysis of resilience to climate risks

[E1.SBM-3_01, E1.SBM-3_02, E1.SBM-3_03, E1.SBM-3_04, E1.SBM-3_05, E1.SBM-3_06, E1.SBM-3_07, E1.IRO-1_03, E1.IRO-1_04, E1.IRO-1_05, E1.IRO-1_06, E1.IRO-1_07, E1.IRO-1_08, E1.IRO-1_09, E1.IRO-1_10, E1.IRO-1_11, E1.IRO-1_12, E1.IRO-1_13, E1.IRO-1_14, E1.IRO-1_15, E1.IRO-1_16, E1-3_02]

In order to ensure that the Group's business model and corporate strategy are resilient to climate change, the Group periodically updates its climate risk analysis (most recently in 2025 as part of the strategic planning process), which enables it to identify any changes in the scenario and to adopt appropriate strategies for the Group's sustainable development in the medium and long term.

The Group has adopted a climate change risk policy that defines the guidelines, organisational-management principles and rules for the proper management of such risks (see paragraph "Climate change policies" in this chapter). The resilience analysis takes into account all of the Group's areas of activity, as well as the economic, social and environmental scenarios that may have an impact upstream and downstream of the value chain and thereby affect the Group's performance.

In the climate risk analysis, physical and transitional risks were considered over three time horizons (2030-2040-2050) consistent with the Business Plan. The time horizons identified are closely linked to the expected lifespan of assets, strategic planning horizons and capital allocation plans, as they enable Iren Group to assess how changes in the physical and regulatory environment may affect operations and investments over time.

In order to identify and assess exposure to climate risks and variables, the analysis was based on the climate scenarios described in the paragraph "Scenario analysis" in this chapter.

Among the effects of climate change, account is taken of extremes of atmospheric phenomena (acute physical risks) that can generate events such as droughts and fires, heat waves, cyclones, landslides, water bombs, floods; these events produce impacts on the hydrology of hydroelectric and aqueduct plants, with the related economic implications and are aspects of attention for the consequences they produce on the property assets (e.g. failures in the district heating network) and on margins (reduction due to damage to production facilities). These events also have an impact on the scheduling of the availability of thermoelectric generating units and the related scheduled maintenance. Furthermore, climate change trends determine progressive changes in climatic variables (chronic physical risks) such as temperature, which mainly impacts on the dynamics of consumption of heat for district heating, gas, water and electricity or rainfall, with impacts on the production of hydroelectric plants and on the scarcity of water resources for distribution.

For transition risks, the financial implications have been identified of possible political, market, technological and regulatory developments that may produce risks and/or opportunities for the Group, such as, for example, the costs associated with the Emissions Trading System and their variation. These risks, related to energy and climate change mitigation, have various effects on the Group's activities:

- the risk arising from the change in consumer needs towards products and services that favour energy saving and a lower environmental impact, is estimated to have an impact on the Energy BU, in particular on the thermal sector and on the Market BU, in terms of risks and/or opportunities in the commercial sector;
- the risk arising from legal/regulatory changes related to emissions and/or energy efficiency is estimated to have an impact on the Waste Management BU, particularly with regard to the possible extension of the scope of application of the ETS mechanism to waste-to-energy plants;
- the risk related to the decarbonization of the thermal sector is estimated to have its greatest effects on the Energy BU, particularly on district heating, with reference to the recent evolution of legislation that requires a reduction in CO_2 emissions from the production and use of thermal energy, using renewable sources or waste heat;
- on the other hand, the risk of failure to exploit the leverage of technological change is a risk that cuts across the Group's activities and concerns the ability to maintain a competitive advantage and adequate infrastructure efficiency.

To assess the effects, the Group built mathematical models based on key metrics, such as the number of heating and cooling degree days, the percentage of power generation from renewable sources, losses in the water network, the number of insurance claims for catastrophic events and the failure rate in the gas distribution networks. Mathematical models combine the physical, transitional and socio-economic variables entered and return quantitative outputs (such as changes in EBITDA margin or increases in OpEx), which are used for medium- and long-term strategic planning.

Among the elements that emerged from the analysis conducted, it was found that the Group's activities and assets that require significant efforts to be compatible with the transition to a low-carbon economy are represented by power generation plants from conventional sources and, to a lesser extent, gas-fuelled cogeneration plants and waste-to-energy plants, for which specific strategies described below were evaluated (see paragraph "Sustainability and Transition Plan: focus on climate" in this chapter).

The Group's planned investments in the short and medium term, such as technological improvements for infrastructure resilience and operational efficiency, and the development of facilities for renewable power generation or material recovery from waste, are driven by the need to respond promptly to immediate or increasing risks (extreme weather-related events), or to opportunities that may rapidly emerge (regulatory changes, evolving climate policies, technological innovations or progressive adoption of green technologies). In contrast, in the long run, where the focus shifts to large-scale, chronic and systemic physical risks related to the transition to a low-carbon economy, investments are geared towards reshaping the business portfolio.

From the application of the model it emerges that the actions contemplated in the Business Plan to 2030, which also outlines asset-specific investments, have a mitigating effect on the impacts of climate change.

In addition, the Group carried out an additional analysis specifically aimed at verifying the DNSH (Do No Significant Harm) criterion, as required by the EU Taxonomy for the climate change adaptation objective, which considered physical climate risks (acute and chronic) and set out **an adaptation plan** for the event of significant risk exposure, with **solutions based on:**

- **engineering:** for example, to cope with risks such as the heat wave that causes thermal stress on the cables of the electricity distribution network, by means of new ways of laying the lines and increasing the redundancy of power supply to the substations; coping with the risk of rising sea levels and the consequent physical damage to the purification plants, by building a new plant in a non-floodable area; or adapting the reefs (with more stringent criteria for the future) and measures against internal flooding (physical barriers);
- **technology**: for instance, to prevent landslides and potential physical harm to hydroelectric plants, monitoring systems should be activated; to prevent heat waves from affecting employee health and/or reputation due to the disruption of waste collection services, automation of collection systems (e.g. computerised eco-islands; autonomous driving) and extensive information tools should be implemented to communicate any anticipated service interruptions in the event of extreme weather-related events.

In order to ensure a comprehensive and consistent assessment of exposure to climate risks across its entire business portfolio, the Group has adopted the same approach for all its assets, including, for example, waste-to-energy plants.

Scenario analysis

[E1.IRO-1_07, E1.IRO-1_08, E1.IRO-1_15, E1-4_24]

Iren's short-term (2026), medium-term (2030) and long-term (2040) strategy is based on climate scenarios that take into account physical phenomena and the impacts of the transition to a low-carbon economy. When defining the scenarios used in planning and risk assessment, the methodology applied, in line with the TCFD recommendations, considers two possible future alternatives with a time horizon of 2050: the first assumes a temperature increase over pre-industrial levels of 2°C or less (low-emissions scenario); the second assumes an increase of 4°C (high-emissions scenario). The climate data analysed are based on the **scenarios** published by the Intergovernmental Panel on Climate Change (IPCC) in the AR5 Climate Change Assessment Report and the more recent AR6 update. In these reports, the Representative Concentration Pathways (RCPs), which outline greenhouse gas concentration trajectories describing different climate futures, are combined in a matrix with the Shared Socioeconomic Pathways (SSPs), which describe different trajectories of economic, demographic and technological development and enable us to observe how current choices will affect future emissions and, therefore, global warming. The scenarios taken into consideration in the Group's analysis are:

- **IPCC SSP1-2.6**, a scenario that envisages very strong climate change mitigation, with a temperature increase at the end of the century compared to pre-industrial levels in a likely range between 1.3°C and 2.4°C;
- **IPCC SSP2-4.5**, a stabilisation and intermediate development scenario, which predicts a temperature increase at the end of the century compared to pre-industrial levels in a likely range between 2.1°C and 3.5°C;
- **IPCC SSP3-7.0**, a scenario that assumes weak mitigation policies, with a temperature increase at the end of the century compared to pre-industrial levels in a likely range between 2.8°C and 4.6°C;
- **IPCC SSP5-8.5**, which predicts development that continues to be based on fossil fuels and a consequent rise in temperatures at the end of the century in a likely range between 3.3°C and 5.7°C above pre-industrial levels;
- **IEA Net Zero Emissions by 2050 Scenario (NZE):** this scenario presents a pathway for the global energy sector to achieve zero net CO_2 emissions by 2050; however, due to persistently high emissions, it is no longer considered a limited-overshoot scenario. As things stand, the global temperature increase is projected to exceed 1.5°C around 2030, peaking at approximately 1.65°C towards 2050, and then falling back below the 1.5°C threshold by 2100 (with a 50% probability), thanks to substantial investments **in CO_2 removal** technologies;
- The **IEA Stated Policies Scenario (STEPS)** provides a sector-by-sector assessment of policies in place and those announced by governments, reflecting the current trajectory of the global energy system; in this scenario, the global temperature increase is now projected to reach 2.5°C by 2100, a slight increase compared to previous estimates due to an upward revision of fossil fuel demand in the short term;
- The **scenario developed by Iren** for its energy generation forecasts was prepared using the MBS Italian Electricity Market Scenario and Afry's Wholesale Electricity Price Projections for 2026–2060 for Italy as reference points. This scenario projects a gradual increase in energy demand, supported by the electrification of consumption but at a moderate pace in the short term; a gradual fall in the gas price, particularly in the short term, linked to the expansion of the global LNG supply, albeit in a context still exposed to geopolitical risks; a trend in PUN that is initially affected by tensions in the gas market but decreases in the medium term thanks to the normalization of commodity prices and the increasing penetration of renewables; the development of renewables is expected to increase sharply, partly thanks to the expansion of storage capacity, although this is not yet sufficient to meet the targets set at European level for 2050 in the absence of accelerated permitting and the development of grid infrastructure.

Internal carbon price

[E1-8_01, E1-8_02, E1-8_03, E1-8_04, E1-8_05, E1-8_06, E1-8_07, E1-8_08, E1-8_09]

In Iren Group, the internal carbon price is considered as a "shadow price" and applied to decision-making processes related to capital expenditure (CapEx), operations, risk and opportunity management, economic and financial assessments of projects and future investments, in order to ensure the achievement of the decarbonization targets defined in the Business Plan. The application of internal pricing is mandatory for certain decision-making processes, such as risk and opportunity management and economic and financial evaluations of future projects and investments.

The value of the internal carbon price is determined in line with the price of allowances under the European Emissions Trading System (ETS). The average scenario price in 2025 was approximately 72 Euro per tonne of CO_2. With regard to future projections, on the other hand, the price has been estimated to range from 75 Euro per tonne in 2026 to 105 Euro per tonne in 2030, an assumption based on discussions with leading energy scenario analysts, European and national policies, and market signals. The price relates to Scope 1 emissions and is applied both to the Plan's projections and to the assessments of investments made during the year. The percentage of total emissions in the reference year covered by this internal price is 83%.

The application of the internal carbon price in economic-financial evaluations of future investments is strongly correlated to the assessment of the risk of a carbon taxation system being extended to all activities: for example, focusing on waste-to-energy plants, which are currently excluded from the ETS, the Group has planned to introduce CO_2-reducing technologies beyond 2030, such as carbon capture and storage systems to mitigate this risk.

Climate change policies

[E1.GOV-3_01, E1.GOV-3_02, E1.GOV-3_03, GOV-3_05, E1-1_02, E1-2_01]

Iren Group sets out in its Environmental Policy and Sustainability Policy (see chapter Policies for the environment in this section) its orientation towards mitigating the risks linked to climate and seizing the opportunities of the green transition, with the aim of combating climate change and reducing energy consumption, through:

- targets and actions for climate change mitigation and adaptation;
- optimizing and improving energy performance by assessing and monitoring the energy consumption of managed processes, implementing projects, and developing services and integrated solutions for energy efficiency targeted at clients and the public;
- investments in the development and deployment of renewable energies to reduce climate-changing emissions and to facilitate the energy transition, in line with the Paris Agreement's temperature limitation.

Iren Group's policies are aligned with European Directives and the Paris Agreement, and are integrated with the Climate Change Risk Policy, which defines guidelines for climate risk management. The Group also adheres to the principles of the UN Global Compact and aligns itself with the 2030 Agenda for Sustainable Development.

The Climate Change Risk Policy carefully analyses risk factors, both physical and transitional, and establishes management strategies (exclusion, acceptance and management), as well as providing reporting guidelines, ensuring information transparency vis-à-vis all stakeholders. The Policy applies to all Group Companies and the production chain, in order to provide an integrated risk assessment along the entire value chain. Climate change risk management is an integral part of the Enterprise Risk Management system that allows not only to monitor exposure to damaging events, but also to seize opportunities arising from changes in the external environment, contributing to the achievement of Sustainable Development Goals.

Remuneration Policy

The Remuneration Policy (see paragraph "Remuneration policies" in the chapter Iren Group governance) is a tool to support the implementation of the Group's medium- and long-term strategies for sustainable development, including climate change mitigation strategies.

The Policy defines, for Executive Directors (Chairperson, Deputy Chairperson and Chief Executive Officer) and for Senior Executives with Strategic Responsibilities, sustainability targets, in line with the Business Plan, to the achievement of which a significant component of short- and long-term variable remuneration is subordinated. A significant portion is linked to performance targets on climate change. The climate-related goals covered by the short- and long-term reward scheme are related to the areas of decarbonization, circular economy, sustainable use of water resources and the development of resilient cities.

In short-term variable remuneration, ESG targets have a weight of 30% of the total variable remuneration, of which an average of 52% for climate-related targets. The long-term variable remuneration - LTI Plan 2025-2027 (Long Term Incentive) - is subject to passing a "gate" condition and achieving sustainability targets, which account for 25% of the total variable remuneration, of which 80% for climate-related targets.

Sustainability and Transition Plan: focus on climate

[E1-1_01, E1-1_02, E1-1_03, E1-1_04, E1-1_05, E1-1_06, E1-1_07, E1-1_08, E1-1_11, E1-1_12, E1-1_13, E1-1_14, E1.MDR-A_01-12, E1-3_01, E1-3_03, E1-3_04, E1-3_05, E1-3_06, E1-3_07, E1-4_23]

The Sustainability and Transition Plan, incorporated into the Group's Strategic Plan to 2030 (see the chapter Strategy for sustainable development), the updated version of which was approved by the BoD in 2025, has short- (2026), medium- (2030) and long-term (2040) time horizons and confirms the focus on four priority environmental areas - decarbonization, circular economy, water resources, and resilient cities - each of which contributes to the targets of reducing GHG emissions along the value chain. These targets remain aligned with the trajectories set out in the 'WB2D – well-below two degrees' scenarios, in line with the Paris Agreement objective of limiting the increase in global temperature to well below 2°C above pre-industrial levels and the aim of pursuing efforts to limit the temperature increase to 1.5°C.

The strategy is broken down into specific actions, for which the investments required for their implementation and their impact on the Group's financial performance are defined.

Focus areas	Shares	Result expected
Decarbonization	• **reshaping the power generation mix** with an increase in generation from renewable sources, particularly hydro, solar and wind power • **reduction of generation from conventional sources** not enabling district heating service • **introduction of CO_2 emission capture technologies** in waste-to-energy • **reduction of energy consumption** in generation processes • progressive substitution of purchased electricity with **GO-certified energy** • **reduction of fossil fuel consumption** through the use of hydrogen and biomethane blended with natural gas and electrification of the Company's vehicle fleet	Achieving the decarbonization targets set out in the Sustainability and Transition Plan
Circular economy	• **increasing the percentage of sorted collection** in the local areas served to enable the waste-to-energy chain • **enhancement of waste as a material** through the construction of new plants, with a significant increase in treatment capacity • **production of biomethane from biodegradable waste** by enhancing the organic and vegetable fraction of waste managed • **closure of the management cycle of non-recoverable waste** with its energy enhancement (generation of electric and thermal power) See the chapter Supporting the circular economy	Contribute significantly to the reduction of resource use for the production of goods, the reduction of GHG emissions and the replacement of fossil fuels with renewable sources
Water resources	• **reduction of leakages in the** managed **water network** also thanks to its progressive division into districts, which allows timely monitoring of efficiency See also the chapter Sustainable use of water and marine resources	Increasing the efficiency, including energy efficiency, of the integrated water service and reducing resource wastage to combat water scarcity and water stress
Resilient cities	• **development of products and services offered to customers** and communities in the field of energy efficiency (e.g. energy upgrading of buildings and public lighting systems), sale of GO-certified renewable energy and extension of district heating with a significant contribution to improving air quality in cities See also the chapters Customer orientation and Sustainable development of local communities	Supporting customers and communities in reducing GHG emissions

The **decarbonization levers** identified by Iren Group to reduce GHG emissions and mitigate climate change are transversal to the Sustainability and Transition Plan areas through to 2040 and can be categorised as follows:

- **use of energy from renewable sources,** through the development of approximately 800 MW of additional installed renewable capacity compared to 2020, the increase in electricity and thermal energy produced from renewable sources, particularly photovoltaic and wind power, the simultaneous restructuring of electricity and thermal energy production from fossil fuels, and the complete replacement of electricity purchased by the Group from conventional sources with GO-certified electricity;
- **technological and process innovation,** for example through the application of CO_2 capture technologies at the Group's main waste-to-energy plants;
- **transition to low-carbon fuels**, e.g. with a gradual introduction of hydrogen and biomethane blending with natural gas in the largest cogeneration plants and the gradual electrification of the Group's vehicle fleet;
- **commercial initiatives** that support the progressive electrification and reduction of consumption, also supported by the production of electricity from renewable sources, through the development of services for domestic, business and public administration customers, in particular for the energy efficiency, and of commercial initiatives to shift the customer base to electricity.

One of the enabling levers for achieving the targets of the Group's Business Plan is sustainable finance (see paragraph "Sustainable finance instruments" in the chapter Strategy for sustainable development).

In 2025, 631 million Euro was invested in implementing the actions set out in the focus areas of the Sustainability and Transition Plan, as described above, representing approximately 70% of the technical investments made (amounting to 925 million Euro)[5]. See the chapter European Taxonomy for the breakdown of these investments on the Group's activities and the related OpEx, including gas expenses.

The Group's Business Plan sets out various targets, including those related to the reduction of GHG emissions to contribute to climate change mitigation (a detailed description of the stakeholders involved, the methodologies used, the results achieved in 2025 and the relevant SDGs is provided in the paragraph "Climate targets" in this chapter), and envisages **investments** totalling 6.4 billion Euro, of which approximately 70%, together with around 40% of the planned operating expenses, are allocated to the four focus areas of the Sustainability and Transition Plan, with the aim of maintaining and enhancing the alignment of the Group's managed activities with the provisions of the **EU Taxonomy**. Specifically, these are investments and operating expenses intended for:

- renewable sources (photovoltaic, wind and hydroelectric) (CCM 4.1 / CCM 4.3 / CCM 4.5/ CCM 4.8/ CCM 4.21 Taxonomic activities);
- low-carbon electricity and gas distribution (CCM 4.9 / CCM 4.14/ CCM 7.5 Taxonomic activities);
- electric and thermal energy storage (CCM 4.10/CCM 4.11 Taxonomic activities);
- district heating (CCM 4.15);
- water systems and water network leakage control technologies (CCM 5.1);
- wastewater collection and treatment systems (CCM 5.3/WRT 2.2);
- sorted waste collection (CCM 5.5);
- recovery of organic waste by anaerobic digestion or composting (CCM 5.7/CCM 5.8);
- collection and transport of non-hazardous and hazardous waste (CE 2.3/PPC 2.1);
- sorting and recovery of materials from non-hazardous waste (CCM 5.9);
- company fleet vehicles and recharging stations at Company premises (CCM 6.5/CCM 7.4).
- energy efficiency projects for customers (CCM 7.3).

Based on the Sustainability and Transition Plan's forecasts, the Group's main sources of **locked-in GHG emissions** are electricity and heat production plants (cogeneration and waste-to-energy) for which specific reduction targets have been set. In particular, emissions from cogeneration plants are expected to be progressively reduced through the introduction of hydrogen and green gas blending with methane gas. Furthermore, with regard to the enhancement of waste with the generation of electricity and heat and to feed district heating, investments in CO_2 capture technologies are planned. The permanence of locked-in GHGs is also considered in the transition risk assessment, particularly in connection with the possible extension of the ETS to waste-to-energy plants, with increased costs in connection with related emissions.

[E1-3_03, E1-3_04]

Projected and achieved GHG emission reduction compared to base year 2020 (tCO_2eq)	2025	2030	2040
Energy efficiency and consumption reduction	158,525	425,185	884,442
Switch to other fuels	-	106,730	228,476
Renewable sources	390,343	-	1,350,481
Process modification	15,879	785	1,950,125
Other	60,826	-	-
Total	625,573	532,700	4,413,524

According to the exclusion criteria indicated in Commission Delegated Regulation (EU) 2020/1818 defining minimum standards for indices used as references for financial instruments and financial contracts or to measure the performance of investment funds aligned with the Paris Agreement, the Group is not excluded from such indices.

[5] The total investments reported in the 'Statement of cash flows - Changes in Net Financial Debt' include 481 million Euro for investments in financial assets and the acquisition of subsidiaries, as well as 125 million Euro for energy efficiency projects for customers.

Group performance

Energy consumption and mix

[E1-5_01, E1-5_02, E1-5_03, E1-5_04, E1-5_05, E1-5_06, E1-5_07, E1-5_08, E1-5_09, E1-5_10, E1-5_11, E1-5_12, E1-5_13, E1-5_14, E1-5_15, E1-5_16, E1-5_17, E1-5_18, E1-5_19, E1-5_20, E1-5_21, E1-5_22, E1-5_23]

The **direct energy consumption** of the Group concerns the use of fuels for the generation of electricity and heat (co-generation plants, thermal plants, boilers, waste-to-energy plants and landfills), and the non-renewable primary energy flows not directly associated with the production of energy (e.g. site heating, fuel for the Company vehicle fleet, etc.), used in carrying out its activities.

The Group's high-impact sectors are electricity and heat generation, district heating, gas distribution, electricity distribution, public lighting, gas and electricity sales, integrated water service and environmental services.

The Group's consumption also includes **indirect consumption**, consisting of electricity purchased and consumed for both offices and plants. The electricity used by the power generation plants is self-generated and can be partly purchased from third parties, if the needs exceed self-generation.

Overall, in 2025, energy consumption increased by 7% compared to the previous year, mainly due to higher natural gas consumption by thermal and thermoelectric plants (up 12% and 7% respectively compared to 2024), despite an improvement in overall efficiency, and partly due to the expansion of the consolidation scope. In particular, the efficiency of thermoelectric generation also increased thanks to the greater use of the new combined-cycle plant, while for thermal plants, the increase in production at higher-efficiency plants and the significant reduction in the operation of lower-efficiency plants had a positive impact. This trend is also reflected in scope 1 emissions and in the carbon intensity of energy production, which are presented in the following paragraphs.

[E1-5_01, E1-5_02, E1-5_03, E1-5_04, E1-5_05, E1-5_06, E1-5_07, E1-5_08, E1-5_09, E1-5_10, E1-5_11, E1-5_12, E1-5_13, E1-5_14, E1-5_15]

Energy consumption and energy mix (MWh)	2025	2024
Fuel consumption from coal and coal products	0	0
Fuel consumption from crude oil and petroleum products	223,579	213,715
Fuel consumption from natural gas	14,855,279	13,894,772
Fuel consumption from other fossil sources	51,571	44,178
Consumption of purchased or acquired electricity, heat, steam, and cooling from fossil sources	169,058	160,922
Total fossil energy consumption	**15,299,487**	**14,313,587**
Share of fossil sources in total energy consumption (%)	95.26%	95.80%
Consumption from nuclear sources	**9,362**	**5,342**
Share of consumption from nuclear sources in total energy consumption (%)	0.06%	0.04%
Fuel consumption from renewable sources, including biomass	390,207	322,941
Consumption of purchased or acquired electricity, heat, steam, and cooling from renewable sources	327,471	273,064
Consumption of self-generated non-fuel renewable energy	33,465	25,958
Total renewable energy consumption	**751,143**	**621,963**
Share of renewables sources in total energy consumption (%)	4.68%	4.16%
Total energy consumption	16,059,992	14,940,892

[E1-5_16, E1-5_17]

Power generation (MWh)	2025	2024
Power generation from fossil sources (electricity and heat)	10,307,518	9,918,287
Power generation from renewable sources (electricity and heat) [1]	2,161,990	2,294,033
Annual electricity generation of the Group - Total [1]	9,343,936	9,337,627
Annual thermal power generation of the Group – Total	3,125,572	2,874,693

[1] The value of electricity generation for 2024 has been adjusted due to a calculation error (-328 MWh).

[E1-5_18, E1-5_19, E1-5_22, E1-5_23]

Energy intensity	2025	2024
Total energy consumption of activities in high climate impact sectors compared to net revenue from these activities (MWh/euro)	0.0024	0.0025
Total energy consumption of activities in sectors with a high climate impact (MWh)	16,059,992	14,940,892
Net revenue from activities in high-impact sectors used for the calculation of energy intensity (euro)	6,357,479,608	5,899,832,059
Net revenue (other) (euro)	216,576,878	143,293,222
Total net revenue (balance sheet) (euro) [1]	6,574,056,485	6,043,125,281

[1] This amount represents total Income Statement Revenues and is composed of "Revenue from goods and services" and "Other income", detailed in Notes 33 and 34 of Chapter "XI. Notes to the Income Statement".

GHG emissions

[E1-6_01, E1-6_02, E1-6_03, E1-6_04, E1-6_07, E1-6_08, E1-6_09, E1-6_10, E1-6_11, E1-6_12, E1-6_13, E1-6_15, E1-6_16, E1-6_17, E1-6_18, E1-6_19, E1-6_20, E1-6_21, E1-6_22, E1-6_23, E1-6_24, E1-6_25, E1-6_26, E1-6_27, E1-6_28, E1-6_29, E1-6_30, E1-6_31, E1-6_32, E1-6_33, E1-6_34, E1-6_35]

Greenhouse gas (GHG) emissions are produced by Iren Group directly in its operational processes (scope 1) and indirectly both through the possible procurement of electricity from third parties (Scope 2) and along the value chain (Scope 3). In the following tables, they are considered and reported as GHG (CO_2 equivalent) emissions:

- Scope 1: direct emissions from Group-owned sources, such as combustion to generate energy, exhaust gases from Company vehicles, methane leaks during gas distribution, fluorinated gases used in electrical and refrigeration systems, and fuel consumption to heat buildings;
- Scope 2: indirect emissions from electricity purchased and consumed both at the Group's plants and offices;
- Scope 3: indirect emissions along the value chain, not directly controlled by the Group.

In 2025, emissions increased overall by approximately 3%. In particular, the most significant increase was recorded in Scope 3 emissions, specifically in categories 5 and 11, which relate, respectively, to waste generated, which increased significantly compared to 2024 (see paragraph "Management of waste produced in operational processes" in the chapter Supporting the circular economy), and to emissions related to the use of products sold, attributable to the higher volumes of gas supplied to end users following the expansion of the company's scope of operations. Other variations in Scope 3 emissions are mainly due to changes in the volume and type of purchases made during the year, which decreased by approximately 3% compared to 2024. With regard to Scope 1 emissions, the slight increase recorded is linked to higher production from thermoelectric and thermal plants and to the expansion of the Group's scope (other direct emissions). Finally, the increase in scope 2 market-based emissions is linked to the lower purchase of certified renewable electricity with a guarantee of origin.

[E1-6_12, E1-6_13]

Total GHG emissions (tCO_2eq)	2025	2024 [1]
Total GHG emissions (location-based)	7,287,986	7,020,433
Total GHG emissions (market-based)	7,384,396	7,090,757

[1] The 2024 figures have been adjusted to reflect the changes made to scope 3 emissions (a reduction of 67,123 tonnes compared to the figure previously published, plus a calculation error that had led to an additional 19,117 tCO_2 being reported, i.e., category 1.1, which was already included in category 1).

Scope 1 GHG emissions

[E1-6_07]

Scope 1 GHG emissions by operating segment (tCO_2eq)	2025	2024
Net energy output	**3,402,043**	**3,351,322**
Cogeneration	1,944,993	1,943,845
Boilers	110,960	94,661
Thermoelectric	894,143	862,821
Waste-to-energy plants (non-biogenic portion)	451,947	449,995
Methane releases from the gas distribution network	**5,160**	**18,695**
Other direct emissions	**53,445**	**45,878**
Process utilities, general services, site heating	17,103	12,421
Activities supporting generation	410	530
Company vehicles	35,932	32,927
Total	3,460,649	3,415,895

[E1-6_03]

Scope 1 GHG emissions by source type (tCO_2eq)	2025	2024
Stationary combustion	3,402,043	3,351,322
Mobile combustion	35,932	32,927
Process emissions	17,513	12,951
Fugitive emissions	5,160	18,695
Total	3,460,649	3,415,895

[E1-6_08]

Scope 1 GHG emissions included in ETS (%)	2025	2024
Scope 1 GHG emissions covered by regulated emissions trading schemes	83%	85%

[E1-6_17]

Scope 1 biogenic GHG emissions (tCO_2eq)	2025	2024
Waste-to-energy plants (biogenic portion)	470,394	468,361
Landfills	63,747	53,268
Biodigesters	2,151	5,906
Wastewater treatment plants	2,872	3,255
Total	539,163	530,790

Below are the methodologies, significant assumptions and emission factors used to measure **Scope 1** emissions:

- **power generation plants**: emissions are calculated on the basis of the consumption of fuels used for power generation (electricity and/or heat) in the reference period and on the basis of the fuel emission coefficients published in the latest available update of the National Standard Parameters table of the Ministry for the Environment and Energy Security;
- **company vehicles**: emissions are calculated on the basis of kilometres travelled by each vehicle in the Company fleet and vehicle category, using the latest available emission coefficients from INEMAR - ARPA Lombardia (2018);
- **fugitive emissions** from the gas distribution network: These emissions are calculated in accordance with the requirements of European Regulation (EU) 2024/1784 on methane emissions; this calculation method has been in force since 2025, and therefore the result for the 2025 reporting period is not comparable with the estimate for the previous year;
- **other emissions** from power generation processes and Group activities: these are calculated on the basis of the consumption of fuels used for activities ancillary to production processes (heating, air conditioning and other activities) in the reference period on the basis of the fuel emission coefficients published in the latest available update of the National Standard Parameters table of the Ministry for the Environment and Energy Security and on the specific GWPs for individual fluorinated gases.

Scope 2 GHG emissions

[E1-6_09, E1-6_10]

GHG emissions – Scope 2 tCO_2eq)	2025	2024
Gross location-based GHG Scope 2 emissions	119,256	114,197
Gross market-based Scope 2 GHG emissions	215,666	184,521

[E1-6_24]

Scope 2 biogenic GHG emissions (tCO_2eq)	2025	2024
Gross location-based GHG Scope 2 emissions - biogenic share [(1)]	10,580	5,732
Gross market-based Scope 2 GHG emissions - biogenic share	1,630	1,170

[(1)] The figure for 2024 has been adjusted to correct a calculation error in the emission factor used (a reduction of 13,186 tonnes compared to the figure previously published).

The methodologies, significant assumptions and emission factors, used to measure **Scope 2** emissions are as follows:

- **location-based**: emissions are calculated based on the consumption of electricity used by the Group for its activities and the average emission intensity value of the networks where energy consumption occurs, using the average emission factor of the networks published in the latest available update of the Italian National Inventory Report by ISPRA (institute for environmental protection and research). The figure for location-based Scope 2 biogenic emissions is calculated on the basis of the share of biopower generation in the total energy produced nationwide, provided in the latest available version of Terna's energy balance;

- **market-based**: emissions are calculated on the basis of the consumption of electricity used by the Group for its activities and on the basis of the type of electricity purchased. Emissions are, therefore, obtained by setting at zero emissions the share of electricity purchased from renewable sources certified by Guarantee of Origin (3% of total purchased energy) and multiplying the share of electricity purchased from non-renewable sources by the emission factor that refers to the latest available figure of the national residual mix published in the AIB's European Residual Mixes. For the calculation of the figure for biogenic purpose 2 market-based emissions, the share is always taken from the latest available version of AIB's European Residual Mixes.

Scope 3 GHG emissions

[E1-6_04, E1-6_11]

Scope 3 GHG emissions by category (tCO_2eq)	2025	2024
1. Purchased goods and services	565,612	670,779
1.1 Cloud computing and data centre services	11,079	19,117
2. Capital goods	95,423	47,541
3. Fuel and energy-related activities (not included in Scope 1 or 2)	433,076	422,044
4. Upstream transport and distribution	9,624	35,109
5. Waste generated in operations	180,931	79,367
6. Business travelling	390	460
7. Employee commuting	11,617	12,283
8. Upstream leased assets	5,963	3,072
9. Downstream transportation and distribution	0	0
10. Processing of sold products	0	0
11. Use of sold products	2,404,791	2,218,966
12. End-of-life treatment of sold products	0	0
13. Downstream leased assets	649	426
14. Franchising	0	0
15. Investments [1]	5	294
Total	3,708,081	3,490,341

[1] The 2024 figures have been adjusted to bring them into line with the new classification methodology adopted in 2025 (a reduction of 67,123 tonnes compared to the figure previously published).

[E1-6_25]

Scope 3 GHG emissions from primary supplier data (%)	2025	2024
Scope 3 GHG emissions obtained from primary data of suppliers or value chain partners	3%	4%

[E1-6_28]

Scope 3 biogenic GHG emissions (tCO_2eq)	2025	2024
Biogenic Scope 3 GHG emissions	69,815	55,733

The methodologies, significant assumptions and emission factors used to measure **Scope 3** emissions are summarised below:

- **category 1 (purchased goods and services), category 2 (capital goods), category 4 (upstream transportation and distribution) and category 8 (upstream leased assets)**: the calculation is based on the spend-based methodology (turnover from suppliers) with a supplier-specific approach. In fact, for suppliers active on the Open-Es portal, the Scope 1, 2 and 3 emissions declared by them are taken into account and weighted according to the percentage of their turnover towards Iren Group. For suppliers not registered on the Open-Es portal, the emissions related to each type of goods and services purchased by the Group are estimated, taking into account the monetary value of the purchase and using the category-specific emission factors provided by the UK Government GHG Conversion Factors for Company Reporting (DEFRA) and the U.S. Environmental Protection Agency – Supply Chain Greenhouse Gas Emission Factors by NAICS-6;
- **category 3 (fuel and energy-related activities - not included in Scope 1 and 2)**: the calculation is based on the Group's fuel and electricity consumption and the UK Government GHG Conversion Factors for Company Reporting (DEFRA) Well-to-Tank (WTT) emission factors. These factors make it possible to quantify the emissions associated with the extraction, processing and transport of purchased fuels and electricity. Emission factors are kept constant and equal to the base year 2020 for the purposes of comparability over the years and monitoring of the Business Plan target;

- **category 5 (waste generated in operations)**: emissions are calculated on the basis of waste produced by the Group and emission factors from the Ecoinvent 3.7.1 database processed using the Simapro software;
- **category 6 (business travelling):** emissions are calculated by the Group's travel agency (which manages all Group employee travel), Cisalpina Tours, which has established a partnership with Rete Clima to analyse the environmental impacts of its customers. For the calculation, all services booked through the travel agency portal (plane, train, rentals, hotel) are considered.
- **category 7 (employee commuting):** the calculation is based on data from the Group's home-work commuting plan, based on employees' answers to a questionnaire concerning the kilometres travelled each day to get to the office, repartitioned on the average number of Group employees. The conversion factors used are derived from ISPRA's database of average emission factors for transport;
- **category 11 (use of sold products):** 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;
- **category 13 (downstream leased assets)**: emissions are calculated based on rental and lease income and emission factors from UK Government GHG Conversion Factors for Company Reporting (DEFRA) and U.S. Environmental Protection Agency - Supply Chain Greenhouse Gas Emission Factors by NAICS-6;
- **category 15 (investments)**: emissions are calculated by multiplying the revenues of investee companies not consolidated on a line-by-line basis (in proportion to the Group's share of ownership) by the emission factors set out in UK Government GHG Conversion Factors for Company Reporting (DEFRA) and U.S. Environmental Protection Agency - Supply Chain Greenhouse Gas Emission Factors by NAICS-6.

For categories 1 to 13 listed above, data are reported on the goods and services purchased by all companies consolidated by the Iren Group from any supplier (including any investee companies that are not consolidated). Category 15 includes emissions by investee but non-consolidated companies that are not part of the value chain.

The following Scope 3 emission categories are not considered applicable:

- **category 9 (downstream transportation and distribution)**: given the nature of the activities managed by Iren Group, downstream transport and distribution activities by third parties are not relevant and therefore, if there are emissions relating to this category, they are included in category 4 (upstream transport and distribution), the calculation criteria for which are the same as for category 9;
- **category 10 (transformation of sold products)**: the sale of intermediate products requiring transformation processes is not applicable for Iren Group, which is mainly active in the sale of services and energy commodities;
- **category 12 (end-of-life treatment of sold products)**: the sale of products is not relevant for Iren Group, which is mainly active in the sale of services and energy commodities;
- **category 14 (franchises)**: the Group does not operate any franchised business and therefore the issues arising from this category are not applicable.

It should be noted that the information regarding the Scope 1, Scope 2 and Scope 3 emissions of the companies in the value chain may refer, if data for the year 2025 is not available at the closing date of this report, to the previous financial year, assuming that the size of the business operated by these companies has not changed significantly. This ensures the use of the latest available data from the entities in the value chain. The reference period considered is always the full financial year for all entities in the value chain, maintaining consistency and comparability of data used in the calculation of GHG emissions. This uniformity allows for accurate and reliable measurement of emissions along the value chain.

[E1-6_30, E1-6_31, E1-6_33, E1-6_34, E1-6_35]

Emission intensity ($tCO_2eq/€$) [1]	2025	2024
Total GHG emissions (position-based) per net revenue	0.0011	0.0012
Total GHG emissions (market-based) per net revenue	0.0011	0.0012

[1] The net revenue used for the calculation refers to the amount that represents the total revenue in the Income Statement and is composed of "Revenue from goods and services" and "Other income", detailed in Notes 33 and 34 in Chapter "XI. Notes to the Income Statement".

GHG uptake and storage

[E1-7_01, E1-7_03, E1-7_04, E1-7_05, E1-7_06, E1-7_07, E1-7_08, E1-7_10, E1-7_16, E1-7_18, E1-7_19]

To contribute actively to the reduction of emissions, Iren Group has developed and implemented a number of projects aimed at the capture and storage of greenhouse gases. These initiatives, ranging from the creation of urban green areas to CO_2 recovery, represent a tangible contribution to reducing the carbon footprint generated by the Group's activities.

The Heat Garden	
The Heat Garden project saw the creation of a green structure, consisting of terraces and roof gardens, of over 2,500 m^2 in the areas adjacent to one of the Group's heat storage plants (San Salvario - TO), with the aim of increasing the removal capacity of atmospheric carbon, improving air quality and mitigating the environmental and visual impact of technological infrastructures. The quantification of the CO_2 removed by the project is carried out considering the number and type of trees planted. Each tree species is associated with an annual CO_2 removal rate, the value of which is taken from literature sources and industry publications. These measurements quantify The Heat Garden's actual contribution to mitigating GHG emissions and protecting the environment in the areas served by the district heating system in the San Salvario neighbourhood.	
Greenhouse gases (GHG) concerned	carbon dioxide CO_2)
Type of removal and storage	CO_2 removed through a planting process in terraces and roof gardens (afforestation) in urban areas
Amount of GHG removed in 2025	25 tCO_2eq
Qualification as a nature-based solution	The initiative is part of the Nature-based Solutions (NbS), as afforestation contributes to CO_2 reduction and also improves biodiversity while reducing air pollution
Managing the risk of non-permanence	To ensure that the carbon removed is maintained in the long term, the project includes measures to monitor and maintain the green areas: • selection of native and resistant tree species to improve their capacity to adapt and reduce the risk of mortality • periodic monitoring of afforested areas to assess the growth and efficiency of CO_2 removal • management plans for the care and replacement of plants in the event of loss due to disease or extreme weather-related events

Urban forest in the vicinity of the Integrated Environmental Hub (PAI) of Parma	
Near the Integrated Environmental Hub (PAI), an urban forest has been planted with more than 3,000 trees and shrubs over an area of 30,000 m^2. The project contributes concretely to the mitigation of GHG emissions and the environmental redevelopment of adjacent, predominantly industrial areas.	
Greenhouse gases (GHG) concerned	carbon dioxide CO_2)
Type of removal and storage	CO_2 removed through a process of planting trees and shrubs (afforestation)
Amount of GHG removed in 2025	15 tCO_2eq
Qualification as a nature-based solution	The initiative is part of the Nature-based Solutions (NbS), as afforestation contributes to CO_2 reduction and also improves biodiversity while reducing air pollution
Managing the risk of non-permanence	To ensure that the carbon removal is maintained in the long term, the project includes measures to monitor and maintain the forest. This includes the selection of native plants typical of the landscape and surrounding forests, i.e. the oak-hornbeam belt, to improve their capacity to adapt and reduce their risk of mortality

CO_2 food grade to biodigestion of organic waste	
The biodigestion plant in Reggio Emilia, which became operational in 2022, processes the separated organic fraction of food residues and pruning clippings into important resources: compost, biomethane and biogenic CO_2. Thanks to an innovative process, biogenic CO_2 is purified and liquefied to the required quality for reuse in the food and beverage sector (food grade), and then marketed, thanks to an agreement with NIPPON Gases, in the food chain	
Greenhouse gases (GHG) concerned	carbon dioxide CO_2)
Type of removal and storage	The CO_2 captured and sold is CO_2 not released into the atmosphere thanks to its recovery from the biogas upgrading section into biomethane. The biogas produced by anaerobic digestion is a gaseous mixture consisting mainly of methane and CO_2. CO_2 capture occurs through a hybrid process. In the refining (upgrading) section, the biogas is pre-treated to remove volatile organic compounds and hydrogen sulphide and then sent to a membrane separation system. Two streams are generated by membrane treatment: methane flow and carbon dioxide (CO_2) flow. The CO_2 stream is purified to obtain food-grade carbon dioxide through treatments of compression, cooling (with condensate draining), purification (activated carbon filters) and drying, dust filtration, liquefaction and purification from non-condensable gases. The liquefied CO_2 is then stored in 2 tanks of approximately 50 t each
Amount of GHG removed in 2025	approximately 2,990 tCO_2eq
Qualification as a nature-based solution	Qualification as a nature-based solution is not applicable, as it is a technological solution
Managing the risk of non-permanence	The section of the plant dedicated to the treatment and storage of CO_2 is characterised by monitoring measures and constant maintenance. A biomethane traceability system compliant with the National Certification System (NCS) of the sustainability of biofuels and bioliquids is implemented (system certified by an accredited third party). An HACCP (Hazard Analysis and Critical Control Points) system has also been implemented, in accordance with the requirements of Regulation (EC) 852/2004 as amended on food hygiene

Financing projects with carbon credits

[E1-7_02, E1-7_03, E1-7_10, E1-7_11, E1-7_12, E1-7_13, E1-7_14, E1-7_15, E1-7_16, E1-7_17, E1-7_20, E1-7_21, E1-7_22, E1-7_23, E1-7_24, E1-7_25]

The Group has not currently defined a path towards carbon neutrality and the possible purchase of carbon credits for this purpose will be evaluated in the future.

Instead, carbon credits have been used to cover the volumes of gas sold under the 'offset gas' offer, which was launched in the past and is currently active only for existing contracts; as a result, as at 31 December 2025, the Group had cancelled 10,053 carbon credits, in accordance with the standards set by the Clean Development Mechanism, the Verra Verified Carbon Standard and the Gold Standard. These credits finance four emission reduction projects and relate to the construction of a hydroelectric plant in Vietnam, a photovoltaic farm in India, water purification systems in Senegal, and the production of energy-efficient stoves in Mozambique.

Climate targets

[E1.MDR-T_01-13, E1-1_15, E1-4_01, E1-4_02, E1-4_07, E1-4_08, E1-4_12, E1-4_13, E1-4_16, E1-4_18, E1-4_20, E1-4_22]

In line with the Sustainability Policy, the targets set out in the Iren Group's Business Plan are directly linked to climate change mitigation and adaptation, or to areas such as the sustainable use of water resources and the circular economy (for which reference should be made to the relevant chapters), which nevertheless make a significant contribution in terms of climate change mitigation by reducing the consumption of non-renewable resources and GHG emissions.

The GHG emissions targets for 2040 are:

- a reduction of more than 60% in the carbon intensity of energy production (Scope 1) compared to 2020;
- zeroing of Scope 2 emissions (GHG Protocol market-based methodology) by supplying 100% renewable electricity;
- 26% reduction in Scope 3 emissions related to the use of products sold (category 11) and 40% reduction in Scope 3 emissions related to the purchase of energy (category 3) compared to 2020.

The definition of the targets is based on the GHG emissions inventory prepared by the Group according to the GHG Protocol Accounting Standards methodology, which stipulates that the targets refer to certain percentage levels of its inventory and that no carbon credits, removals or avoided emissions are included in the calculation. The base year for the targets is 2020, which was chosen as it is representative of the normal performance of the Group's activities, not significantly affected by external factors.

The Group's GHG emission reduction targets are aligned with the trajectory for limiting global warming to below 2°C (WB2D), a scenario that the Group considers more realistic and which represents a high level of ambition, compatible with the continuity of service, the economic sustainability of investments, and the maintenance of a reliable and secure energy mix. In the current context, reduction targets consistent with more challenging climate scenarios are constrained by the lack of practical applicability of technological solutions, which are currently not yet industrially mature and for which development forecasts are slower than over the past five years, by the delay in the construction of strategic infrastructure for the sector (e.g., large-scale CO_2 capture technologies and transport infrastructure to storage sites), and by the economic viability of investments in areas such as renewable energy sources, which are characterised by volatility and reduced incentives and therefore generate low profitability. In addition to these factors, there are others arising from the need to:

- ensure the security of the national energy system, which, in the medium term and given the current scenarios, can be achieved primarily by maintaining plants powered by fossil fuels, given the limited flexibility and reliability of renewable energy sources in the absence of adequate energy storage infrastructure;
- close the waste management cycle by making the best use of non-recyclable waste fractions. In the forecast scenarios, also in relation to the quantity and quality of waste generated, this requirement can be met through energy recovery.

In light of these analyses, when updating its strategy in 2025, the Group revised or postponed the targets set out below.

Reduction of the carbon intensity of energy generation (Scope 1 GHG)				
Main scope	power generation/own operations			
Stakeholders engaged	environment, business customers, communities, suppliers, investors			
Targets/Results (gCO_2/kWh) (intensity)	Base year 2020	2025 Results	2030 (medium-term)	2040 (long-term)
	332	313	312	129
Methodologies, assumptions and scientific data used	The target is calculated following the methodology provided by the GHG Protocol; the assumptions on decarbonization levers are based on what is forecast by the climate scenarios in line with the WB2D trajectory (see paragraph "Scenario analysis" in this chapter), on projections of energy market trends, on SNAM's (the national methane pipeline company) scenarios for the implementation of hydrogen and biomethane blends in gas distribution networks, on internal technical studies for their use in the Group's power generation plants, and on specialist studies on the applicability of CO_2 capture technologies in waste-to-energy plants. The target refers to 95% of the Group's total Scope 1 emissions in the base year.			
2025 Results	The result has improved, primarily due to greater efficiency in thermoelectric power plants and heating system			
SDGs				

Zeroing of Scope 2 emissions due to 100% supply of GO renewable electricity				
Main scope	transversal to all services managed by the Group/own operations			
Stakeholders engaged	environment, communities			
Target/Results (absolute)	Base year 2020	2025 Results	2030 (medium-term)	2040 (long-term)
	0	3%	50%	100%
Methodologies, assumptions and scientific data used	The target is calculated following the methodology provided by the GHG Protocol; the assumptions underlying the forecasts are based on what is predicted by the climate scenarios in line with the WB2D trajectory (see paragraph "Scenario analysis" in this chapter) and on projections of energy market developments. The target covers 100% of Scope 2 emissions.			
2025 Results	The result, down compared to the previous year (16%), reflects the planned trend in GO purchases in relation to market conditions and the Group's electricity production from renewable sources			
SDGs				

Reduction of Scope 3 emissions related to the use of sold products (category 11 of the GHG Protocol)				
Main scope	customer care/own operations/downstream value chain			
Stakeholders engaged	environment, communities, investors			
Target/Results (absolute)	Base year 2020	2025 Results	2030 (medium-term)	2040 (long-term)
	target expressed as % reduction from base year	-9%	-17%	-26%
Methodologies, assumptions and scientific data used	The target is calculated following the methodology provided by the GHG Protocol; the assumptions underpinning the forecasts are based on the climate scenarios in line with the WB2D trajectory (see paragraph "Scenario analysis" in this chapter), on hydrogen market development projections and on SNAM's scenarios for the assumptions on the development of hydrogen and biomethane blends in gas distribution networks. Scope 3 targets refer to 72% of the Group's base year Scope 3 emissions.			
2025 Results	Although down compared to the previous year (-10%) due to the expansion of the company consolidation scope, the result is progressing towards the Plan targets			
SDGs				

Reduction of Scope 3 emissions related to energy purchase (GHG Protocol category 3)				
Main scope	transversal to all services managed by the Group/own operations			
Stakeholders engaged	environment, suppliers, investors			
Target/Results (absolute)	Base year 2020	2025 Results	2030 (medium-term)	2040 (long-term)
	target expressed as % reduction from base year	-10%	-1%	-40%
Methodologies, assumptions and scientific data used	The target is calculated following the methodology provided for by the GHG Protocol; the assumptions on decarbonization levers underlying the forecasts are based on the climate scenarios in line with the WB2D trajectory (see paragraph "Scenario analysis" in this chapter), on projections of energy market trends, on SNAM's scenarios for the assumptions on the development of hydrogen and biomethane blends in methane gas distribution networks, and on internal technical studies for their use in the Group's power generation plants. Scope 3 targets refer to 72% of the Group's base year Scope 3 emissions.			
2025 Results	The results are in line with expectations			
SDGs				

[IREN_E1_03]

Installed power from renewable sources				
Main scope	power generation from renewable sources/own operations			
Stakeholders engaged	environment, communities, institutions			
Target/Results (%) (absolute)	Base year 2020	2025 Results	2030 (medium-term)	2040 (long-term)
	600	851	1,070	1,390
Methodologies, assumptions and scientific data used	The assumptions underlying the target are based on Italian and European energy market development projections and long-term scenarios that highlight risks and opportunities in the renewables and storage market.			
2025 Results	The results are in line with expectations			
SDGs				

[IREN_E1_15]

Energy savings from production processes (power generation and storage, water cycle, waste utilisation, e-mobility)				
Main scope	transversal to all services managed by the Group/own operations			
Stakeholders engaged	environment, suppliers			
Target/Results (TOE) (absolute)	Base year 2020	2025 Results	2030 (medium-term)	2040 (long-term)
	672,000	703,000	828,000	1,162,000
Methodologies, assumptions and scientific data used	For the definition of the target, the Group's fuel consumption for power generation is compared with the consumption recorded by the national electricity system to produce the same amount of electricity and/or heat; in waste treatment, the energy saving is calculated as the loss of fuel consumption for the production of new raw material, replaced by secondary raw material from waste; for all other processes, the calculation is made according to the lesser amount of fuel used. Future projections are based on climate scenarios in line with the WB2D trajectory (see paragraph "Scenario analysis" in this chapter) and on the evolution of energy markets and other significant sectors (e.g. automotive sector for the electrification of the corporate fleet).			
2025 Results	Although the result is slightly down on the previous year (767,000 TOE), it nevertheless shows a steadily improving trend towards the medium- to long-term targets			
SDGs				

[IREN_E1_12]

Electrification and decarbonization of the corporate fleet				
Main scope	across all services operated by the Group/own operations and upstream value chain			
Stakeholders engaged	environment, communities			
Target/Results (%) (absolute)	Base year 2020	2025 Results	2030 (medium-term)	2040 (long-term)
	19	24	35	53
Methodologies, assumptions and scientific data used	The target projections are based on the projected climate scenarios in line with the WB2D trajectory (see paragraph "Scenario analysis" in this chapter), on the projected developments in the automotive sector in terms of the availability of electric vehicles in the categories required for the Group's services, and on the targets of the European regulation on CO_2 emissions from cars and vans (Regulation (EU) 2023/851)			
2025 Results	The results are in line with expectations			
SDGs				

Other objectives of the Group's Sustainability and Transition Plan, more closely related to other thematic areas, also make a significant contribution in terms of climate change mitigation. See the specific chapters indicated for more details on these objectives:

- sale of certified renewable electricity to end customers (see the chapter Customer orientation);
- energy savings from the products and services sold (energy efficiency products and services) (see the chapter Customer orientation);
- CO_2 emissions avoided by material recovery from waste (see the chapter Supporting the circular economy);
- increase in district heating volumes (see the chapter Sustainable development of local communities).

The Group has established a system for quarterly and annual performance monitoring, which enables it to carry out the analyses and make the management decisions necessary to ensure that its objectives are met, including its ESG goals, which are also incorporated into the Group's remuneration system. Sustainability reporting is a tool for monitoring the adherence of operations to the strategy and, with this in mind, reports on the progress made towards achieving the targets set by the Group.

Preventing pollution

[E2.IRO-1_01, E2.IRO-1_02, E2.IRO-1_03]

Iren Group considers pollution as a fundamental aspect of environmental sustainability and adopts **prevention, monitoring and technological innovation strategies** to mitigate its effects. The outlines of the Sustainability and Transition Plan chart a course that reinforces the already very high control over potential pollution factors in environmental matrices:

- the gradual growth of **power generation** from renewable sources and the prospective change in the production mix make a contribution to reducing air emissions;
- the **sustainable use of water resources**, through processes and technologies for the efficient management of discharges and investments to increase wastewater treatment capacity to serve communities, reduces the emission load in water;
- the adoption of **circular economy** principles in the management of Iren's own waste and that of the communities served, aims to reduce waste production, promote material recovery and energy recovery, with positive effects on air and soil pollution.

Furthermore, the adoption of certified environmental management systems ensures that structured policies and procedures are in place to identify and manage environmental risks and opportunities associated with all business activities.

IMPACTS	
✗	• Potential environmental impacts generated by the supply chain, also resulting from insufficient monitoring by Iren Group
✓	• Improvement in the quality of the water resources returned to the environment thanks to wastewater treatment systems (wastewater treatment plants) and constant analyses carried out

RISKS	OPPORTUNITIES
• Risk that the Group does not exploit the leverage of technological change (e.g. investments in plants aimed at reducing emissions) and/or does not maintain the efficiency of existing infrastructures, thus not contributing to the reduction of impacts on the surrounding community and the environment, with effects on performance and competitive capacity (e.g. decrease in the market value of plants, costs of decommissioning/adaptation of plants that have become obsolete) • Risk of water, soil or air pollution and impact on the surrounding community (e.g. noise and odour pollution) from activities managed by the Group	• Business opportunities related to the green transition, the circular economy, local areas and technological and digital evolution (e.g. services for energy efficiency and self-production, material recovery from waste, sustainable mobility, etc.) with a consequent positive impact on communities and the environment

Significant impacts, risks and opportunities related to pollution were analysed through the process described in the paragraph "Double materiality assessment" in the chapter Strategy for sustainable development for the general analysis part, and in the paragraph "Environmental impacts, risks and opportunities" in the chapter Policies for the environment, for the specific process concerning environmental aspects.

The Group's activities for which there is the greatest potential pollution risk, again due to accidental factors, are mainly:

- management of landfills, where leachate is generated and can leak from storage areas in the event of accidental rupture of waterproofing liners;
- power generation, where uncontrolled atmospheric emissions could occur in the event of major accidental events (major breakdowns leading to fires, etc.);
- management of sewer networks and wastewater treatment plants, should there be any spillage into wastewater as a result of a break in the sewer network or a malfunction of the wastewater treatment plants.

Policies to prevent pollution

[E2.MDR-P_01-06, E2-1_01, E2-1_02, E2-1_03]

In its **Environmental Policy** (see the chapter Policies for the environment in this section) the Group has defined commitments to effectively manage impacts, risks and opportunities through the prevention and control of pollution in air, water and soil, in accordance with best practices and environmental regulations. Consistent with the EU Action Plan "Towards Zero Pollution for Air, Water and Soil", The Environmental Policy outlines an approach that prioritises a commitment to prevent and reduce potential negative impacts from pollution of environmental matrices through appropriate mitigation strategies. Because of this, the Group uses preventative tools, tracks and evaluates the short-, medium- and long-term effects of its operations, and implements technologies and processes for sustainable water management (reduction of withdrawals, efficient management and reduction of water discharges, reuse of recovered water resources), particularly in water-stressed areas, for the reduction of emissions into the air, water and soil, and for the sustainable use of resources, beginning with the use of renewables and the exploitation of waste as a material. This approach also extends to the potential impact generated by the supply chain, by means of a thorough check of suppliers on environmental aspects during the qualification phase, during the contract signing phase and during the execution of contracts.

The Group's **certified Environmental Management System** (compliant with ISO 14001) organises the set of standards and tools that guide its operations also for environmental protection and continuous improvement.

Actions and resources to prevent pollution

[E2.MDR-A_01-12, E2-2_02, E2-2_03, E2-2_04]

Through an integrated approach, Iren has implemented a series of concrete actions, both systematic and targeted, to control polluting emissions, which are at the level of emission prevention and reduction: monitoring, efficiency and technological improvement of plants, procedures and training, reduction of emissions and use of chemicals.

Actions	
Monitoring	• **constant monitoring of polluting emissions** to ensure compliance with emission limits and guide management and planning strategies for continuous improvement (see paragraph "Monitoring pollution" in this chapter) • carrying out **monitoring campaigns** in the area nearby the plant, to verify that there are no significant effects on the environment with respect to the emissions produced (as in the case of the Turin waste-to-energy plant), or through periodic medical examinations of plant personnel, to verify that the emissions do not have negative consequences on people's health (as in the case of the Parma waste-to-energy plant) • annual **monitoring campaigns for diffuse, non-ducted methane and ammonia emissions** at the main thermoelectric power plants, carried out through systematic checks on process lines and plant equipment, with the aim of identifying, assessing and reducing any emission leaks
Efficiency and technological improvement of plants	• **securing the storage** of hazardous materials by implementing appropriate infrastructure and solutions to ensure the safe management of these substances • **modernising and improving infrastructure**, by continuously upgrading plants with a capacity exceeding 50 MW to Best Available Techniques (BAT), in compliance with IPPC legislation and Integrated Environmental Authorisations, and by removing obsolete or unsuitable equipment that could cause environmental damage. For example, at the cogeneration plant in Moncalieri (TO), the demolition of the conventional 2nd GT thermal unit is underway to reduce the risk of soil pollution (total investment of approximately EUR 800,000, partly completed and partly to be completed by 2026)
Procedures and training	• **constant updating of operational procedures** to minimise the risk of potential spills from waste transport vehicles • **continuous staff training** on environmental policies, procedures and management systems
Reduction of polluting emissions	• adoption of **filtration and abatement systems** for pollutant emissions and **wastewater treatment** in all relevant plants to ensure compliance of atmospheric emissions and discharges with environmental regulations and authorisations • installation of **new technologies** and implementation of **specific initiatives** to improve emissions abatement at waste-to-energy plants and power generation facilities, through primary abatement measures (low- and ultra-low-NO_x burners and flue gas recirculation systems, as at the Reggio Emilia Energy Hub power plant) and, where necessary, secondary abatement measures: for example, at the Piacenza waste-to-energy plant, where preliminary analyses are underway to further reduce nitrogen oxide (NO_x) emissions through the use of a $DeNO_x$ system
Reducing the use of chemicals	• construction of a reverse osmosis plant for the production of demineralised water in the Torino Nord thermoelectric power plant, which significantly reduces **the use of hydrochloric acid and caustic soda** (work also planned for the Reggio Emilia Energy Hub, see paragraph "Targets to prevent pollution" in this chapter) with positive effects also on the quality of industrial wastewater discharges, reducing the concentration of chlorides (total investment of approximately EUR 550,000) • **reducing the use of chemicals in wastewater treatment processes** (reagents and disinfectants) by employing physical treatments as alternatives to chemical reagents, optimizing dosing, and continuously improving pre-filtration systems to reduce the need for disinfectants

Continuous monitoring of emissions to water, air and soil is a systematic activity carried out in all potentially polluting processes managed by the Group and is at the heart of Iren's commitment to preventing and mitigating related impacts and risks.

Monitoring pollution

[E2-4_01, E2-4_02, E2-4_03, E2-4_04, E2-4_08, E2-4_09, E2-4_10, E2-4_11, E2-4_12, E2-4_15]

The monitoring of emissions is carried out using established methodologies and in compliance with current regulations. Each potentially polluting activity is subject to specific authorisation procedures laid down by law (Legislative Decree No. 152/2006) that establish which substances are relevant for each plant and impose parameters and emission limits for these substances, thus ensuring the protection of the environment and public health.

The monitoring plans provide for the set of measurements, carried out by means of periodic or continuous measurements, of the parameters specified in the environmental permits, defining the monitoring points and measurement frequencies.

The mapping and updated analysis of the Environmental Monitoring Plans, required by the permits for the Group's plants, and the collection of data on plants with emissions above the thresholds indicated in Annex II of Regulation (EC) No. 166/2006, identified 6 significant substances for emissions into the air and 15 for emissions into water, while, as in 2024, no significant substances were found for emissions into soil.

[E2-4_01]

Total emissions of pollutants (t) [1]	2025		2024 [2]	
	Into water	Into the air	Into water	Into the air
Carbon monoxide (CO)		1,100.60		2,200.02
Nitrogen oxides (NO_x/NO_2)		662.92		677.41
Ammonia (NH3)		42.19		22.08
Zinc and compounds (expressed as Zn)	10.18	*< threshold*	13.27	0.23
Nickel and compounds (expressed as Ni)	1.49	*< threshold*	3.80	0.09
Polychlorinated Biphenyls (PCB)		0.0010		0.0007
Chlorides (expressed as total Cl)	11,907.67		14,128.60	
Total Organic Carbon (TOC) (expressed as total C or COD/3)	6,580.74		6,707.74	
Total nitrogen	1,460.63		1,922.00	
Total phosphorus	203.63		234.44	
Phenols (expressed as total C)	2.30		2.79	
Chromium and compounds (expressed as Cr)	0.11		1.91	
Copper and compounds (expressed as Cu)	0.15		0.69	
Lead and compounds (expressed as Pb)	0.14		0.18	
Cyanides (expressed as total CN)	*< threshold*		0.13	
Arsenic and compounds (expressed as As)	0.01		0.07	
Dieldrin	*< threshold*		0.03	
Aldrin	*< threshold*		0.03	
Mercury and its compounds (expressed as Hg)	0.01		*< threshold*	
Total	**20,167.04**	**1,805.71**	**23,015.68**	**2,899.83**

[1] Consolidated total of emissions from facilities for which the threshold value in Annex II of Regulation (EC) No. 166/2006 is exceeded.
[2] The 2024 figures have been adjusted to correct a material error relating to the data for a single waste treatment plant, totalling -5,327.91 tonnes.

Air emissions

The main atmospheric emissions generated by the Group come from the unsorted waste treatment plants and power generation plants. The pollutants emitted include carbon monoxide (CO), nitrogen oxides (NO_x) and ammonia (NH_3).

[E2-4_02]

Total emissions of pollutants into the air by type of emission source and pollutant (t) [1]	2025	2024 [2]
Thermoelectric plants - Total	1,336.95	2,494.54
Carbon monoxide (CO)	1,100.60	2,200.02
Nitrogen oxides (NOx/NO_2)	236.83	294.52
Cogeneration plants - Total	276.62	226.18
Ammonia (NH3)	12.79	*< threshold*
Nitrogen oxides (NOx/NO_2)	263.83	226.18
Waste-to-energy plants - Total	162.74	157.02
Nitrogen oxides (NOx/NO_2)	162.74	156.70
Zinc and compounds (expressed as Zn)	*< threshold*	0.23
Nickel and compounds (expressed as Ni)	*< threshold*	0.09
Polychlorinated Biphenyls (PCB)	0.001	0.0007
Wastewater treatment plants - Total	18.92	22.08
Ammonia (NH_3)	18.92	22.08
Anaerobic waste digestion plants – Total	10.47	*< threshold*
Ammonia (NH3)	10.47	*< threshold*
Total air emissions	1,805.71	2,899.83

[1] Consolidated total of emissions from facilities for which the threshold value in Annex II of Regulation (EC) No. 166/2006 is exceeded.
[2] Data relating to mechanical-biological waste treatment plants has been excluded from the table for 2024 because, following the correction of a material error concerning the pollutants emitted by a single plant of this type, the updated total values are below the required threshold. This change resulted in a reduction of 5,327.91 tonnes in total atmospheric emissions.

In 2025, carbon monoxide emissions from the Turbigo thermoelectric plant decreased as a result of measures to optimize the plant's operational configuration, making its operation more efficient than in 2024. In both years, however, the plant operated in compliance with the legal limits. For waste-to-energy plants, treatment plants and cogeneration plants, the 2025 results are in line with historical data, and the fluctuations fall within the normal operating range of the plants.

Emissions to water

Relevant water emissions for the Group are related to the management of the integrated water service: In particular, the highest concentrations of pollutants are found in discharges from wastewater treatment plants serving local communities. In this respect, it is important to emphasise that the **treatment of urban wastewater (sewage) is in itself a pollution-reducing action**: although the process generates polluting emissions, these are merely the result of the abatement of substances present, in much higher concentrations, in the wastewater entering the wastewater treatment plants. The treatment process separates and removes most of the pollutants in the treated effluent to ensure that the water returned to the environment respects the quality standards defined by the competent authorities. There are different rules for discharges in areas sensitive to nutrient inputs. This is the case, for example, of the Po river basin to which the discharges from the plants managed by the Group in Piedmont and Emilia-Romagna are connected, and for which more restrictive limits for nitrogen and phosphorus apply.

[E2-4_03]

Total emissions of pollutants into water by type of emission source and pollutant (t) [1]	2025	2024
Wastewater treatment plants - Total	20,167.06	23,015.68
Chlorides (expressed as total Cl)	11,907.67	14,128.60
Total Organic Carbon (TOC) (expressed as total C or COD/3)	6,580.74	6,707.74
Total nitrogen	1,460.63	1,922.00
Total phosphorus	203.63	234.44
Zinc and compounds (expressed as Zn)	10.18	13.27
Nickel and compounds (expressed as Ni)	1.49	3.80
Phenols (expressed as total C)	2.30	2.79
Chromium and compounds (expressed as Cr)	0.11	1.91
Copper and compounds (expressed as Cu)	0.15	0.69
Lead and compounds (expressed as Pb)	0.14	0.18
Cyanides (expressed as total CN)	*< threshold*	0.13
Arsenic and compounds (expressed as As)	0.01	0.07
Dieldrin	*< threshold*	0.03
Aldrin	*< threshold*	0.03
Mercury and its compounds (expressed as Hg)	0.01	*< threshold*
Total emissions into water	20,167.06	23,015.68

[1] Consolidated total of emissions of individual installations where the threshold value in Annex II of Regulation (EC) No. 166/2006 is exceeded.

Emissions to water from wastewater treatment plants show a 12% reduction compared to 2024, mainly attributable to the change in the scope of the data considered, in connection with the application of the reporting method, which consolidates only those plants that exceed the emission thresholds set out in Regulation (EC) No 166/2006. Other minor variations are to be considered normal and consistent with the plants' routine operation.

Out of the total emissions to water, those in areas of water stress and water risk represent 0.01% of the total.

Substances of concern and very high concern

[E2-5_03, E2-5_04, E2-5_09, E2-5_10]

Despite the fact that substances of concern and substances of very high concern are not a relevant issue for Iren Group, which among other things is not subject to the registration and authorisation requirements of the REACH regulation, some of the substances monitored in air and water emissions, shown in the tables above, meet the criteria that define a substance of concern or a substance of very high concern. In view of the active monitoring of these substances, the Group also decided to report data on them, broken down into the three main hazard classes:

- **physical hazard** - substances that can cause immediate physical damage, such as fire, explosion or corrosion;
- **health hazard** - substances that may have harmful effects on the human organism, both short-term and long-term, including acute and chronic toxicity;
- **environmental hazard** - substances that can damage the ecosystem, through toxicity to living organisms, persistence in the environment and bioaccumulation.

[E2-5_03, E2-5_04]

Substances of concern that leave facilities as emissions by hazard class (t)	2025	2024 [2]
Substances of concern - physical hazard	1,805.81	2,203.91
Substances of concern - health hazard	1,819.94	2,220.95
Substances of concern - environmental hazard	56.42	20.93
Substances of concern that leave facilities as emissions - Total [1]	1,819.94	2,455.46

[1] Some substances belong to more than one hazard class. The weight of these substances is listed in each hazard class to which they belong. As a result, the sum of the groupings of substances by hazard classes (table rows) is greater than the total shown in the table.
[2] The 2024 figures have been adjusted to correct a material error relating to the data for a single waste treatment plant, totalling -2,332.82 t.

[E2-5_09, E2-5_10]

Substances of very high concern that leave facilities as emissions by hazard class (t)	2025	2024
Substances of very high concern - health hazard	0.14	0.18
Substances of very high concern - environmental hazard	0.14	0.18
Substances of very high concern that leave facilities as emissions - Total [1]	0.14	0.18

[1] Some substances belong to more than one hazard class. The weight of these substances is listed in each hazard class to which they belong. As a result, the sum of the groupings of substances by hazard classes (table rows) is greater than the total shown in the table.

Methodologies for measuring and monitoring emissions

[E2-4_09, E2-4_10, E2-4_15]

The Group's approach to monitoring emissions from its plants ensures a complete and accurate assessment of the environmental impact of its activities. It is a process that unfolds in three main steps:

- **definition of parameters:** as already mentioned, Iren Group's activities from which polluting emissions may result are subject to specific environmental authorisation procedures provided for by law (Legislative Decree No. 152/2006) - such as the Environmental Impact Assessment (EIA), the Integrated Environmental Authorisation (IEA) or the Single Environmental Permit (SEP) - which define the parameters to be monitored;
- **data collection and analysis:** the Environmental Monitoring Plan, which is an integral part of the permit requirements, defines the methods, frequency and sampling points for the various environmental matrices (air, water, soil) in order to obtain representative data on the pollution produced. Sampling and monitoring are performed in accordance with standardised protocols to ensure the accuracy and reliability of the data collected. Analyses are conducted by accredited laboratories to determine the concentrations of pollutant parameters;
- **data collection, validation and communication:** analytical data obtained from sampling are collected and stored in special databases by laboratory technicians and technical contact persons at individual plants, who are responsible for the proper management of environmental information. The validated data are communicated to the competent authorities (the Regional Agency for Environmental Protection, Ministry of the Environment), according to the deadlines and procedures provided for by environmental regulations and authorisations.

In the data collection phase, two main methods are used to measure **air emissions**:

- **continuous monitoring** through constant Emission Detection Systems (EMS) installed at atmospheric emission points. These systems measure the concentration of the most common pollutants (e.g. particulate matter, NO_x, SO_2, CO) in real time and transmit the data to the relevant authorities (the Regional Agency for Environmental Protection) and internal monitoring functions, allowing constant control of emissions and early detection of any irregularities. Continuous monitoring systems are periodically subjected to measurement quality checks and the findings are reported to the control bodies;
- **discontinuous sampling** by taking air samples and analysing the concentration of pollutants (e.g. dioxins, furans, heavy metals). In this case, the figure is calculated on the basis of the volume of air emitted by the plant and the average concentration of pollutants detected and reported in the analytical certificates, which are drawn up by specialised laboratories, which are also subject to periodic quality checks.

On the other hand, as far as **emissions into water** are concerned, the quality of discharges is monitored by means of **periodic chemical analyses**, at all times in accordance with the timeframes and parameters set out in the plant's environmental permit. The mass flow measurement of pollutants is calculated by multiplying for each pollutant the average of the concentrations measured by samples with the volume of the discharge expressed in cubic metres/year. The minimum number of such samples is indicated in the relevant discharge permits, but the Group's orientation is to take more samples in order to have better monitoring.

In the quantification of emissions, direct measurement was therefore used as the benchmark methodology.

However, in the specific case of some plants in which no continuous measurement systems are operative, it was necessary to use estimates to quantify the value of the fumes emitted or the volumes of water discharged, a value needed to convert the direct measurement of concentrations, required by permits, into a figure expressed in mass units. These estimates were based on the following data, in order of priority:

- **point flow rates**, measured at the same time as sampling, were used to calculate the flue gas volumes of certain air emissions, such as ammonia at the anaerobic waste digestion plants and VOC values at the Moncalieri (TO) cogeneration plant and the Turbigo (MI) thermoelectric plant;

- **inductive calculation**, used in two specific cases:
  - to estimate the volume of rainwater discharged into surface water bodies at specific sites, using the site's average rainfall and the plant's impermeable surface area, or the operating hours of the pumps and their average flow rate (as in the case of certain storage and transfer plants, the Moncalieri (TO) cogeneration plant, and the Turbigo (MI) thermoelectric plant);
  - to determine the amount of flue gas emitted by thermal plants or boilers where there is no continuous emission monitoring system, by multiplying the natural gas consumption by an emission coefficient[6];
- **authorised flow rates**, as specified in the plant's environmental permit, were used to calculate certain industrial water discharges at hydroelectric power plants and for ammonia emissions to air at waste storage and transfer plants.

Estimates are based on the specific environmental permits of each plant, applying the principle of utmost caution. The reliability of these estimates varies depending on the type of data used: precise flow rate data offer the least uncertainty, while inductive calculations and authorised flow rates have the greatest uncertainty. However, even in cases where the latter two methods are used, the highest values of the possible ranges are always used. This ensures conservative and tendentially overestimated estimates, in line with a cautious approach to environmental impact assessment.

Targets to prevent pollution

[E2.MDR-T_01-13, E2-3_01, E2-3_02, E2-3_03, E2-3_04, E2-3_09]

In line with its own policies and in compliance with environmental regulations, the Group aims to prevent and reduce pollution.

In the Sustainability and Transition Plan, voluntary targets were defined in the areas of decarbonisation, circular economy, water resources and resilient cities, which, by their very nature, also have a positive impact on pollution prevention.

Area	Target	Impact on pollution prevention	Reference
Decarbonisation	Carbon intensity of energy generation (Scope 1)	Reducing carbon intensity reduces emissions of greenhouse gases and other air pollutants, improving air quality and combating climate change Target matrix: air pollution, substances of concern	paragraph "Climate targets" in the chapter Meeting the challenge of climate change
Circular Economy	Waste for material recovery in Group plants	Material recovery reduces the amount of waste sent to the landfill and which can release contaminants into the soil and groundwater. It also promotes recycling, reducing the need to extract new raw materials Target matrix: soil pollution	paragraph "Targets for the circular economy" in the chapter Supporting the circular economy
Water resources	Treatment capacity	Wastewater treatment plants treat wastewater before it is released into the environment. Increasing their capacity means removing more pollutants, protecting aquatic ecosystems Target matrix: water pollution	paragraph "Targets for water and marine resources" in the chapter Sustainable use of water and marine resources
Resilient cities	Environmentally friendly company vehicles	Replacing the corporate fleet with green vehicles reduces exhaust emissions, improving air quality in cities Target matrix: air pollution, substances of concern	paragraph "Climate targets" in the chapter Meeting the challenge of climate change
	Green electricity sold to retail customers	Offering energy from renewable sources to Iren customers reduces dependence on fossil fuels. This decreases emissions of greenhouse gases and other pollutants associated with traditional power generation Target matrix: air pollution, substances of concern	paragraph "Our Targets for consumers and end-users in the chapter Customer orientation"

In addition to these, plant-specific targets were also defined, with a focus on the most important production sites and activities.

[6] 9.5 Nmc fumes/smc gas, from "Table 1" annexed to Presidential Decree No. 416/2001 "Regulation containing standards for the application of the tax on sulphur dioxide and nitrogen oxide emissions pursuant to Article 17(29) of Law No. 449/1997".

Reduction of nitrogen oxide (NO_x) emissions	
Main scope	exploitation of waste to generate energy/Turin waste-to-energy plant/own operations
Target matrix	air pollution (mandatory target)
Stakeholders engaged	environment, communities, institutions, environmental control authorities
Target/Results (% - intensity) [1]	Reduction of NO_x emissions compared to the BAT limit of 50 mg/Nmc (more restrictive limit for existing plants) Baseline year 2020: -7% | 2025 Results: -9% | 2030 (medium-term): -20% | 2040 (long-term): -20%
Methodologies, assumptions and scientific data used	The target is calculated as the ratio of NO_x emission reduction of the 3 waste-to-energy plant lines (average of annual averages) to the 50 mg/Nmc limit. The target, in line with the provisions of the plant's environmental permit, is defined according to the expected performance following the improvements to the plant section dedicated to the abatement of nitrogen oxides Selective Catalytic Reduction (SCR) technology. Measurement is carried out by the emission monitoring system, which is responsible for verifying compliance with emission limits
2025 Results	The 2025 result confirms the impact of adopting management practices consistent with the gradual reduction of the limits required by the BAT, pending the implementation of further plant modifications aimed at achieving improved performance
SDGs	

Reducing the use of hydrochloric acid (HCl) and sodium hydroxide (NaOH) in the demineralised water production cycle				
Main scope	Energy production/Energy Hub of Reggio Emilia/own operations			
Target matrix	substances of concern (voluntary target)			
Stakeholders engaged	environment, communities, institutions, environmental control authorities			
Target/Results (t - absolute)	HCl and NaOH in 30% aqueous solution	Base year 2020	2025 Results	2028
	HCl (hydrochloric acid)	121	78	50
	NaOH (sodium hydroxide)	109	69	45
Methodologies, assumptions and scientific data used	The target was defined on the basis of studies and experiences with the implementation of reverse osmosis plants for water demineralisation and the results derived therefrom regarding the reduction in the use of HCl and NaOH. Demineralised water is essential to ensure the correct operation of the thermoelectric plant at the Reggio Emilia Energy Hub, where it is planned to replace the current ion exchange resin demineralisation system with a reverse osmosis system to reduce the use of HCl and NaOH			
2025 Results	In 2025, preparatory activities continued for the construction of the new reverse osmosis system, which, according to the rescheduling carried out to meet project coordination and plant planning requirements, will be completed in 2028. The targets for reducing HCl and NaOH consumption remain unchanged, as they are determined by the expected performance of the technology to be installed.			
SDGs				

BOD, COD and TSS abatement in emissions into water from wastewater treatment plants [1]					
Main scope	Integrated water service/own operations (prevention)				
Target matrix	water pollution (voluntary target)				
Stakeholders engaged	environment, communities, institutions				
Target/Results (% of abatement - intensity)		Base year 2020	2025 Results	2030 (medium-term)	2040 (long-term)
	BOD [1]	93.4%	87.8%	> 94%	> 94%
	COD [1]	90.2%	89.8%	> 90%	> 90%
	TSS [1]	93.3%	92.7%	> 93%	> 93%
Methodologies, assumptions and scientific data used	The target, calculated as the ratio between the quantities of substances entering and substances leaving the wastewater treatment plants managed by the Group, is defined taking into account the environmental regulations that establish, on a scientific basis, the specific limits in absolute value for the parameters BOD, COD and TSS in wastewater, confirming their importance in assessing the quality of the water released into the environment				
2025 Results	The results for 2025 were in line with expectations				
SDGs					

[1] BOD = BIOLOGICAL OXYGEN DEMAND; COD = CHEMICAL OXYGEN DEMAND; TSS = TOTAL SUSPENDED SOLIDS

Sustainable use of water and marine resources

[E3.IRO-1_01, E3.IRO-1_02]

The rational use and protection of water resources are explicit objectives, in line with the Sustainability Policy adopted, in the Group's Business Plan, which defined specific targets relating to the withdrawal of water for distribution for drinking purposes and the quality of the discharges returned to the environment, which represent fundamental factors for sustainable management. Within the 2030 Business Plan, in fact, the focus on water resources is one of the areas of the Sustainability and Transition Plan.

The commitment to reducing environmental impacts is reflected in the conscious and sustainable use of water resources in all the Group's processes and services, in terms of both withdrawals and consumption and releases and discharges.

IMPACTS	
✕	• Potential contribution to water stress related to withdrawals/consumption in the management of production processes, including water distribution to end-users
✓	• Contribution to the reduction of water stress, through the reuse of water resources in business processes, the reduction of water withdrawals from the environment for drinking water distribution, raising awareness among citizens on the reduction of water consumption and the possibility of reusing treated water offered by the Group

RISKS	OPPORTUNITIES
• Risk of water, soil or air pollution and impact on the surrounding community (e.g. noise and odour pollution) from activities managed by the Group	• Changes in consumer behaviour resulting from increased sensitivity towards sustainable services/products (e.g. waste sorting, use of green/certified energy, responsible use of water resources), also thanks to environmental education and awareness-raising campaigns and programmes carried out by the Company, which can positively affect the Group's economic performance (e.g. lower costs for treating and sorting waste for recovery, acquisition of new market shares in the sale of green energy to support the green transition) and increase operational efficiency • Greater efficiency in the use of resources, thanks to the adoption of innovative and technological tools with positive consequences on the Group's economic and financial performance (lower costs, higher revenues) and positive impacts on communities and reputation

Material impacts, risks and opportunities were identified through the process described in the paragraph "Double materiality assessment" in the chapter Strategy for sustainable development for the general analysis part, and in the paragraph "Environmental impacts, risks and opportunities" in the chapter Policies for the environment, for the specific process concerning environmental aspects.

Policies for water and marine resources

[E3.MDR-P_01-06, E3-1_01, E3-1_02, E3-1_03, E3-1_04, E3-1_05, E3-1_06, E3-1_07, E3-1_09]

According to its policies (see the chapter Policies for the environment in this section), Iren Group **actively contributes to the protection of water and marine resources** through the administration of the integrated water service in particular, as well as through the management of its own operations. Indeed, the Group is dedicated to significantly improving the ecological and chemical quality of surface water bodies through its drinking water and wastewater treatment plants, ensuring a priority service that impacts not only the environment but also the mitigation of adverse effects on communities in terms of health and safety, access to high-quality services and local development.

Most Group Companies have implemented a certified environmental management system (ISO 14001) and the main production sites have EMAS registrations; therefore, they have procedures for the management of water resources and operating methods that are an effective tool for managing water withdrawals and discharges.

The procedures apply to:

- the various types of production processes and/or supplies of services, which require the use of the "water" resource, even for a secondary purpose;
- water withdrawal of any kind and purpose;
- treatments and qualitative modifications of the resource water made for any reason;
- water discharges of any kind, purpose and origin to soil, subsoil, surface water bodies and sewers.

Actions and resources for water and marine resources

[E3.MDR-A_01-12]

The Group's commitment to reducing environmental impacts is reflected in **actions and initiatives aimed at the conscious and sustainable use of water resources**:

- in all the **Group's processes and services**, in terms of both withdrawals and consumption and releases and discharges;
- in the **integrated water service** by, on the one hand, making the water distribution service more efficient by reducing consumption, and, on the other, by improving and increasing treatment capacity in order to return water of ever higher quality to the environment.

In support of the water action plan, the Group has planned to realise 1.4 billion Euro investments in the period 2025-2030 (see paragraph "Resources for the transition and sustainability strategy" in the chapter Strategy for sustainable development). In 2025, investments made amounted to 226 million Euro.

In order to realise the commitments declared in its policies, Iren adopts tools to prevent, monitor and measure the impact of its activities in the short-, medium- and long-term, as well as processes and technologies for sustainable water management (reduction of water withdrawals, efficient management and reduction of water discharges, reuse of reclaimed water resources), especially in water-stressed areas.

Community services based on the sustainable use of water resources

[E3.MDR-A_01-12]

Actions	
Reduction of water withdrawals from the environment	• planning of **water supply** according to effectiveness and efficiency criteria • measures to **reduce waste and improve the water distribution network** • promotion of initiatives to **increase the culture** of rational use of water resources
Reuse of water resources	• **reuse** of treated water **for irrigation and industrial purposes**
Improvement of wastewater quality	• investments in managed wastewater treatment plants in order to **increase their capacity and improve their technology**

Sustainable management of the water distribution service

[E3-2_02, E3-2_03]

Iren Group manages the water distribution and drinking water treatment service in 311 municipalities, serving approximately 3.3 million inhabitants. During the reporting period, the service area expanded to include 45 municipalities in the Cuneo area, due to the change in consolidation scope resulting from the consolidation of Egea. In 2025, the total volume of water fed into the network was 297.1 million cubic metres, via a total network length of 24,044 km.

Water supply planning is carried out according to criteria of effectiveness and efficiency as well as in compliance with regulations and derivation concessions.

The criteria for the use of resources take into account: authorised quantities, the size of the reserves in the main reservoirs, the quality of the surface water available, the hydrological features of the basins, the data relating to the previous year and data relating to the current year.

The supply plan can be modified, reviewed or updated on a monthly basis following an analysis of the data collected during the measurement and monitoring activities in the phases of the process.

[IREN_E3_03]

Water fed into the network by local area (m³/000)	2025	2024
Piacenza	29,833	29,589
Parma	36,642	35,686
Reggio Emilia	44,286	44,430
Genoa	93,409	90,923
Savona	16,511	16,072
Imperia [1]	1,249	2,633
La Spezia	34,167	35,575
Vercelli	8,373	8,454
Asti	1,331	1,375
Enna	12,010	10,707
Cuneo	19,240	n.a.
Total	**297,051**	**275,444**

[1] The management of the water service in the Imperia area was transferred as of 1 July 2025.

The Group's approach to water management, particularly in water risk and water-stressed areas, focuses on sustainability and efficiency in water use, taking concrete measures to reduce waste and improve distribution:

- proactive management of networks and plants through constant routine and extraordinary **maintenance**;
- the adoption of advanced **technologies** for monitoring faults and their timely repair;
- the **division into districts** of networks, a technique whereby networks are divided into small homogeneous areas called districts, which enable daily monitoring, with targeted instrumental leakage detection campaigns focused solely on those districts where monitoring detects hidden leaks.

These initiatives allow the Group to **optimise water distribution and reduce network losses, minimising the waste of resources without compromising the quality of service provided to the citizens**.

Modelling networked systems and No-Dig technologies

The availability of **network system modelling** is an essential tool for system control and the definition of short- and long-term intervention programmes. Through modelling, it is possible to verify the qualitative-quantitative trend of hydraulic parameters, highlight functional deficiencies in the system, define intervention plans by assigning implementation priorities, costs to be incurred and expected benefits, and to optimise the functioning of the entire system through the use of innovative technologies such as no-dig.

With **No-Dig technologies**, more than 100 metres of pipeline can be renewed in a single day. The execution time can thus be reduced by half compared to traditional methods. The adoption of No-Dig technologies saves on the costs of road works, not to mention the drastic reductions in social costs arising from the inconvenience caused by roadwork sites.

No-dig techniques allow less open excavation and therefore less spoil to be taken for disposal. This generates less environmental impact, in terms of emissions and pollutants caused by the long queues of vehicles caused by roadwork sites.

In addition to service efficiency, the Group focuses on the **quality of the water distributed** and does so through constant analysis of physical-chemical-biological parameters. In 2025, it tested almost 23,000 samples and analysed more than 865,000 parameters:

[IREN_E3_02]

Controls on drinking water by local area (no.)	2025		2024	
	Samples	Parameters	Samples	Parameters
Emilia-Romagna	10,515	395,611	10,019	336,844
Piedmont	1,671	41,053	1,155	30,141
Liguria	10,392	421,740	11,066	441,728
Sicily	220	7,429	197	6,704
Total	**22,798**	**865,833**	**22,437**	**815,417**

Engagement of communities

Iren Group promotes **awareness-raising, training and information initiatives to disseminate culture and behaviour aimed at saving water**.

Numerous educational activities are targeted at citizens and schools to raise awareness about the importance of using water responsibly and adopting daily practices that help reduce waste. These include the wide range of training offers developed by EduIren, the department set up by the Group to disseminate and raise awareness of sustainable development issues. EduIren accompanies the process of the green transition, guiding young people and citizens towards new awareness in the protection of water resources and our planet: a commitment to a sustainable tomorrow that starts from daily life (see paragraph "Eduiren" in the chapter Sustainable development of local communities).

Crucial, also in a water-saving context, is the development of **partnerships and collaborations** with governmental and local institutions, regulatory authorities, environmental and technology companies and start-ups, as well as community associations to promote new initiatives and increase the effectiveness of water management actions. This is the context of the network water refill stations developed by the Group, in cooperation with local administrations, in the local areas of reference.

Water refill stations

The network of refill stations for the free supply to citizens of water (chilled and sparkling) coming from managed aqueducts allow to strongly reduce the use of plastic bottles (more than 19 million 1.5 litre bottles in 2025) and, consequently, the production of waste (677 tonnes of PET avoided), with estimated water savings of more than 11,500 cubic metres and energy savings of approximately 1,287 tonnes of oil equivalent for the production of the bottles.

Sewers and treatment quality

Urban wastewater from public sewers is treated at **1,511 wastewater treatment plants** of varying capacity and type, an increase of 130 plants compared to 2024 due to the expansion of the consolidation scope. In the central plants, pre-treatments are carried out to remove coarse matter, sand and oils, primary treatments to remove settleable solids and traditional secondary and tertiary treatments for nitrogen removal with chemical and biological dephosphating systems. The Group also manages several phyto-purification plants that make use of the plants' treatment activity and are used both for the treatment of sewage (sub-surface flow system) and for the refinement of water treated in traditional wastewater treatment plants (surface flow systems).

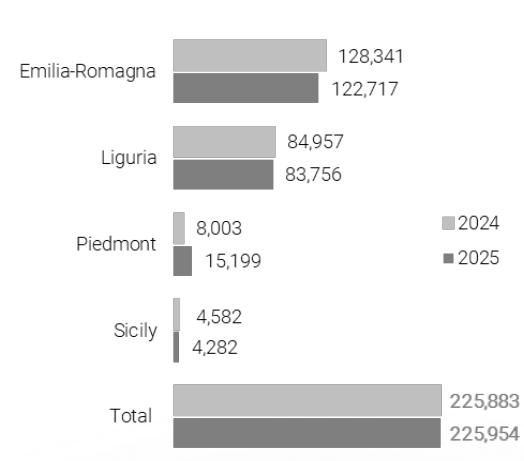
Treated water quality is measured by the percentage of abatement of the main pollutants leaving the plants compared to the quantities entering: BOD (Biochemical Oxygen Demand), COD (Chemical Oxygen Demand), TSS (Total Suspended Solids).

Overall, the following average results were obtained in 2025: 89.8% for COD, 87.8% for BOD, and 92.7% for TSS. The chart below details the abatement by geographic area.

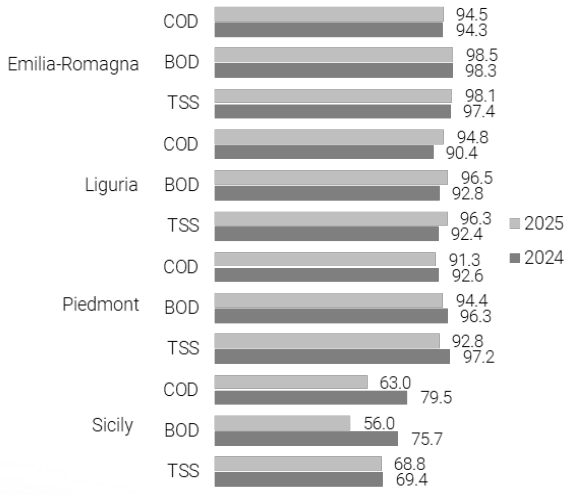
The decrease in BOD and COD values in the Sicily area compared to 2024 is linked to the optimisation and revamping activities implemented on certain plants, which began in 2025. These activities temporarily altered the operational configuration of some sections, resulting in a physiological variation in the measured parameters, which is expected to stabilise once the interventions are completed.

[IREN_E3_05]

Treated wastewater (m³/000)



Pollutant abatement by geographical area (%)



[IREN_E3_02]

Controls on wastewater (no.)	2025		2024	
	Samples	Parameters	Samples	Parameters
Emilia-Romagna	24,279	160,869	24,345	163,347
Piedmont	3,110	25,685	3,469	25,808
Liguria	5,715	57,631	5,062	54,563
Sicily	190	3,258	188	3,957
Total	**33,294**	**247,443**	**33,064**	**247,675**

Water reuse

Water reuse can **reduce pressure on natural water resources** and combat water scarcity, promoting the transition to production models centred on the concept of circular economy.

In addition to ensuring better quality of the water returned to the environment, wastewater treatment processes enable resources to be put back into circulation that can be used for industrial or agricultural purposes, reducing withdrawals from the environment to ensure a more sustainable water supply.

The Group, which in 2025, re-used around 6.2 million cubic metres of water thanks to the Mancasale wastewater treatment plant, has set itself the goal of reaching 20 million cubic metres of recovered resources by 2040.

Optimised management of activities and processes to limit impacts on water resources

[E3.MDR-A_01-12]

Actions	
Sustainable use of water in processes	• **careful management of water resources** in all company processes according to the certified environmental management system (ISO 14001 - EMAS) • awareness-raising and **staff training** on best water management practices
Water recovery	• **adoption of recovery systems** for water used in plants
Quality of water returned to the environment	• **constant monitoring** of industrial water discharges to check for the presence of possible pollutants and the maintenance of water temperature within certain thresholds in order to ensure the ecological and chemical quality of receiving water bodies

Responsible use of water in processes

[E3-4_01, E3-4_02, E3-4_06, E3-4_07, E3-4_08, E3-4_09, E3-4_11]

The water supply at the Group's sites is mainly drawn from surface water bodies (reservoirs, rivers) and a residual amount from the sea, from groundwater (from wells) and from aqueducts.

Almost all of the Group's water withdrawals (about 98%) are attributable to **the cogeneration and thermoelectric plants**, which use water mainly for cooling thermal cycles.

In power generation, **each activity regarding the use of water sources is regulated** by legal provisions of the law or authorisations with the responsibility laying in the hands of the legal representative of the Company or managers, provided with specific powers of attorney and proxies, who have the task of managing and supervising the correct performance of the activities and the correct application of the procedures. Moreover, the **environmental analysis document**, prepared for each site/plant, allows for the identification of the aspects related to water resources and the obligations under environmental legislation. The analysis also identifies the applicability of the legislation to the Group's plants as well as the compliance with the regulations in force.

In 2025, in order to implement more in-depth monitoring, meters were installed at the Turbigo (MI) thermoelectric power plant to monitor the quantity and quality of the discharged process water, and work began on the construction of the **new air-cooled condenser** at the Moncalieri (TO) cogeneration plant, with the aim of reducing the quantity of water resources used for cooling thermal cycles.

Regarding **hydroelectric power generation**, the water used in this process is run-of-river and is therefore not counted in the Group's total water withdrawals. In fact, the water, captured by intake works in surface water bodies and artificial reservoirs, is returned to the environment without changing its chemical and physical characteristics. In all plants, the Minimum Vital Flow (MVF) is guaranteed, which is the water supply that can guarantee the natural ecological integrity of the surface water body, with particular reference to the protection of aquatic life. The MVF is defined by the concession specifications or by regional regulations in implementation of the approved water protection plans, in accordance with the ecological flow

guidelines, and through agreements with the competent authorities. In addition, in the Piedmont Region, the **Ecological Flow** (EF) is applied, which represents an evolution of the Minimum Vital Flow and ensures water discharges consistent with natural flows and the protection of the river ecosystem (see paragraph "Analysis of impacts, risks and opportunities" in the chapter Protecting biodiversity). Thanks to ongoing dialogue and continuous collaboration with irrigation consortia and local authorities, in the context of hydroelectric generation, where necessary, plant planning is carried out with the aim of minimising the impacts associated with water withdrawals and discharges.

[E3-4_07, E3-4_09, E3-4_11]

Water withdrawals by activity (m³/000)	2025	2024
Cogeneration and boilers [1]	228,141	257,759
Thermoelectric [1]	307,070	325,807
Hydroelectric *(excluding run-of-river)* [1]	48	41
Industrial use water service [2]	4,334	4,579
Wastewater treatment plants [3]	1,510	2,012
Gas distribution service [3]	1	2
Waste-to-energy plants [3]	1,530	1,536
Liquid waste treatment plants [3]	159	148
Storage and transfer plants [3]	42	38
Mechanical-biological treatment plants [3]	55	46
Material recovery plants [3]	130	134
Organic waste treatment and recovery plants [3]	141	147
Collection centres and vehicle washing facilities for waste management services [3] [4]	160	147
Civil uses [5]	293	314
Total	543,614	592,710

[1] Withdrawals from this type of plant are mainly taken from meter readings installed in the plant itself. Where there are no meters, the data are estimated on the basis of the plant's operating hours or taken from suppliers' invoices.
[2] The figure refers to the sum of the water used in the washing of drinking water plants, which is measured by means of fiscal meters installed at the plants, and the water used in the washing of distribution networks, which is calculated, according to the method required by ARERA (the regulatory authority for energy networks and environment), as a percentage of the water sold.
[3] The figure is derived from the fiscal meters installed at the plants.
[4] The 2024 figure has been updated following a change in the data collection methodology for collection centres and vehicle washing facilities for waste management services, resulting in a reduction of approximately 76,000 cubic metres.
[5] The figure is taken from suppliers' invoices.

In 2025, an 8% reduction in water withdrawals was recorded compared to the previous year, mainly due to a decrease in the operating hours of the cogeneration and thermoelectric plants.
The water withdrawn is almost totally returned to the environment: **about 0.3% of withdrawals, equal to approximately 1.8 million cubic meters, is consumed in industrial processes**, of which 99.3% in areas characterised by low to medium-high-water risk and water stress[7]. This is mainly water evaporated in production processes (with particular reference to waste-to-energy plants) and used for district heating networks. Consumption is calculated as the difference between water withdrawals and discharges.

[E3-4_08]

Water intensity	2025	2024
Water consumption (m³) / net revenue (M€)	270.4	250.2

Reuse and recovery of water resources

[E3-4_03, E3-4_04, E3-4_05]

With a view to circularity and mitigation of the impact of its activities on water resources, in a context where climate risks such as drought and water stress are continuously increasing, the Group promotes, where possible, water recovery and reuse initiatives:

- **wastewater treated by wastewater treatment plants** can be re-used for irrigation purposes (agriculture, green spaces and sports plants) and industrial purposes (plant cooling, street cleaning) (see paragraph "Water reuse" in this chapter);
- in **waste treatment plants**, there are water recovery and recycling systems. For example, in waste-to-energy plants, water is recovered and recycled, where possible, to extinguish combustion slag and to cool the plant; in other plants, there are rainwater recovery systems that, after being treated, are used to irrigate green areas or to wash indoor areas;
- the Torino Nord **cogeneration plant** is equipped with recovery systems for secondary rainfall rainwater and condensate from the air cooling system entering the turbine. The industrial water produced is stored in a reservoir and re-used for fire-fighting purposes, to feed the demineralised water production installation and for plant-related services.

[7] The identification of water risk and water-stressed areas was carried out following the classification of risk levels indicated by Aqueduct Water Risk Atlas for overall water risk and water stress, respectively.

[E3-4_03]

Volume of water re-used and recycled (m³/000)	2025	2024
Cogeneration and boilers	2	24
Wastewater treatment plants	6,154	6,244
Waste-to-energy plants	34	35
Liquid waste treatment plants	19	12
Mechanical-biological treatment plants and RDF (SRF)	15	6
Material recovery plants	10	4
Organic waste treatment and recovery plants	110	115
Total	6,344	6,440

In the waste treatment sector, the commissioning and upgrading of water recovery systems, together with favourable operating and weather conditions, have resulted in a greater availability of water for reuse in processes.

The Group manages 15 reservoirs that store water for hydroelectric and/or drinking water production. The **total volume stored** in the reservoirs as at 31 December 2025 is more than 42 million cubic metres. The change in stored water volumes compared to 31 December 2024, amounting to approximately 56 million cubic metres, provides an accurate snapshot of reservoir levels at the end of the reporting period. This figure is significantly affected by the rainfall conditions recorded during the period and is attributable to management decisions related to reservoir operations, taken in response to production needs and strategies for accumulating water reserves during the winter period.

Quality of water returned to the environment

[E3-4_12]

The activities carried out by the Group generate **water discharges**, the management of which is regulated by Integrated Environmental Authorisation, Single Environmental Permits and existing legislation:

- industrial discharges (including water used for the cooling of plants);
- integrated water service (process water from wastewater treatment and drinking water systems that do not contain particular pollutants);
- waste management and treatment;
- washing vehicles and industrial areas;
- discharge of domestic water at non-industrial sites.

The Group takes **preventive measures to minimise polluting emissions into water** (see paragraph "Emissions to water" in the chapter Preventing pollution), intervening both in the design phase of its plants and in day-to-day operations. Among the measures taken are advanced systems for monitoring and treating discharges, which mainly consist of cooling water from plants or from water treatment processes used at production sites. Monitoring the presence of possible pollutants in discharges and maintaining water temperatures within certain ranges are essential for the environmental and chemical quality of receiving water bodies, as well as for the protection of fauna and flora.

[E3-4_12]

Water discharges by activity (m³/000)	2025	2024
Cogeneration and boilers	227,498	257,248
Thermoelectric	307,070	325,807
Hydroelectric *(excluding run-of-river)*	58	51
Industrial use water service	4,334	4,579
Wastewater treatment plants	1,510	2,012
Gas distribution service	0	0
Waste-to-energy plants	376	379
Liquid waste treatment plants	159	168
Storage and transfer plants	20	31
Mechanical-biological treatment plants	48	52
Material recovery plants	88	85
Organic waste treatment and recovery plants	220	267
Collection centres and vehicle washing facilities for waste management services [(1)]	164	137
Civil uses	293	315
Total [(1)]	541,838	591,131

[(1)] The 2024 figure has been updated following a change in the data collection methodology for collection centres and vehicle washing facilities for waste management services (reduction of 145,000 cubic metres).

Targets for water and marine resources

[E3.MDR-T_01-13, E3-3_01, E3-3_03, E3-3_08]

The Group has defined a series of strategic targets to reduce water consumption and improve water quality in the medium- (2030) and long-term (2040), which are part of the Sustainability and Transition Plan set out in the Business Plan.

These targets are also part of the short- and long-term remuneration system of the Group's management.

[IREN_E3_06]

Increase wastewater treatment capacity				
Main scope	wastewater treatment/ own operations			
Stakeholders engaged	environment, communities, business customers			
Target/Results (equivalent inhabitants) (absolute)	Base year 2020	2025 Results	2030 (medium-term)	2040 (long-term)
	3,527,000	3,921,481	4,438,000	4,438,000
Methodologies, assumptions and scientific data used	The medium- and long-term targets consider possible options for expanding the perimeter and building new plants or revamping existing ones, consistent with the forecasts of the Business Plan			
2025 Results	The results are positive and in line with expectations of the Sustainability and Transition Plan, which takes into account the potential expansion of the consolidation scope within the integrated water service			
SDGs				

[IREN_E3_03]

Water network leaks				
Main scope	water distribution/ own operations			
Stakeholders engaged	environment, communities, investors			
Target/Results (%) (intensity)		Base year 2020	2025 Results	2030 (medium-term)	2040 (long-term)
	Legacy regions	33.3%	30.8%	26.5%	22%
	Other territories	33.3%	31.4%	27.5%	24%
Methodologies, assumptions and scientific data used	The target is calculated as the ratio of cubic metres of water resource lost from networks to the volumes of water delivered to end-users. The medium- and long-term targets consider possible options to expand the scope, consistent with the Business Plan. In addition, network leakage reduction forecasts take into account the effect of both investments in network renewal and distribution service efficiency through better monitoring (also thanks to division into districts) and timely intervention, and the actual reduction in water consumption by the public, as a result of awareness-raising actions				
2025 Results	During the year, a significant increase in the network failure rate was recorded across the areas served,, with a particularly marked peak during the summer months. Overall, this phenomenon was contained thanks to more accurate monitoring, made possible by the progressive development of the division of networks into districts				
SDGs					

[IREN_E3_03]

Water withdrawals from the environment (all regions)				
Main scope	water distribution/ own operations			
Stakeholders engaged	environment, communities			
Target/Results (litres/inhabitant/day) (absolute)	Base year 2020	2025 Results	2030 (medium-term)	2040 (long-term)
	281	266	240	228
Methodologies, assumptions and scientific data used	The medium- and long-term targets consider possible options to expand the scope, consistent with the Business Plan. In addition, forecasts of a reduction in water withdrawals from the environment take into account the effect both of actions to improve and make the distribution service more efficient (leakage reduction, division into districts), and of the actual reduction in water consumption by citizens, by virtue of awareness-raising actions			
2025 Results	Although the result is progressing towards the Plan's expectations, it shows a decline compared to the previous year due to the expansion of the company's consolidation scope			
SDGs				

[IREN_E3_04]

District subdivision of water networks					
Main scope	water distribution/own operations				
Stakeholders engaged	environment, communities				
Target/Results (%) (intensity)		Base year 2020	2025 Results	2030 (medium-term)	2040 (long-term)
	Legacy regions	56.0%	73.2%	78.9%	89.2%
	Other territories	56.0%	65.4%	76.0%	87.2%
Methodologies, assumptions and scientific data used	The target is calculated as the ratio of kilometres of network divided into districts to the total length of the network managed. The medium- and long-term targets take into account the planned investments for the division into districts of the water distribution networks, as well as the possible options for expanding the scope, consistent with the provisions of the Business Plan				
2025 Results	The results are positive and in line with expectations of the Sustainability and Transition Plan, which takes into account the potential expansion of the consolidation scope within the integrated water service				
SDGs					

[E3-4_03]

Reuse of water from wastewater treatment plants				
Main scope	wastewater treatment/ own operations			
Stakeholders engaged	environment, communities, business customers			
Target/Results (m^3) (absolute)	Base year 2020	2025 Results	2030 (medium-term)	2040 (long-term)
	6,000,000	6,153,591	6,200,000	20,000,000
Methodologies, assumptions and scientific data used	The medium- and long-term targets consider the investments laid down in the Business Plan for the development of new wastewater treatment plants that provide for the reuse of treated water for irrigation or industrial purposes			
2025 Results	The results are positive and in line with expectations of the Sustainability and Transition Plan, which takes into account the potential expansion of the consolidation scope within the integrated water service			
SDGs				

The targets, defined by Iren Group on a voluntary basis, are monitored on an interim and annual basis to check the alignment of progress in relation to the annual targets of the Business Plan and to define, if necessary, corrective actions or changes in the scenario that may require a revision of the target.

Protecting biodiversity

[E4-1_01, E4-1_02, E4-1_03, E4-1_04, E4-1_05, E4-1_06]

The conservation of biodiversity and ecosystems are considered by Iren Group as an essential component in the implementation of its industrial activities. The Group's Sustainability and Transition Plan, Sustainability Policy, Environmental Policy and Biodiversity Policy set out the path, commitments and actions aimed at **reducing the environmental impact** of the Company's activities, thereby contributing to the protection of biodiversity and ecosystems and maintaining the balance of nature, strengthening overall resilience to biodiversity-related risks. In particular:

- the **progressive decarbonization of activities**, the **development of energy production from renewable sources** and the **recovery of matter and energy from waste** contribute to the mitigation of climate change, the main threat to global ecosystems;
- **enhancing the treatment capacity of wastewater** is an essential lever for the removal of pollutants from water returned to the natural environment, with a positive impact on biodiversity and aquatic ecosystems;
- the adoption of **certified environmental management systems** (ISO 14001 and EMAS) represents a strategic tool for continuous monitoring and improvement, as defined by the Environmental Policy, which is also fundamental for carrying out activities and developing infrastructures while protecting biodiversity;
- the realisation of **urban reforestation interventions**, through projects that not only improve air quality and absorb CO_2, but also create new habitats for animal and plant species, promoting biological diversity in urban contexts;
- the involvement and evaluation of suppliers on **environmental performance** in their activities for Iren Group, encouraging the implementation of environmental management systems;
- the promotion of and participation **in awareness-raising initiatives** by the Group, also in collaboration with institutions, local communities and stakeholders to promote awareness of the value of biodiversity and encourage virtuous behaviour.

Prevent, plan and act for nature

[E4.SBM-3_01, E4.SBM-3_02, E4.SBM-3_03, E4.SBM-3_04, E4.SBM-3_05, E4.SBM-3_06]

Iren Group operates at numerous sites throughout Italy, each with specific environmental characteristics and types of activities. Of these sites, **132 are located within or near Natura 2000** areas, which are of high nature value and crucial for the conservation of biodiversity.

Aware of the importance of these ecosystems, Iren acts responsibly, adopting protective strategies and measures based on the specific needs of each ecosystem concerned and strictly complying with environmental regulations, **so as to limit the impact of the Group's activities on biodiversity** and minimise their negative effects. As a result of this approach, no significant negative impacts were identified during the materiality assessment process (see paragraph "Analysis of impacts, risks and opportunities" in this chapter).

The construction and management of plants, activities and projects are carried out in accordance with Italian environmental regulations (Legislative Decree 152/2006) which provide for the integration of environmental aspects into the development of plans and programmes and the Environmental Impact Assessment (EIA), with the aim of identifying and assessing in advance the effects on the environment - during the start-up phase or in case of significant changes to existing projects - and of identifying measures to prevent, eliminate or minimise negative impacts on the environment before they actually occur, analysing the impact in terms of atmospheric emissions, water withdrawals and discharges, waste, noise and odours. In addition, any major project involving the construction, modernisation or extension of existing plants and infrastructures, which may have impacts on Natura 2000 areas, is subject, as required by regulation (Presidential Decree No. 357/1997), to an Appropriate Assessment, which aims to identify potential environmental impacts and to ensure that the intervention is implemented in compliance with the environmental integrity of these sites.

For example, in the context of **energy production**, sites are classified according to the ecological setting in which they are located (natural, agricultural, built-up or highly urbanised areas). This classification enables the proper assessment of any interactions with ecosystems. Hydroelectric, photovoltaic, thermoelectric and cogeneration plants may be located in ecologically sensitive areas and may give rise to potential pressures – such as water resource use, emissions, noise or land occupation. These aspects are managed through design solutions that take into account land sealing and the consequent potential fragmentation of habitats.

With regard to **gas distribution**, the installation, operation and maintenance of networks are carried out in accordance with ISO 14001-certified environmental management systems, which ensure structured control of impacts and an approach based on the principles of precaution, prevention and continuous improvement.

Also in the field of **electricity distribution**, power lines and substations may pass through sensitive areas, identified through maps and biogeographical lists updated by the Ministry of the Environment; however, environmental monitoring, the use of certified materials and authorisation procedures ensure that no deterioration of the habitats crossed occurs.

Preventive measures are also implemented in relation to **endangered species**, for example by monitoring the health status of the waterways affected by the installations and of fish communities.

This ongoing commitment, also supported by the synergies between the various business areas, enables the Group **to limit the impact of its activities on biodiversity** and minimise any negative effects.

Although the Group's activities do not have a significant negative impact on biodiversity, a list is provided of the Natura 2000 sensitive areas in or near (2 km radius) where the Group operates (see paragraph "Natura 2000 sensitive areas in/near which Iren Group operates" in this chapter), identified through the Natura 2000 Viewer tool, which provides key information on all Natura 2000 sites: species and habitats, population size and species conservation status.

Analysis of impacts, risks and opportunities

[E4.IRO-1_01, E4.IRO-1_02, E4.IRO-1_03, E4.IRO-1_04, E4.IRO-1_05, E4.IRO-1_06, E4.IRO-1_07, E4.IRO-1_08, E4.IRO-1_14, E4.IRO-1_15, E4.IRO-1_16]

Material impacts, risks, dependencies and opportunities were analysed through the process described in the paragraph "Double materiality assessment" in the chapter Strategy for sustainable development for the general analysis, and in the paragraph "Environmental impacts, risks and opportunities" in the chapter Policies for the environment, for the specific process concerning environmental issues.

IMPACTS
✓ Promotion/implementation of initiatives by Iren Group (green energy production, waste and wastewater treatment, urban reforestation, etc.) and/or participation in third-party initiatives to promote the protection and development of biodiversity

This analysis **did not reveal any possible negative impacts or dependencies for the Group related to biodiversity and ecosystems or to local communities** that are relevant in terms of likelihood and severity.

However, it is important to highlight that the Group makes a positive contribution to the protection and development of biodiversity, both through the **implementation of its own initiatives** (renewable energy production, waste and wastewater treatment) and through participation in initiatives promoted by third parties (see paragraph "Actions and resources for biodiversity" in this chapter).

The Group's activities carried out at sites located in or near protected areas - energy generation, waste treatment, electricity distribution and integrated water service management - are certified under the ISO 14001 environmental management system and are subject to Impact Assessment and Appropriate Assessment, as required by current legislation (Legislative Decree No. 152/2006 and the Habitats Directive).

In order to mitigate the potential impacts of its activities on biodiversity, the Group adopts sector-specific measures for the conservation of species, natural and semi-natural habitats, strictly adhering to the regulatory framework. For example, in the context of **hydroelectric power plants**, a trial aimed at implementing **ecological flow** is currently underway in the Piedmont region, in accordance with the requirements of the competent authorities. Ecological flow (EF), which represents an evolution of the minimum vital flow, is the hydrological regime that a watercourse must maintain over a section with uniform hydraulic characteristics, with the aim of protecting the river ecosystem and maintaining or achieving the environmental targets set out in the Water Framework Directive (Directive 2000/60/EC, transposed in Italy by Legislative Decree No. 152/2006), the regional Water Protection Plans and the River Basin District Management Plans, such as the Po River Basin District Management Plan (Po RBMP 2021).

In 2025, by resolution of the Piedmont Region, a Memorandum of Understanding – signed by Iren Energia, the Piedmont Region, the Metropolitan City of Turin, the Management Body for the Protected Areas of the Piedmontese Po, the Gran Paradiso National Park and ARPA Piemonte – was approved for the ecological flow trial on the Orco River, with the trial scheduled to begin in 2026. As part of this trial, particular attention is being paid to assessing mitigation measures to benefit river biodiversity, through the application of the **mesohabitat simulation model** (MesoHABSIM) methodology, a mesoscale habitat simulation model aimed at defining optimal coexistence conditions between the watercourse and the animal and plant communities present. A similar trial proposal, concerning the Dora Riparia River, where the Pont Ventoux–Susa hydroelectric plants and the Valle Dora Energia plants are located, was submitted in December 2025, with the trial expected to commence in 2026.

In addition, at numerous dams belonging to the Group's hydroelectric plants, **fish ladders** for ichthyofauna are present, aimed at ensuring the continuity of aquatic habitats. Finally, in order to minimise the **acoustic impact** on the surrounding environment, all plants are equipped with appropriate soundproofing systems. Moreover, the measures to improve efficiency of hydroelectric plants, carried out over time by the Group, have positive effects on the overall system, as they reduce the need for energy production from fossil sources and contribute to reduce atmospheric emissions.

With regard to **thermoelectric power plants**, at the Turbigo (MI) and Moncalieri (TO) power plants, the **temperature of the water** leaving the condensers and discharged into surface water bodies is monitored. In addition to monitoring the effluent for any pollutants, it is essential to keep temperature variations within specific ranges, as aquatic flora and fauna are particularly sensitive to changes in temperature. At the Moncalieri (TO) cogeneration plant and the Baiso (RE) hydroelectric plant, the **health status of the watercourses** on which the plants are located is monitored by calculating the **Extended Biotic Index** (EBI), which is based on the analysis of benthic macro-invertebrate communities and enables the watercourse's quality class to be determined. Sampling is carried out upstream and downstream of the power plants and, also in this case, the temperature variation between the measurement points must remain within predefined ranges in order to avoid any adverse impact on river communities. Finally, the main production sites are equipped with **wastewater treatment** systems, which are designed to return water to the surface water body in compliance with the quality limits set by current regulations.

In the **integrated water service**, too, the procedures for building and operating plants are aimed at impact mitigation: screening and environmental impact assessments are carried out within the deadlines set by the regulations on both wastewater treatment plants and water withdrawals. In addition, for new installations, and those subject to substantial modifications, a **noise impact** study is prepared, subject to technical verification. Wastewater treatment plants are required to apply more restrictive limits for nitrogen and phosphorus, depending on their size. Works are carried out on the discharge from wastewater treatment plants into surface water to limit erosion or stagnation and continuous quality controls are carried out on the discharge, including, where necessary, acute toxicity tests. When necessary, discharge disinfection is carried out with environmentally compatible compounds. The purpose of a **wastewater treatment** plant is, by its very nature, to maintain optimal environmental conditions and its primary objective is to ensure that wastewater is treated appropriately and made compatible with the natural habitats of the receiving water bodies. Similarly, **the protection of areas where water sources** are located is of the utmost importance for the management of the integrated water service, together with limiting resource withdrawals from the environment for drinking water purposes. To this end, the Group is constantly striving to reduce network losses, both by **monitoring the water system** through the division of networks into districts, and through regular inspections of plants and preventive maintenance activities that limit the occurrence of breaks and malfunctions.

Finally, as part of the ISO 14001-**certified environmental management system**, environmental analyses are prepared and periodically updated to identify impacts and quantify their significance, with a view to their containment and monitoring of environmental performance.

Biodiversity policies

[E4.MDR-P_01-06, E4-2_01, E4-2_02, E4-2_03, E4-2_04, E4-2_05, E4-2_06, E4-2_17, E4-2_19]

Aware of the relevance of the issue globally, the Group has defined commitments and guiding principles relating to biodiversity and ecosystems both in its Environmental Policy (see the chapter Policies for the environment in this section) and in a specific Biodiversity Policy.

The principles underpinning the Biodiversity Policy comply with **national and European regulations and standards** - including the National and European Biodiversity Strategy, the Habitats Directive, the Birds Directive, ISO 14001, the EMAS scheme and the UN Sustainable Development Goals - and consist of:

- the **conservation** of the biodiversity of ecosystems, in particular for the activities carried out in vulnerable or protected natural areas;
- the **monitoring, prevention and mitigation** of the impacts of the activities on biodiversity;
- the **promotion of environmental improvement** through actions aimed at protecting areas of high ecological value and disseminating a culture of biodiversity;
- raising **awareness** and **knowledge** about biodiversity, its protection and conservation, encouraging best practice and passing it on internally and externally;
- **collaboration** with local associations and communities in actions and projects designed to increase stakeholders' awareness of the importance of protecting biodiversity.

The principles are realised through the promotion of voluntary actions, such as:

- the **mapping** and **location** of Group infrastructures in order to identify potential interferences generated on protected areas where they are located or in their vicinity;
- **environmental analysis** and **assessment** of the significance for the Group of impacts and risks related to the environment and biodiversity, in order to take the necessary measures according to a hierarchy that prioritises solutions to avoid and prevent the occurrence of negative impacts, minimise unavoidable impacts, restore environmental conditions and compensate for residual effects. In the management of water services, for example, in order to prevent a potential impact on biodiversity and ecosystems resulting from water withdrawals needed to feed the aqueduct systems, the Group is constantly striving to reduce network losses by monitoring the water system through the division into districts of the aqueduct network. Regular plant inspections and preventive maintenance measures that limit the occurrence of breakdowns and malfunctions are also carried out;
- the integration of environmental aspects also related to biodiversity into the Group's **environmental management system**, through management tools and procedures for monitoring activities;
- **public disclosure** of actions taken to ensure the conservation of biodiversity in the areas of operation;
- participation in **research projects or studies** in collaboration with third parties;

- promotion of **training, education and awareness initiatives**, working with associations, local communities, suppliers and other parties interested in biodiversity issues.

The effects of activities on ecosystems are **monitored** using tools such as the Preliminary Environmental Assessment (art. 6 of Italian Legislative Decree 152/2006), the Environmental Impact Assessment (EIA), specific authorisation documents such as Integrated Environmental Authorisations (IEAs), and the impact assessment for Natura 2000 sites.

Finally, the Group's Environmental Policy also promotes the sustainable procurement and consumption of resources and the traceability of raw materials used.

The Policy applies to the entire Group and to all geographical segments, with particular reference to those near or within sensitive or protected natural areas. The main focus is on the **protection and conservation of habitats and species present in the operational sites**.

In line with the Group's organisational and **corporate governance** model, which **assigns responsibilities to the main corporate governance bodies** for overseeing sustainability issues, the implementation of biodiversity policies is the responsibility of the Chief Executive Officer, supported by an organisation that provides for:

- a system of delegation of decision-making and spending powers;
- the presence, at Group level, of a QSA (Quality, Safety and Environment) management systems function responsible for verifying the application and updating of the Environmental Policy;
- the definition of roles and responsibilities on environmental issues in company organisational charts;
- a set of operating procedures on environmental issues consistent with the ISO 14001 and EMAS certified environmental management systems adopted by the Group.

Iren Group also works in synergy with local communities, associations and stakeholders to raise awareness of the importance of biodiversity, promoting initiatives that enhance the territory and protect its natural areas. Examples of this collaboration are the projects, carried out by the Iren Local Committees (see paragraph "Iren Local Committees: dialogue, exchange of ideas and community participation" in the chapter Sustainable development of local communities), to locate and catalogue hilly wetlands in the province of Reggio Emilia, and to take a census of the areas of greatest naturalistic interest in the Po Valley.

Stakeholders' interests, considered in the definition of policies, are detected both through the structured dialogue and discussion carried out by Iren's Local Committees and through the impact materiality assessment. The Group also promotes **education, training and awareness-raising activities** (e.g. the placement of beehives in power plants, see paragraph "Actions and resources for biodiversity" in this chapter) targeted at both employees and local communities.

To ensure transparency and involvement, policies are made public through the Group's website and in annual sustainability reporting.

The Group's biodiversity policies consider the potential direct negative impacts on biodiversity loss related to **pollution**, as well as **physical risks** and **dependencies**, particularly related to **climate change**, **water** and the **preservation of marine resources**.

In addition, policies consider the possible positive impacts related to the diffusion of biodiversity culture, internally and along the value chain, including through collaboration with local institutions and communities, as well as in **engaging suppliers to adopt sustainability policies, actions and targets** to reduce their actual or potential negative impacts.

Actions and resources for biodiversity

[E4.MDR-A_01-12, E4-3_02, E4-3_03, E4-3_04, E4-3_08, E4-5_01, E4-5_02, E4-5_04]

The biodiversity protection policies adopted by the Group, which define principles and guidelines, are translated into concrete actions that the Group implements daily in its activities.

Actions	
Reforestation and greenery	• creation, enrichment and improvement of **green spaces in urban areas and at operational sites:** for example, in Turin, at the San Salvario heat storage plant, the planting of linear strips composed of tree and shrub species is underway, with the aim of contributing to CO_2 removal in the years to come and creating new potential habitats. In addition, where possible, the Group initiates projects to convert spaces freed by disused buildings into green areas.
Species protection	• **ascending fish ladders** to enable fish to overcome artificial barriers, such as dams or hydroelectric plants operated by the Group, and to continue their natural migration, reproduction and growth path. Their use is particularly important to ensure the sustainability of aquatic ecosystems, preserving fish biodiversity and ensuring the continuity of biological cycles of fish • **placement of beehives** at the OFMSW plant in Reggio Emilia to monitor the quality of the surrounding areas and environmental matrices. In 2025, two beehives were installed, housing approximately 120,000 bees, which can visit up to 60 million flowers each day and produce between 20 and 50 kg of honey per season, thereby contributing to the pollination of the surrounding areas. By observing the health status of bees, their behaviour and productivity, the balance of the local ecosystem is monitored.
Water	• **wastewater treatment** in wastewater treatment plants subject to stricter nitrogen and phosphorous limits to ensure that treated wastewater is compatible with the natural habitats of receiving water bodies, which include both rivers (such as the Po and waterways of Sicily) and coastal stretches (such as those in the Ligurian Sea) • **screening and environmental impact assessments** to preserve the biodiversity of ecosystems in areas where water sources are located
Soil	• **prevention of PCB pollution** through the monitoring and replacement of electrical transformers in distribution networks that contain oils with high PCB concentrations • **landscape restoration** of sites where landfills are being closed or have been closed, through the installation of final impermeable capping systems and revegetation measures which, together with biogas capture and leachate management, help to prevent potential impacts on soil, subsoil and water resources
Site monitoring	• **mapping of the Group's sites** using a single, structured database that collects the Group's relevant sites located within or near protected areas and enhances the ability to identify potential interference with ecosystems and habitats • **ongoing technological upgrading of plants** by adopting the best available and economically viable technologies, with the aim of continuously improving environmental performance • **assessment of electromagnetic fields (EMF)** during the design phase of new electrical substations, in order to limit potential interference with local wildlife and ecosystems
Local collaborations	• agreement with the **Gran Paradiso National Park Authority** in relation to the operation of hydroelectric plants within the protected area, Iren collaborates with the park authority for: - implementation of initiatives and works aimed at environmental improvement - collaboration to monitor and improve the environment through the collection and analysis of meteorological data, hydrological measurements and studies on water quality and fish fauna - educational, tourist and cultural promotion of the Piedmont side of the Park - creation of a glaciological museum (Climapark Piantonetto) • participation in the **KilometroVerdeParma Forestry Consortium**, which is developing perennial forests in the province of Parma - where there is land, public or private, free and available - certified PEFC (Programme for Endorsement of Forest Certification schemes), a forest certification based on compliance with the criteria and indicators defined in the Ministerial Conferences on the Protection of Forests in Europe (Helsinki 1993, Lisbon 1998). The PEFC standard ensures the sustainable management and use of forests so that they can fulfil ecological, economic and social functions now and in the future

Iren carries out its activities by operating at 132 sites located in or near 73 biodiversity-sensitive areas (see paragraph "Natura 2000 sensitive areas in/near which Iren Group operates" in this chapter), where it continuously monitors the health of ecosystems using primary data (including satellite observations), robust scientific models and metrics aligned with environmental regulations, enabling it to reliably assess habitat conditions and detect any critical issues in a timely manner. Based on these analyses, the Group verifies that compliance with ecological limits is ensured at these sites and that its operations do not adversely affect biodiversity and ecosystems, thereby making the use of offsetting measures unnecessary.

The Group does not directly contribute to changes in the use of land, freshwater or the sea, thanks to careful planning that prioritises the use of land already owned by the Group for new plant developments, optimising space and complying with current urban planning regulations.

Targets for biodiversity

[E4.MDR-T_01-13, E4-4_01, E4-4_02, E4-4_03, E4-4_04, E4-4_05, E4-4_06, E4-4_07, E4-4_08, E4-4_09]

In its Sustainability and Transition Plan, Iren Group has defined targets in the areas of decarbonization, circular economy and water resources that, by their very nature, are intrinsically linked to the conservation of biodiversity.

Area	Target	Effects on biodiversity	Reference
Decarbonization	Carbon intensity of energy generation (Scope 1)	Climate change is one of the main causes of biodiversity loss, as it alters habitats, modifies natural cycles and increases the frequency of extreme events. By reducing carbon intensity, the Group makes its contribution to protection of the climate and the ecosystem *Level of the mitigation hierarchy: prevention*	paragraph "Climate targets" in the chapter Meeting the challenge of climate change
Circular Economy	Reuse of treated water	The reuse of specially treated wastewater reduces pressure on natural water resources. This is crucial for aquatic biodiversity, as withdrawals alter water ecosystems and compromise the survival of animal and plant species *Level of the mitigation hierarchy: prevention*	paragraph "Targets for water and marine resources" in the chapter Sustainable use of water and marine resources
Water resources	Treatment capacity	Increased treatment capacity ensures that wastewater is treated effectively before being released into the environment. This prevents pollution affecting aquatic biodiversity, causing the disappearance of beneficial aquatic organisms, the proliferation of harmful algae and the loss of habitat *Level of the mitigation hierarchy: prevention*	paragraph "Targets for water and marine resources" in the chapter Sustainable use of water and marine resources
	Water withdrawals from the environment	Reducing water withdrawals from the environment is essential for preserving aquatic ecosystems, counteracting the loss of wetlands and altering the habitats of aquatic and terrestrial species *Level of the mitigation hierarchy: prevention*	
	Water mains leaks (legacy regions)	Reducing losses in the water network contributes to a more efficient use of water resources, resulting in less water being withdrawn from the environment and reducing the impact on aquatic ecosystems *Level of the mitigation hierarchy: prevention*	

In addition to these, the Group sets targets for biodiversity in line with its own policies and the following regulations: the **EU Biodiversity Strategy for 2030**, promoting the creation of more natural environments; the **post-2020 global biodiversity framework**, through initiatives that support biodiversity and ecological integration; and **other national regulations**, while respecting the environmental and landscape management constraints applicable to the site.

Expansion of green areas at Group plants			
Main scope	electric and thermal power generation - Moncalieri power plant/ own operations		
Stakeholders engaged	environment, communities, institutions		
Target/Results (m^2 - absolute)	Base year 2020	2025 Results	2027
	40,000	40,000	40,450
Methodologies, assumptions and scientific data used	The project is based on scientific foundations, including preliminary soil analyses, careful selection of native plant species in cooperation with environmental experts, and specific environmental studies conducted on the area. No specific ecological thresholds were identified to determine the targets: the design is mainly based on an analysis of local conditions, taking into account the soil and climate characteristics of the site, as well as the typical composition of the adjacent river vegetation. Interventions are designed to directly improve the ecological and visual quality of the area, without resorting to external compensation instruments		
2025 Results	In 2025, the intervention was prepared, and its implementation is scheduled to follow the completion of the plant engineering works (installation of the new production cycle cooling system) currently underway at the site, with execution planned for the second half of 2027, an update from the previous schedule of 2026.		
Relationship to impacts, dependencies, risks and opportunities	The target is closely related to the positive impact of "promotion/implementation of initiatives by Iren Group and/or participation in third-party initiatives to promote the protection and development of biodiversity"		
Level of the mitigation hierarchy	The target ranks at the "Prevention" level in the mitigation hierarchy		
SDGs			

Natura 2000 sensitive areas in/near which Iren Group operates

Region	Name	Area Code	Geolocalisation
Basilicata	Valle Basento - Ferrandina Scalo	IT9220255	Long. 16.491667 Lat. 40.522500
Campania	Parco regionale dei Monti Picentini	IT8040021	Long. 14.998002 Lat. 40.707138
	Basso corso del Fiume Bussento	IT8050007	Long. 15.496944 Lat. 40.103333
	Fiumi Tanagro e Sele	IT8050049	Long. 15.232778 Lat. 40.658056
Emilia-Romagna	Monte Capra, Monte Tre Abati, Monte Armelio, Sant'Agostino, Lago di Averaldi	IT4010004	Long. 9.477778 Lat. 44.766389
	Fiume Trebbia da Perino a Bobbio	IT4010011	Long. 9.417778 Lat. 44.794722
	Conoide del Nure e Bosco di Fornace vecchia	IT4010017	Long. 9.699167 Lat. 44.920278
	Fiume Po da Rio Boriacco a Bosco Ospizio	IT4010018	Long. 9.762778 Lat. 45.095833
	Abetina Reale, Alta Val Dolo	IT4030005	Long. 10.458333 Lat. 44.263611
	Fontanili di Corte Valle Re	IT4030007	Long. 10.532800 Lat. 44.767200
	Gessi Triassici	IT4030009	Long. 10.388611 Lat. 44.383333
	San Valentino, Rio della Rocca	IT4030016	Long. 10.717500 Lat. 44.541667
	Media Val Tresinaro, Val Dorgola	IT4030018	Long. 10.565833 Lat. 44.498889
Liguria	Conglomerato di Vobbia	IT1330213	Long. 9.000000 Lat. 44.600000
	Pian della Badia	IT1330620	Long. 8.600000 Lat. 44.533333
	Parco dell'Antola	IT1330905	Long. 9.196944 Lat. 44.587500
	Foce e medio corso del Fiume Entella	IT1332717	Long. 9.357500 Lat. 44.350278
	Lago Marcotto - Roccabruna - Gifarco - Lago della Nave	IT1331012	Long. 9.333333 Lat. 44.533333
	Lago Brugneto	IT1331019	Long. 9.200000 Lat. 44.533333
	Parco dell'Aveto	IT1331104	Long. 9.433333 Lat. 44.483333
	Beigua - Monte Dente - Gargassa - Pavaglione	IT1331402	Long. 8.583889 Lat. 44.454444
	Praglia - Pracaban - Monte Leco - Punta Martin	IT1331501	Long. 8.825000 Lat. 44.503056
	Monte Ramaceto	IT1331810	Long. 9.312500 Lat. 44.440833
	Monte Caucaso	IT1331811	Long. 9.230556 Lat. 44.458611
	Fondali Arenzano - Punta Ivrea	IT1332477	Long. 8.680556 Lat. 44.386667
	Fondali Boccadasse - Nervi	IT1332576	Long. 8.996111 Lat. 44.380000
	Parco di Portofino	IT1332603	Long. 9.181667 Lat. 44.322778
	Pineta - Lecceta di Chiavari	IT1332614	Long. 9.303333 Lat. 44.326389
	Rio Tuia - Montallegro	IT1332622	Long. 9.265278 Lat. 44.358333
	Fondali Golfo di Rapallo	IT1332673	Long. 9.248889 Lat. 44.338056
	Punta Manara	IT1333308	Long. 9.407500 Lat. 44.260833
	Parco della Magra - Vara	IT1343502	Long. 9.864444 Lat. 44.172222
	Val Noci - torrente Geirato - Alpesisa	IT1331721	Long. 9.024000 Lat. 44.482000
Lombardy	Boschi del Ticino	IT2080301	Long. 8.923000 Lat. 45.441000
Piedmont	Collina di Superga	IT1110002	Long. 7.770600 Lat. 45.069700
	Stupinigi	IT1110004	Long. 7.592000 Lat. 44.981000
	Gran Bosco di Salbertrand	IT1110010	Long. 6.922200 Lat. 45.058100
	Lanca di Santa Marta (Confluenza Po - Banna)	IT1110017	Long. 7.695600 Lat. 44.951400
	Confluenza Po - Orco - Malone	IT1110018	Long. 7.866100 Lat. 45.183900
	Po morto di Carignano	IT1110025	Long. 7.696667 Lat. 44.896389
	Oasi xerotermiche della Val di Susa-Orrido di Chianocco	IT1110030	Long. 7.120833 Lat. 45.151389
	Meisino (confluenza Po)	IT1110070	Long. 7.733295 Lat. 45.092683
	La Mandria	IT1110079	Long. 7.573900 Lat. 45.163100
	Lame del Sesia e Isolone di Oldenico	IT1120010	Long. 8.397500 Lat. 45.419167
	Isolotto del Ritano (Dora Baltea)	IT1120013	Long. 8.001111 Lat. 45.231389
	Risaie vercellesi	IT1120021	Long. 8.232800 Lat. 45.297500
	Lama del Badiotto e Garzaia della Brarola	IT1120025	Long. 8.496594 Lat. 45.299074
	Vallone di Orgials - Colle della Lombarda	IT1160023	Long. 7.140000 Lat. 44.218000
	Sorgenti del Maira, Bosco di Saretto, Rocca Provenzale	IT1160018	Long. 6.915833 Lat. 44.496389
	Gruppo del Tenibres	IT1160021	Long. 7.022778 Lat. 44.304167
	Colle e Lago della Maddalena, Val Puriac	IT1160024	Long. 6.912222 Lat. 44.393611
	Alte Valli Stura e Maira	IT1160062	Long. 7.077400 Lat. 44.282600
	Parco Regionale delle Capanne di Marcarolo	IT1180026	Long. 8.788926 Lat. 44.565287
	Fiume Po - tratto vercellese alessandrino	IT1180028	Long. 8.500400 Lat. 45.144700
	Parco Nazionale del Gran Paradiso	IT1201000	Long. 7.301667 Lat. 45.518889
	Bosco del Merlino	IT1160010	Long. 7.715711 Lat. 44.790029
	Bric Montariolo	IT1180032	Long. 8.668331 Lat. 45.005724
	Champlas - Colle Sestriere	IT1110026	Long. 6.869430 Lat. 44.942762
	Mulino Vecchio (fascia fluviale del Po)	IT1110050	Long. 7.965371 Lat. 45.246772
	Zone umide di Fossano e Sant'Albano Stura	IT1160059	Long. 7.735722 Lat. 44.601265
	Fiume Tanaro e Stagni di Neive	IT1160054	Long. 8.080743 Lat. 44.725396
Puglia	Torre Guaceto e Macchia S. Giovanni	IT9140005	Long. 17.758056 Lat. 40.743611
Sicily	Lago di Pergusa	ITA060002	Long. 14.304671 Lat. 37.512783
	Lago di Pozzillo	ITA060003	Long. 14.590000 Lat. 37.650556
	Vallone di Piano della Corte	ITA060007	Long. 14.504203 Lat. 37.645039
	Vallone Rossomanno	ITA060010	Long. 14.395556 Lat. 37.445556
	Contrada Caprara	ITA060011	Long. 14.095529 Lat. 37.405238
	Boschi di Piazza Armerina	ITA060012	Long. 14.338889 Lat. 37.411389
	Contrada Valanghe	ITA060015	Long. 14.778056 Lat. 37.591111
Tuscany	Alta Val di Merse	IT5190006	Long. 11.219444 Lat. 43.171944
	Cono vulcanico del Monte Amiata	IT51A0017	Long. 11.601111 Lat. 42.887500
	Isola del Giglio	IT51A0023	Long. 10.898056 Lat. 42.353056
	Monte Argentario, Isolotto di Porto Ercole e Argentarola	IT51A0025	Long. 11.147222 Lat. 42.403889

Supporting the circular economy

[E5.IRO-1_01, E5.IRO-1_02]

The circular economy is a key factor for Iren Group in the realisation of its sustainable, innovative and competitive development strategy to meet environmental and social challenges in a responsible and efficient manner. For this reason, it is one of the focus areas of the Sustainability and Transition Plan, which is integrated into the Business Plan.

The Group's substantial contribution to the circular economy has repercussions in terms of optimising natural resources, environmental impact and climate change mitigation, through:

- a reduction in the use of virgin raw materials and more efficient management of natural and material resources;
- the improvement of waste management;
- innovation to foster new technologies and solutions related to waste recycling and energy recovery;
- making a contribution to national and global targets for emission reduction and sustainable resource management.

Adopting a circular model also means the Group needs to respond to the growing expectations of communities, customers, shareholders and financiers, who are increasingly attentive to sustainability.

Iren Group manages its own waste and the waste managed on behalf of local communities with the aim of reducing its production and increasing recovery and production of energy from waste, according to the principles of prevention, sustainability and safety.

The constant dialogue and discussion on the topic with governmental, regional and local institutions, the public and businesses, as well as the training activities carried out in cooperation with school and university institutions, is vital.

	IMPACTS
✗	• Potential contribution of Iren Group to resource stress arising from the use of goods and products with low content of renewable materials
✓	• Contribution to the reduction of raw materials usage through the extraction of new resources from waste (recycling, material recovery and preparation for reuse) carried out by Iren Group • Reduction of waste production and consequent improvement of environmental quality, also related to the Group's development of incentivising and efficient waste collection systems

	OPPORTUNITIES
	• Business opportunities related to the green transition, the circular economy, local areas and technological and digital evolution (e.g. services for energy efficiency and self-production, material recovery from waste, sustainable mobility, etc.) with a consequent positive impact on communities and the environment • Changes in consumer behaviour resulting from increased sensitivity towards sustainable services/products (e.g. waste sorting, use of green/certified energy, responsible use of water resources), also thanks to environmental education and awareness-raising campaigns and programmes carried out by the Company, which can positively affect the Group's economic performance (e.g. lower costs for treating and sorting waste for recovery, acquisition of new market shares in the sale of green energy to support the green transition) and increase operational efficiency • Greater efficiency in the use of resources, thanks to the adoption of innovative and technological tools with positive consequences on the Group's economic and financial performance (lower costs, higher revenues) and positive impacts on communities and reputation

Relevant impacts, risks, dependencies and opportunities were analysed through the process described in paragraph "Double materiality assessment" in the chapter Strategy for sustainable development, for the general analysis, and in paragraph "Environmental impacts, risks and opportunities" in the chapter Policies for the environment, for the specific process concerning environmental issues.

Policies for the circular economy

[E5.MDR-P_01-06, E5-1_01, E5-1_02]

The **Sustainability Policy** and the **Environmental Policy** (see, respectively, paragraph "Sustainability Policy" in the chapter Iren Group governance and paragraph "Iren Group Environmental Policy" in the chapter Policies for the environment) define the commitment to managing the impacts, risks and opportunities related to the use of resources and the circular economy.

The commitments declared in the policies are embodied in the Group's industrial strategy, which has set targets for reducing impacts and adopts tools for preventing, monitoring and measuring the impact of its activities in the short, medium and long term, as well as processes and technologies for the sustainable use of resources, starting with the leveraging of waste as a material.

Iren Group's Environmental Policy defines the Company's support for the circular economy through a careful examination of the life cycle of products (from raw material procurement, to use, to disposal) in order to decrease the use of virgin resources and favour the reuse of recycled secondary resources. The circularity of resources, in particular renewable resources, is one of the Group's strategic areas of intervention. The Group in fact operates with the aim of enabling the use of recycled resources from waste and the sustainable use of renewable resources, such as water from treatment processes, for the development of an increasingly circular economy at a national level.

Actions for the circular economy

[E5.MDR-A_01-12]

Iren Group has taken significant actions to promote the circular economy in favour of the communities it serves and to support the sustainable transition, encouraging the responsible use of resources and the reduction of environmental impacts. The actions concern:

- **environmental services** managed for local communities, from collection and transport to the treatment of waste for its maximum exploitation as a material and for energy generation;
- the **Group's production processes**, in terms of managing the waste produced in the course of its activities.

To support the circular economy action plan, the Group has planned to realise more than 1 billion in investments in the period 2025-2030 (see paragraph "Resources for the transition and sustainability strategy" in the chapter Strategy for sustainable development). In 2025, investments made amounted to more than 171 million Euro.

Services to communities based on the circularity of resources

Actions	
Advanced waste collection systems	• **dissemination** in the areas served **of collection systems** aimed at increasing the sorting of waste upstream for its more effective recyclability in the treatment phase
Waste recovery plants	• **upgrading and expansion of treatment and recycling plants** to increase material and energy recovery capacity from waste • creation of **new products** by exploiting **waste material**
Water reuse	• **reuse of water resources** from wastewater treated in the Group's wastewater treatment plants, to offer agricultural and industrial enterprises the opportunity to use this resource (see paragraph "Water reuse" in the chapter Sustainable use of water and marine resources)
Involvement of institutions and communities	• **education and awareness-raising of young people and the public** to adopt behaviour to support the circular economy • **partnerships and collaborations** to promote new initiatives within the circular economy • the **RigeneRare Hub observatory** for the development of the precious metals and critical raw materials recovery chain

Advanced waste collection systems

Preventing generation, increasing sorted waste collection levels, and recycling are critical objectives of waste management policies for communities, as they reduce disposal requirements and thus the overall environmental impact.

To this end, the Group adopts advanced, integrated waste collection systems to enable citizens to start the virtuous process of circular use of the waste resource upstream: door-to-door collection for individual waste fractions, ecological islands with user recognition, pay-as-you-throw systems for waste delivered, bulky waste collection, collection centres. The implementation and continuous expansion of these tools contribute both to the reduction of waste produced and to the creation of conditions for its better leveraging in terms of material and energy.

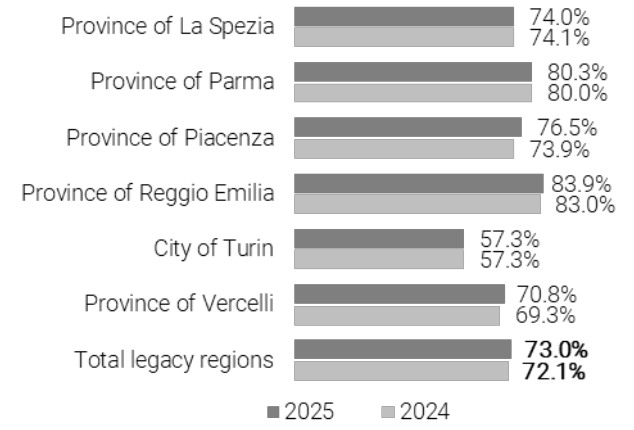
In 2025, the Group provided urban waste collection services in 659 municipalities, serving approximately 4.5 million residents – an increase of over 100 municipalities and approximately 450 thousand residents compared to 2024, primarily due to the expansion of the consolidation scope. In these municipalities, approximately 3.2 million tonnes of municipal waste were managed, of which about 2.2 million tonnes were collected directly by the Group.

Thanks to the collection systems adopted and the presence throughout the territory of 463 collection centres (431 in 2024), which support citizens, in 2025 the percentage of sorted waste collection stood at 73% in the traditional districts, with performance well above the national average of 67.7%, where some areas reach peaks of excellence exceeding 80%. In the other local areas of reference, sorted waste collection stands at 66.9%.

These results are the fruit of cooperation with the municipal administrations for which the Group works, but also of the commitment of citizens who demonstrate their awareness of the importance of this service in terms of environmental protection.

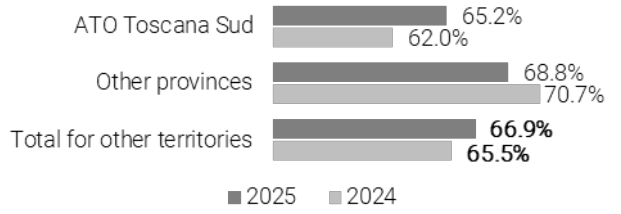
[IREN_E5_09]

Sorted waste collection in legacy regions (%)



[IREN_E5_09]

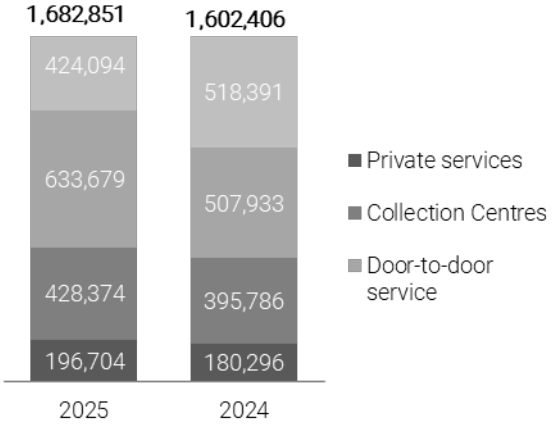
Sorted waste collection in other territories (%)



The sorted waste collected, up compared to 2024, also due to the expansion of the Group's scope, was sent for recovery in the Group's plants, through specialised platforms and sector supply chains, thanks to the agreements in place with the consortia belonging to CONAI (National Packaging Consortium), or through private operators.

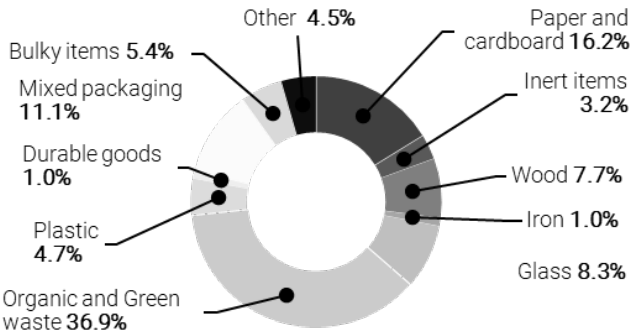
[IREN_E5_08]

Sorted waste by collection method (t) [1]



[IREN_E5_10]

Sorted waste recovered by type – 2025 (%)



[1] The figures for 2024 have been adjusted due to a calculation error, resulting in an increase of 157,544 tonnes in the total.

For the development and increasingly efficient management of the service, the **importance of the process computerisation** is emphasised, which allows for important environmental benefits, thanks to optimisation of collection, waste delivery logistics, monitoring of services rendered in the local area, and extension of the pay-as-you-throw system.

Waste recovery plants

Iren Group sets the recovery of waste as the basis of its circular economy strategy, thanks to a significant **fleet of treatment and recycling plants** in order to increase the capacity to recover materials and energy from waste and reduce the quantities

destined for disposal. In particular, the focus is on plants for the recovery and recycling of paper, plastic, metals, glass and wood, as well as organic and electronic waste.

In 2025, as a result of the expansion of its scope, the Group acquired two new storage and transfer plants: one dedicated to the storage of asbestos-containing construction materials and one intended for the production of secondary raw materials through the sorting, selection and volume reduction of non-hazardous waste. At the latter plant, paper and cardboard recovery operations are also carried out through storage, removal of foreign materials, baling and sending for reuse, as well as similar processes for wood and plastic, which are converted into secondary raw materials through sorting, shredding and quality control. In addition, during the year, two further material recovery plants came into operation: the plant for the recovery of precious metals and critical raw materials from WEEE, and the plant for the recovery of photovoltaic panels. Finally, the Cadelbosco plant ceased operations, and the activities carried out by a composting plant in Tuscany were transferred to an organic waste biodigestion plant, which was commissioned in 2024 and became fully operational in 2025.

At 31 December 2025, Iren Group operates a pool of 70 plants.

[IREN_E5_16, IREN_E5_17]

Group plants	2025	2024
Material recovery	21	20
Treatment and exploitation of organic waste	6	7
Mechanical-biological treatment	6	6
Waste-to-energy	4	4
Storage and transfer	24	22
Liquid waste treatment	5	5
Operating landfills	4	4

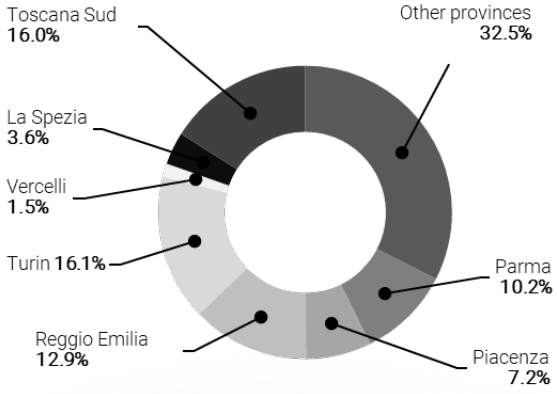
Through a number of dedicated plants, the Group continued to generate **new products from waste materials** in 2025.

Plants		Products generated	Quantity (t) 2025	2024
I.Blu	Transformation of mixed plastics from sorted waste collection into a recycled plastic granule (Blupolymer®) with multiple uses (construction of buildings and infrastructure, containers and bags), and into a techno-polymer for the steel industry (Bluair®) that acts as a reducing agent, replacing fossil fuel and significantly improving efficiency and environmental impact	Blupolymer®	15,691	17,761
		Bluair®	38,796	29,841
Circular Wood	Production of logistic supports from wood derived from sorted waste collection: pallets and pallet blocks for companies in the logistics sector	Wooden logistical supports	35,526	36,095
Organic Fraction Municipal Solid Waste (OFMSW)	Enhancement of organic waste with production of quality compost, biomethane - resulting from the refining and purification of biogas produced in the anaerobic digestion of organic waste and the green fraction - and capture of carbon dioxide released for use in the food industry	Compost	26,557	24,260
		Biomethane	9,217	6,407
		Food-grade CO_2	2,988	1,482

In 2025, the Group managed a total of over 4.1 million tonnes of waste, of which about 389,000 tonnes were collected by the company San Germano, not included in the following breakdowns.

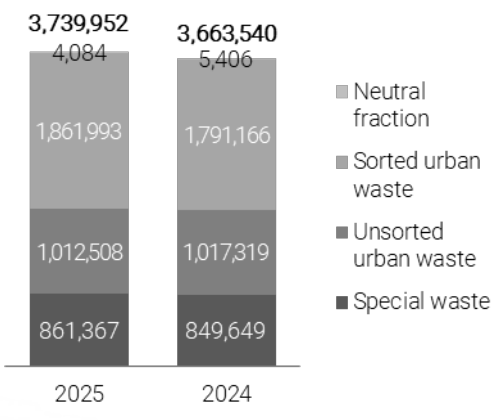
[IREN_E5_09]

Waste managed by location (%) - 2025



[IREN_E5_12]

Waste managed by type (t)

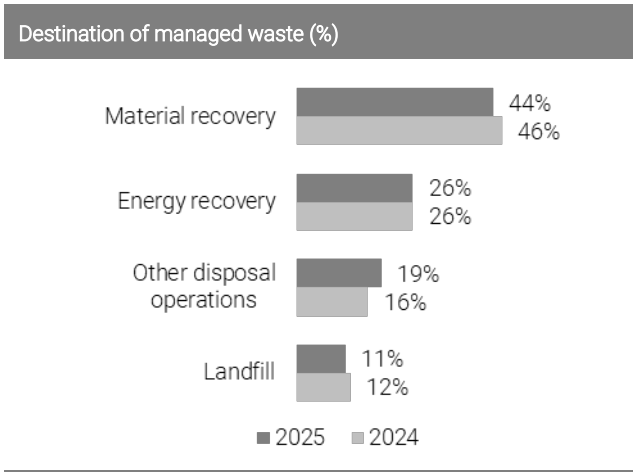


The **sorted component** of waste managed is up compared to 2024 (+4%), mainly due to the widespread adoption of systems that increase sorted waste collection, the rise in volumes processed at various waste recovery plants, and the expansion of the consolidation scope. As already highlighted, in its Sustainability and Transition Plan, the Group places the circular economy at the heart of its strategy, with a particular focus on the recovery of materials from waste, and plans to make significant investments in new plants with the aim of exceeding 1.5 million tonnes of material recovery capacity in its own plants by 2030.

The **unsorted component** of the waste is destined for various disposal methods, in the search for the best use of the waste resource, which sees energy recovery, through waste-to-energy, as the most effective solution from an environmental point of view.

Disposal operations include mechanical-biological treatment (MBT), which, through the mechanical selection of unsorted waste, separates the organic fraction and stabilises it biologically for recovery. 285,400 tonnes of waste were treated in the Group's MBTs in 2025.

[IREN_E5_15]

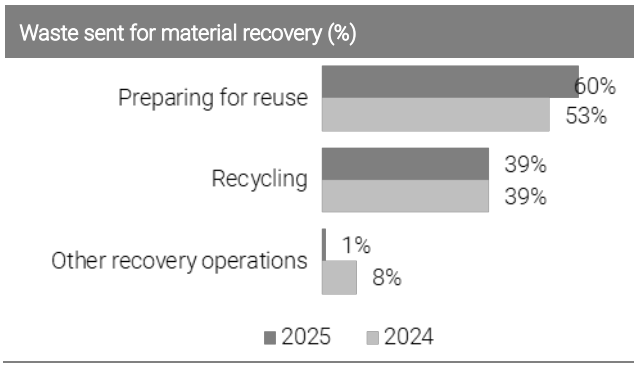


In 2025, 44% of waste managed – equal to approximately 1,664,000 tonnes, in line with the 2024 figure – was sent for material recovery (recycling, preparing for reuse and other recovery operations) at Group and third-party plants (as detailed below).

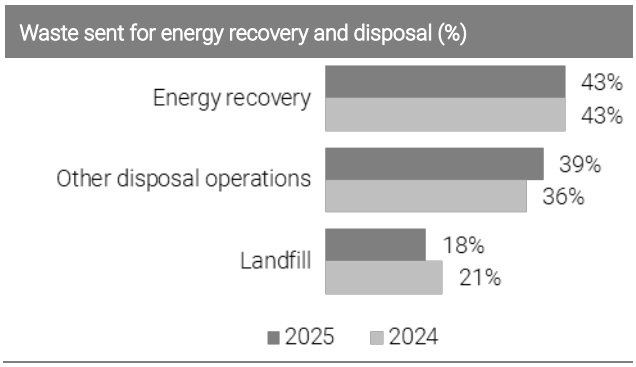
Of the portion of waste that could not be recovered as a material (55% of the total, equal to more than 2,000,000 tonnes, in line with the previous year), 43% was sent to energy recovery and the remainder to other disposal operations (39%) or to landfills (18%).

No waste has been sent for incineration without energy recovery. Compared to the total waste managed by the Group in 2025, less than 3% (3% in 2024 too) is of the hazardous type (a little over 14,000 tonnes sent to material recovery and around 53,000 tonnes to disposal).

[IREN_E5_13]



[IREN_E5_01, IREN_E5_14]



Engagement of communities

Iren Group promotes awareness-raising, training and information initiatives to disseminate culture, awareness and behaviour aimed at reducing waste production.

Numerous education and awareness-raising activities are aimed at citizens and schools to raise awareness of the importance of sorted waste collection, recycling and recovery, and the encouragement of the use of good practices such as family self-composting. These include the wide range of training courses developed by **EduIren**, the Group's structure devoted to **disseminating information and raising awareness on sustainable development issues**, support for the green transition process in the current context, addressing young people and citizens to guide them towards a new awareness of the protection of our planet's resources: a commitment to a sustainable future that begins in everyday life (see paragraph "Eduiren" in the chapter Sustainable development of local communities).

Fundamental, also in the context of the circular economy, is the development of **partnerships and collaborations** with governmental and local institutions, regulatory authorities, companies and start-ups in the environment and technology sector, and local associations to promote new initiatives and increase the effectiveness of waste collection and recovery actions. This includes the spread of **reuse Centres** throughout the area, to reduce the amount of waste produced by local communities, or those for the recovery of food surpluses with the dual objective of **reducing food waste and supporting the economically weak sections of the population**.

Particularly significant in the area of collaborations is **RigeneRare Hub**, the observatory promoted by Iren Group for the development of an economy based on the recycling of critical raw materials.

RigeneRare Hub

Accelerating the **development of the recycling chain of critical raw materials and precious metals in Italy**, by systematising the experiences of the actors involved and addressing industrial development policies: these are the main objectives of RigeneRare Hub to increase the collection and recycling of precious and critical materials from discarded electronic devices, the improvement of treatment and refining technologies, and the development of specialised skills in the sector.

The hub also aims to favour regulations that support the circular economy, creating a more favourable environment for the recycling industry in Italy to make the country less dependent on imports and more resilient in its production infrastructure. The lever on which to act for a diversification of supply is **recycling**: the circular economy can be pursued immediately, requires less investment than other solutions and brings environmental and economic benefits, through a reduction of imports, with a simultaneous strengthening of the national manufacturing chain.

The promoters of RigeneRare are diverse and work in synergy. They are: Iren Group, Assoambiente, Utilitalia, Confindustria Cisambiente and Confindustria Toscana Sud.

A **Steering Committee** composed of **representatives of the promoters** is in charge of the activities developed by the Hub, supported by an Advisory Board composed of academic and institutional personalities with expertise on the subject.

Circular economy in production processes

Actions	
Management of resources	• application of **technologies** to reduce the use of raw materials • procedures for the more efficient management of **natural and material resources** • **rational use of resources, products and equipment** in business processes to reduce consumption
Management of waste produced	• adoption of the **EU hierarchy** principle **in the management of waste** produced • definition of **procedures** within environmental management systems for the treatment of waste produced • maximisation of **end-of-life recovery** of used products and equipment

Management of resources in production processes

With a view to circularity, the Group adopts an approach focused on reducing and optimising resource inflows, promoting the recovery and reuse of water, energy and materials. Where possible, initiatives are implemented to reuse water resources, such as systems for recovering rainwater and secondary rainfall, condensate, and water used in industrial processes (see paragraph “Reuse and recovery of water resources” in the chapter Sustainable use of water and marine resources).

The combined production of electricity and heat through cogeneration is an example of the optimisation of resource inflows, as it enables a single energy source, natural gas, to be used to generate both forms of energy. This solution makes it possible to increase the overall efficiency of the production process and to reduce environmental impacts, by recovering the heat contained in the exhaust gases from the gas turbines, compared to the separate production of electricity and heat.

The reduction in the use of materials and products is also pursued through the implementation of specific technologies, such as the system installed at the Torino Nord cogeneration plant, which, in 2025, made a significant contribution to reducing the use of chemicals in the production of demineralised water.

The Group’s focus is on the careful management and general monitoring of resources used for production purposes with the aim of generating operational and economic efficiency and minimising environmental impacts.

Resource inflows for the management of operational processes

[E5-4_01, E5-4_02, E5-4_03, E5-4_04, E5-4_05, E5-4_06]

In the daily performance of its activities, the Group uses various types of **material and natural resources**, such as proprietary assets, machinery and working tools, components, products, chemicals, water, energy, gas, and so forth.

Together with the properties owned (land and buildings for civil use) and the plants and infrastructure (energy production plants, waste treatment plants, wastewater treatment plants, water, sewer, gas and electricity networks), the Group uses equipment, machinery and plants (filters, pumps, cables, piping, chemical and microbiological control systems, vehicles, waste collection containers, IT and technical equipment) for operations and maintenance.

In addition to these flows, there are other resource inflows that enable the production processes, and which are thus necessary to carry out the Group's characteristic activities, and support and complementary resources to carry out the production and management processes.

Specifically, the **resources that enable the production processes** are:

- the **waste managed by the Group for communities and individuals**, which includes waste collected, treated, recovered and disposed of in its own plants;
- the **water fed into aqueduct networks for the distribution of drinking water to communities**, which is then collected through sewer networks and processed at wastewater treatment plants;
- **gas fed into distribution networks** and delivered to users through the infrastructures managed by the Group.

Resources used in production and management processes include:

- chemical products and reagents;
- fuels, oils and lubricants;
- plastic and plastic-based materials;
- wood materials used in various applications, including packaging and infrastructure construction;
- consumables for office and administrative tasks;
- technical consumables used in maintenance and operational management activities;
- gas used for heating and in production processes (in this regard, please refer to the information provided in the chapter Meeting the challenge of climate change in this section);
- water used in production processes (for which see the chapter Sustainable use of water and marine resources in this section).

To determine the weight of resources enabling production processes, direct measurements from monitoring and accounting systems in the plants and networks operated by the Group and from transport forms for waste managed are used[8].

With regard to the resources used in the processes, on the other hand, Iren Group has adopted a mixed methodology based on precise measurement of the weights of materials and/or products used, derived from the corporate management systems, or on estimates, referring, in this case, to different sources and criteria:

- product data sheets, when available, to obtain direct information on the weight of the products and/or materials;
- density of materials, applied to known measurements not expressed in weight (e.g. volumes in litres or cubic metres) to estimate weight;
- technical characteristics and types of materials, considering typical weights for similar materials and industry standards.

Where it was not possible to derive the weight directly from technical documentation, an approach based on the average cost per unit weight of the material/product in relation to the total expenditure incurred for the purchase was adopted.

However, the level of uncertainty in the estimates is limited, as these products/materials are widely available on the market for which reliable weight information is widely available.

[E5-4_02]

Weight of resource inflows (t)	2025	2024
Enabling resources for production processes - Total	**302,010,780**	**280,233,112**
Waste managed	4,129,210	4,020,016
Water fed into the aqueduct distribution networks	297,050,694	275,443,766
Gas fed into distribution networks	830,876	769,330
Process Resources - Total	**72,019**	**64,945**
Chemical products (1)	32,654	28,022
Fuels, oils and lubricants	16,945	14,858
Plastics and plastic-based materials (1)	2,575	3,255
Wooden materials (1)	1,505	635
Office consumables	1,718	1,367
Technical consumables	16,622	16,808
Total resource inflows	**302,082,799**	**280,298,057**

(1) The 2024 figures have been adjusted to bring them into line with the new classification methodology adopted in 2025. The previous data showed a discrepancy of 22,553 tonnes less for process materials.

In 2025, there is an increase in resource inflows compared to 2024 (+8%), attributable to the expansion of the Group's scope and, with regard to process resources used, to the refinement of the calculation methodology adopted, which has resulted in a more comprehensive and accurate representation of the resource categories considered.

[8] For the conversion of volumes of water and gas by weight, the following factors were used: equivalence of one cubic metre of water to 1,000 kg of weight, specific weight of gas 0.7 kg per cubic metre.

Biological resource inflows are mainly represented by the organic component of the waste managed and the water fed into the aqueduct distribution networks.

[E5-4_03]

Biological resource inflows	2025	2024
Total weight of biological resource inflows (t)	297,630,825	276,011,099
Biological resource inflows as a percentage of total resource inflows	99%	98%

Secondary intermediate materials refer to waste managed by the Group and used for material recovery, treatment, energy production and the generation of new products.

[E5-4_04, E5-4_05]

Secondary intermediate materials used	2025	2024
Weight of secondary intermediate materials used on total resource inflows (t)	4,129,210	4,020,016
Secondary intermediate materials used as a percentage of total resource inflows	1.4%	1.4%

Resource outflows

[E5-5_01, E5-5_02, E5-5_03, E5-5_04, E5-5_06]

The resource outflows from Iren Group's activities are represented by products, materials sent for use by third parties and waste produced by the Group's own operations. In particular, among the products generated:

- the compost is recirculated through use in horticultural and floricultural activities;
- biomethane is used for motor vehicles or fed into distribution networks for the benefit of end users;
- carbon dioxide captured from the processing of organic waste is sold for use in the agro-food industry;
- the Bluair® polymer, made from non-recyclable mixed plastics, is sold for use as a reducing agent in the steel industry process and as an optimiser in the steelmaking process;
- Blupolymer®, a recycled polyolefin-based granule conforming to UNI 10667-16, is sold for use in injection moulding and extrusion processes (e.g. production of logistic supports), compounding for the production of design objects and urban or residential furnishings, and for the production of asphalt mixes for road paving. Tests carried out with the support of the Milan Polytechnic's road laboratory have made it possible to identify formulations that, thanks to the use of this polymer, lead to the creation of more sustainable and durable asphalts particularly suitable for roads, motorways, industrial areas, airports, logistics and commercial centres. Asphalt containing these technopolymers give pavements a significant increase in service life and resistance to temperature fluctuations and UVA rays at the same thickness;
- pallet blocks are made by pressing 100% recycled wood from post-consumer recovery, guarantee the same durability as traditional logistical supports (as demonstrated by the product's compliance with the UNI EN 13698-1 standard) and their 100% recyclability.

The outgoing materials are sold to third parties for further processing and reuse as a secondary raw material.

Water leaving the wastewater treatment plants is returned to the environment and then recirculated through the biological cycle, while the distributed gas is used by end users (households and businesses).

Products and materials sent for use by third parties are monitored and quantified through direct measurements, in particular weighing and flow rate measurement systems are used, followed by registration in administrative documents as required by current regulations.

[IREN_E5_18]

Weight of resource outflows (t)	2025	2024
Products	**128,775**	**115,847**
Bluair®	38,796	29,841
Blupolymer®	15,691	17,761
Pallets and pallet blocks	35,526	36,095
Biomethane for transport and distribution	9,217	6,407
Compost	26,557	24,261
Food-grade carbon dioxide	2,988	1,482
Resources set aside for third-party use [(1)]	228,147,870	227,948,613
Paper and cardboard (sent to the recovery chain)	257,219	248,060
Inerts (sent to the recovery chain)	49,605	49,722
Wood (sent to the recovery chain)	88,380	86,779
Iron/metals (sent to the recovery chain)	15,166	14,446
Glass (sent to the recovery chain)	127,893	125,253
Organic and vegetable (sent to the recovery chain)	305,267	290,356
Batteries (sent to the recovery chain)	566	688
Plastic (sent to the recovery chain)	183,395	175,377
Durable goods (sent to the recovery chain)	15,044	17,992
Tyres (sent to the recovery chain)	2,210	1,930
Textile material (sent to the recovery chain)	8,372	7,922
Bulky waste (sent to the recovery chain)	85,852	83,908
Mixed packaging and other materials (sent to the recovery chain)	223,716	194,485
Water leaving wastewater treatment plants (returned to surface water bodies)	225,954,310	225,882,365
Distributed gas (for use by end users)	830,875	769,330
Total	**228,276,645**	**228,064,460**

(1) The 2024 figures have been corrected as they contained a clerical error.

Management of waste produced in operational processes

[E5-5_07, E5-5_08, E5-5_09, E5-5_10, E5-5_11, E5-5_12, E5-5_13, E5-5_14, E5-5_15, E5-5_16, E5-5_17]

The Group's main waste-generating activities are:

- processes for the treatment and processing of waste, urban and special, for communities and private bodies (e.g. leachate generated at landfills, ash and debris from waste-to-energy plants, etc.);
- the treatment and purification of water in the management of the integrated water service for the municipalities served (e.g. sludge, sand);
- operation and maintenance of heat and energy production plants and electricity and gas distribution networks.

The Group's attention is focussed on the correct management of the waste produced in carrying out the activities, in accordance with the **principle of the waste hierarchy**, which aims to prevent the production and use the waste produced first of all as a material, through reuse and recycling, then as energy and, only in the residual phase, through disposal (art. 179 of Legislative Decree no. 152/2006).

The management of special hazardous and non-hazardous waste produced at the main production sites is carried out in compliance with the **procedures laid down in ISO 14001 standard or EMAS registrations**, for sites with such certifications, and in accordance with environmental regulations.

The transport and recovery/disposal of waste produced by company processes is carried out, where possible, by the Waste Management Business Unit and, where it is necessary to use third parties, it is always entrusted to bodies registered with the Register of Environmental Managers.

Weighing and subsequent recording in transport documents and environmental registers are used to measure the waste produced, also in order to identify the various types of waste produced. The quantities of waste produced are monitored periodically and communicated annually to the Chambers of Commerce through the MUD (Consolidated Environmental Declaration form).

In addition to complying with the legislative framework, the waste cycle is closed with a particular focus on the enhancement of the waste resource (recycling, material recovery and preparation for reuse) with priority to the energy recovery of waste that cannot be usefully recovered, and only as a last resort to disposal.

Systems of sorted waste collection, aiming to increase material recycling, have been installed in all Group sites. Policies limiting the use of paper have also been drawn up and implemented through dematerialisation and computerisation of processes.

In 2025, the Group produced 995,476 tonnes of waste, of which approximately 94% was non-hazardous. The increase compared to the previous year (+33%) is attributable in part to the expansion of the consolidation scope and in part to the increase in contracts for the remediation of contaminated sites, which has led to a natural increase in the waste generated. In 2025, this waste consisted mainly of sludge and excavated soil, which was predominantly non-hazardous and was sent, for the most part, to the recovery chain, while the non-recoverable portion was sent to landfill, given the nature of the waste, which is not suitable for energy recovery.

[E5-5_07, E5-5_15, E5-5_16]

Waste generated by business and by type (t) [1]	2025	2024 [2]
Non-hazardous waste – Total	934,379	704,266
Environmental services	749,459	546,468
Integrated water service	156,062	156,629
Energy production	690	996
Other activities	28,168	173
Hazardous waste – Total	61,097	43,761
Environmental services	60,411	43,143
Integrated water service	95	346
Energy production	189	128
Other activities	402	144
Radioactive waste – Total	0	0
Total waste produced by Group	995,476	748,027

[1] The difference between waste generated and its destination (tables below) is mainly due to the amount of liquid waste used as fluidisers in the solid waste inerting process.
[2] The total figure for 2024 has been adjusted as it contained an error relating to hazardous waste from environmental services, for which 31,827 tonnes were reported, compared to the actual figure of 43,143 tonnes, which is correctly shown in the tables below ('Waste diverted from disposal' and 'Waste for disposal').

The majority of the waste produced by the Group is inert slag, leachate, sludge, sands, metals, screened material and refuse, resulting from waste treatment and integrated water service management processes. Other non-hazardous and hazardous wastes of various types are waste from energy production and waste treatment processes.

Destination of waste produced

In 2025, more than 53% (56% in 2024) of waste produced by the Group was diverted from disposal, through material recovery by preparation for reuse (55%), recycling (40%), or other recovery operations (5%), in Group-owned or third-party plants.

[E5-5_08]

Waste diverted from disposal (t)	2025			2024		
	Non-hazardous	Hazardous	Total	Non-hazardous	Hazardous	Total
Preparing for reuse	277,480	14,727	292,207	239,222	11,145	250,367
Recycling	193,526	16,521	210,047	116,426	15,054	131,480
Other recovery operations	22,625	3,678	26,303	27,755	3,196	30,951
All destinations	493,631	34,926	528,557	383,403	29,395	412,798

The remaining share of the waste produced, was destined for incineration with energy recovery (7%), landfill (24%) and other disposal operations (69%), in plants owned by the Group and third parties, in the quantities indicated in the following table.

Disposal to landfill, which stood at 9% in 2024, increased primarily as a result of the above-mentioned increase in contaminated site remediation activities, which by their very nature generate a proportion of waste that cannot be recovered for energy.

[E5-5_09]

Waste directed to disposal (t)	2025			2024		
	Non-hazardous	Hazardous	Total	Non-hazardous	Hazardous	Total
Incineration with energy recovery	30,287	5	30,292	37,011	7	37,018
Disposal in landfill	103,742	8,638	112,380	26,699	1,935	28,634
Other disposal operations	306,876	17,438	324,314	243,196	12,388	255,584
All destinations	440,905	26,081	466,986	306,906	14,330	321,236

[E5-5_10, E5-5_11]

Non-recycled waste	2025	2024
Total (t)	466,986	321,236
Non-recycled waste as a percentage of total waste produced	47%	44%

Targets for the circular economy

[E5.MDR-T_01-13, E5-3_01, E5-3_02, E5-3_03, E5-3_04, E5-3_05, E5-3_06, E5-3_07, E5-3_08, E5-3_09, E5-3_13]

In the Sustainability and Transition Plan, which is integrated into the Business Plan, the Group has voluntarily defined, in line with its adopted policies, its circular economy targets, for which more than 1 billion Euro in investments are planned for the period 2025–2030.

[IREN_E5_09]

Percentage of sorted waste collection in the areas served					
Main scope	waste collection service/own operations/downstream value chain				
Stakeholders engaged	customers, communities, institutions, suppliers, environment				
Reference	resource inflows				
Waste hierarchy	prevention / recycling				
Target/Results (% - intensity)		Base year 2020	2025 Results	2030 (medium-term)	2040 (long-term)
	Legacy regions	69.3%	73%	75.5%	80.0%
	Other territories	63.1%	66.9%	70.8%	74.0%
Methodologies, assumptions and scientific data used	The target is calculated as the ratio of sorted waste collected to the total municipal waste collected. The target is defined on the basis of ISTAT's forecasts of the country's demographic future, the guidelines of the National Waste Management Programme and regional waste management plans				
2025 Results	The results are positive and in line with expectations				
SDGs					

[IREN_E5_11]

Material recovery from waste in Group facilities				
Main scope	waste treatment and recovery/own operations			
Stakeholders engaged	communities, business customers, institutions, investors, environment			
Reference	resource inflows			
Waste hierarchy	recycling / preparation for reuse			
Target/Results (kton - absolute)	Base year 2020	2025 Results	2030 (medium-term)	2040 (long-term)
	492	1,036	1,533	1,539
Methodologies, assumptions and scientific data used	The target is defined on the basis of ISTAT's forecasts on the country's demographic future and the Bank of Italy's growth projections for the Italian economy, the guidelines and the plant survey of the National Waste Management Programme			
2025 Results	The result, which is broadly in line with 2024, reflects the effects of the temporary unplanned shut-down of some plants and the resulting production slowdowns that occurred during the year			
SDGs				

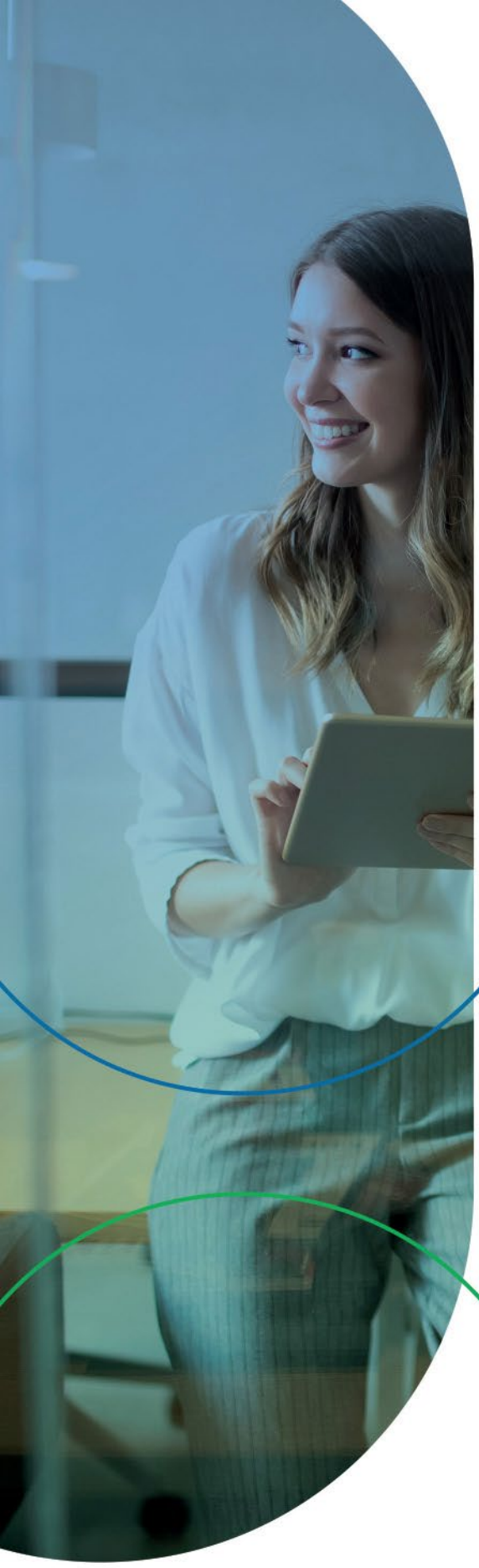
[IREN_E5_04]

Biomethane produced from biodegradable waste				
Main scope	waste treatment and exploitation/own operations			
Stakeholders engaged	communities, institutions, environment			
Reference	resource outflows			
Waste hierarchy	energy recovery			
Target/Results (Mm^3 - absolute)	Base year 2020	2025 Results	2030 (medium-term)	2040 (long-term)
	0	13.2	31.1	31.1
Methodologies, assumptions and scientific data used	The target is defined on the basis of ISTAT's forecasts on the country's demographic future and the Bank of Italy's growth projections for the Italian economy, the guidelines and the plant survey of the National Waste Management Programme			
2025 Results	The result shows a steadily improving trend towards the medium- to long-term targets			
SDGs				

[IREN_E1_14]

Emissions avoided from waste recovery				
Main scope	waste treatment and recovery/own operations			
Stakeholders engaged	communities, institutions, environment			
Reference	resource inflows			
Target/Results (tCO_{2eq}/000 - absolute)	Base year 2020	2025 Results	2030 (medium-term)	2040 (long-term)
	1,021	1,550	1,654	2,036
Methodologies, assumptions and scientific data used	The calculation methodology takes several factors into account: i) energy generation from biogenic sources: biogas from landfills and biodigesters, as well as electricity and heat generated by waste-to-energy plants, assuming for the latter 51% of the total generation as biogenic source (source GSE) and converting the thermal energy generated into electricity, according to specific plant factors (Parma=1/6.88 - Turin=1/4.5 - Piacenza=1/6), applying the national benchmark of emissions from the thermoelectric system (Terna and PNA data); ii) correlation between tonnes of recycled waste (paper and cardboard, plastic, organic and green, wood, iron, glass) and tonnes of CO_2equivalent saved (source: Waste management options and climate change EC-AEA); iii) emissions avoided from waste recovered in Group plants and diverted from incineration (plastics, durable goods, other materials) or emissions avoided from the production of secondary raw material from waste (compost, bluair). The medium- and long-term targets are based on the defined objectives of increasing sorted waste collection, expanding plant capacity for waste material recovery, and increasing energy recovery capacity, also taking into account expansions of the Group's scope			
2025 Results	The result shows a steadily improving trend towards the medium- to long-term targets			
SDGs				

All the targets defined by the Group in the context of the circular economy are monitored on an interim and annual basis to check the alignment of progress in relation to the annual targets of the Sustainability and Transition Plan and to define, if necessary, corrective actions or changes in the scenario that may require a revision of the target.



Focused on people

2

2.2.3

Proactively managing social IROs

[S1-4_05, S2-4_05, S3-4_05, S4-4 _05]

Iren Group designs and implements strategic action plans that not only aim to reduce negative impacts on the environment and people, but also to maximise and realise positive effects, in order to promote sustainable and responsible development. Therefore, in order to determine actions to address material negative impacts on social issues, manage associated risks and seize opportunities, it adopts a structured preventive **approach**:

- **analysis of IROs (impacts, risks and opportunities)** (double materiality assessment) based on the identification of scenarios that could cause impacts on Iren's own workforce, value chain workers, affected communities and consumers/end users, and determination of the likelihood and severity of the impact. From the impacts, risks and opportunities, historical and prospective analyses, and measures already in place - in terms of policies, actions and procedures - are assessed for preventive effectiveness;
- **definition of response actions**: the most appropriate and effective response is determined based on the nature of the impact and its significance, drawing on data collected during the analysis and monitoring of activities;
- **implementation of actions**, which may include changes to business processes, operational actions (e.g. staff training, improvement of internal communication, involvement of suppliers, adoption of new technologies, improvement of infrastructure, collaboration with authorities), or strategic actions (e.g. adoption of new policies, implementation of new services and products);
- **monitoring and evaluation of results** through performance indicators relating, for example, to work-related injury rates, training hours, employee performance levels, compliance with contractual clauses and customer ratings. Periodic performance monitoring is one of the tools for verifying the effectiveness of policies and actions undertaken;
- **disclosure of results** to demonstrate the effectiveness of the actions taken and the benefits derived from them. Sustainability reporting is, in this respect, a tool to provide a detailed overview of the measures taken and the results achieved;
- **continuous improvement** based on the evolving analysis of impacts, risks and opportunities, technological developments and the needs of the different stakeholder categories. Policies and practices are regularly updated based on the analysis of trends, emerging regulations, climate impacts or other emergency situations.

Iren people

[S1.SBM-3_01, S1.SBM-3_02, S1.SBM-3_03, S1.SBM-3_04, S1.SBM-3_05, S1.SBM-3_06, S1.SBM-3_07, S1.SBM-3_08, S1.SBM-3_09, S1.SBM-3_10, S1.SBM-3_11, S1.SBM-3_12, S1-4_19]

Human resources are a fundamental asset for the growth of the Iren Group. Employment levels, skill coverage and development, workers health and safety, and the quality of employment are central in the Sustainability Policy and for pursuing Group's strategies, which support the Global Compact principles. Investment in developing internal skills and enhancing the value of human resources is a fundamental element of the pact between the Company and the individual, along with efforts to reconcile life and work needs, improve working conditions and foster a stimulating and constructive work environment.

The aim is to become a team, add value to the outcome of individual work and increase a feeling of belonging, creating a shared social, cultural, professional and intellectual terrain.

IMPACTS

- Work-related injuries and illnesses for Group employees

- Creation of stable, quality employment, also thanks to the constant focus on enhancing the skills of the Group's employees, contributing to social development and reducing youth unemployment
- Reduction of work-related injuries and illnesses through continuous improvement of safety culture and health prevention within the Group
- Equal professional and remuneration opportunities for less represented categories and combating all forms of discrimination also through active participation in collaborative initiatives with third parties
- Protecting the privacy of employees through the Company's privacy management system and the promotion of a culture of personal data protection within the Group

RISKS

- Acute physical risk related to water (drought, heavy rainfall, flooding) with significant damage/failure/malfunctioning of infrastructure, interruption or limitation of activities and reduction of hydropower generation, increased charges for interventions, disruption of supply of goods and services by strategic suppliers, soil pollution, impact on water quality/water stress, personnel health and safety criticalities
- Acute physical risk related to solid mass (landslides, subsidence) with significant damage/failure/malfunctioning of infrastructure, interruption or limitation of activities, increased costs for interventions, disruption of supply of goods and services by strategic suppliers, personnel health and safety criticalities

OPPORTUNITIES

- Technological and process innovations, and initiatives to disseminate the culture of prevention that improve the health and safety of employees in the performance of their work activities
- Enhancement of human resources through performance appraisal and skills development programmes
- Promoting the inalienability of people's rights throughout the value chain

The identification of potential impact, risk, opportunity and dependency factors related to the workforce took into consideration all Group workers, employees and agency (or temporary) workers, focusing the basic analysis on the Group's own operations, considering all activities managed, in order to identify any categories of workers more exposed to negative effects.

The Sustainability and Transition Plan defined by the Group, focussed on climate change, the circular economy, the sustainable use of water resources and the people and development of resilient cities, represents an opportunity to generate positive impacts for the Group's own workforce, particularly with regard to the creation of stable, quality employment and the development and enhancement of in-house skills. In fact, the Group's Plan encompasses development linked to a growth in its own workforce and a strengthening of skills, through training and performance evaluation. Employment growth is also planned with a focus on the employment of young people under 30. Among the material positive impacts, that related to gender equality and diversity is aimed at and has an impact especially on female workers, young workers and workers with disabilities.

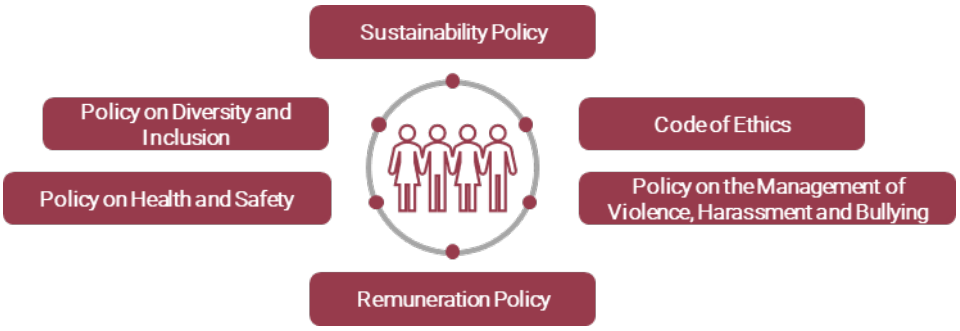
Given the nature of the activities managed by the Group, the impact related to work-related injuries and ill-health, as well as the significant risks identified (which may have health and safety effects), has a greater impact on workers who perform purely operational tasks.

Our people, our resource

The Group's focus is on fostering active participation and a sense of responsibility, ensuring involvement, listening and a performance appraisal process geared to enhancing the value of people, including through competence improvement programmes. The dissemination of an inclusive culture at all levels of the organisation is a fundamental value for the growth of the Group.

Policies

[S1.MDR-P_01-06, S1-1_01, S1-1_03, S1-1_04, S1-1_05, S1-1_06, S1-1_07, S1-1_08, S1-1_09, S1-1_10, S1-1_11, S1-1_12, S1-1_13, S1-1_14, S1-1_15, S1-1_16, S1-1_17, S1-1_19, S1-1_20, S1-1_21, S1-1_22]



The **Sustainability Policy and the Code of Ethics**[9] define the Group's principles and commitments in the management of its human resources (see the chapters 2.5, 2.9 of the Sustainability Policy and the chapters 2 and 4 of the Code of Ethics) concerning:

- the rejection of all forms of forced labour and zero tolerance for **human rights** violations and the use of illegal labour. The Group therefore excludes the use of child or forced labour;
- respect for **diversity**, **non-discrimination** and **equal opportunities**, promoting an inclusive organisational culture capable of countering violence, harassment and bullying and attentive to valuing the diversity of its human resources; In this context, training plays a fundamental role in disseminating policies and practices aimed at preventing and combating all forms of discrimination;
- the guarantee of **freedom of association** and the effective recognition of the right to collective bargaining, sharing with the trade unions a system of industrial relations based on constant and constructive confrontation.
- the right to **adequate working conditions** in terms of hours and days worked, rest and fair remuneration;
- the adoption, for all employees, **of national collective bargaining agreements** that guarantee the application of contractual salaries and the adoption of a remuneration policy based on the evaluation of performance and skills;
- a constant commitment to the **personal and professional development** of employees and collaborators, through the implementation of initiatives aimed at enhancing and strengthening their skills, creativity and active participation, with the aim of increasing their motivation and fostering their growth and professional fulfilment;
- the guarantee of optimal **health and safety** conditions in the workplace, with an incremental approach with respect to what is required by law in terms of prevention and culture, guaranteeing a healthy and safe work environment and promoting measures and initiatives aimed at increasing awareness and better risk management, thus favouring prevention at all levels of the organisation and the commitment to continuous improvement;
- respect for the **right to confidentiality and privacy**, through the correct use of personal data and information provided, respecting the fundamental rights and freedoms and dignity of the persons concerned, with particular reference to confidentiality and the protection of personal data, for which the Group has adopted an organisational and management model (see paragraph "Privacy management model" in the chapter "Business conduct")

Furthermore, Iren Group has adopted a Policy on **Diversity and Inclusion** and a **Policy on the Management of Violence, Harassment and Bullying in the Workplace**, which, by linking up with the principles of the Code of Ethics, formalise commitments for the development of an inclusive work environment, respectful of all forms of diversity, inspired by the principles of fairness and dignity in professional relations. The policies address the corporate culture and individual behaviour against all kinds of discrimination[10] and at all stages of working life - from selection and recruitment to training, development and career opportunities - by promoting female leadership and specific training programmes aimed at raising awareness on diversity issues. With the Policy on the Management of Violence, Harassment and Bullying, the Group reinforces its condemnation of any physical or verbal conduct that aims to denigrate or show hostility and aversion towards a person because of any element of diversity, defining principles, commitments and ways to identify, monitor and prevent such phenomena from occurring.

[9] For general information on Sustainability Policy and Code of Ethics, see the paragraph "Governance policies and tools" in the chapter Iren Group governance.

[10] Discrimination based on gender and gender identity, age, sexual orientation, ethnic origin, nationality, language, social background, religious beliefs, personal convictions, marital status, experience, trade union membership, education, cognitive and motor skills, health conditions and any other category protected by law.

Within the framework of diversity and inclusion policies and initiatives, the Group's commitment is also confirmed by its membership of:

- Global Compact, supporting the seven Women's Empowerment Principles (WEP) for female emancipation;
- Utilitalia's "Diversity makes the difference" pact, a programme of principles and commitments to increase active diversity management in order to concretely foster inclusion and diversity in Company policies;
- "Manifesto for female employment", proposed by Valore D, that consists of nine points through which companies commit themselves, gradually and compatibly with their specific sector and size, to setting themselves clear and measurable objectives, shared internally, with periodically monitored performance indicators;
- "Memorandum of Understanding between companies and local authorities for the promotion of equal opportunities and gender equality at work", signed at the instigation of the Municipality of Genoa.

The Group monitors the commitments undertaken in the policies in an articulated manner at the various levels of the organisation, provides for specific actions in the event of non-compliance situations being detected and promotes specific channels for reporting any violations (or alleged violations), protecting the person making the report (see paragraph "Open channels for Iren people: tools for prevention and improvement" in this chapter).

The policies described above, which are applicable to the whole of the own workforce, are published and disseminated both on the Group's website and on the corporate intranet, which both comply with the technical requirements and guidelines for accessibility (Law no. 4/2004), known as WCAG 2.0 (Web Content Accessibility Guidelines). Implementation of the Code of Ethics is ensured by specific functions identified in such Code and by the individual Group companies, responsibility for the application of the Sustainability Policy lies with Top Management, while the Chief Executive Officer is responsible for the application of the other policies to which all Group employees are expected to contribute actively.

In line with the values set out in the Code of Ethics, the Group keeps records of training and internal mobility, ensuring that employees' career paths can be tracked and that opportunities and progress are transparent. In addition, the Group adopts meritocratic remuneration policies, based on fairness and performance and aimed at rewarding people who achieve high levels of results, in line with corporate values, the Group's Job System and in compliance with adequate levels of quality and productivity. For these policies, see the paragraph "Remuneration policies" in the chapter Iren Group governance and the paragraph "Remuneration system" in this chapter.

Engagement of people

[S1-2_01, S1-2_02, S1-2_03, S1-2_04, S1-2_06, S1-2_07, S1-2_10, S1-2_11, S1-2_12]

The engagement and participation of employees is essential to develop a corporate culture consistent with the Group's growth prospects and oriented towards continuous improvement to build a sustainable and resilient environment.

For this reason, the Group has consolidated - also in line with the due diligence approach adopted - a process of engagement of its workers in which the role of trade union and industrial relations is central, contributing to creating the best conditions for the development of a business model oriented towards the participation and enhancement of human resources, in order to increase efficiency, service quality and the ability to meet market challenges with innovative solutions. With this in mind, the Group has paid the utmost attention to correct industrial relations based on regulations, national and company-based collective bargaining agreements, in compliance with national collective bargaining agreements and the principles of the Code of Ethics, with particular reference to ILO Conventions.

Iren and the Trade Unions have signed a Group Industrial Relations Protocol that regulates relations between the Parties and implements a model based on sharing company decisions, focused on the development and involvement of the worker who, for healthy development, must grow together with the entire organisation. The Protocol sets out the methods for approaching industrial relations based on three pillars: bargaining, participation and rules. Industrial relations are divided into three levels:

- Group level, for topics of general interest and/or transversal to businesses and areas and the trend and development of business sectors, or industrial policies, guidelines on organisational structures, the economic results of the Group and the business segments, the harmonisation processes for company agreements and the coordination of reference national collective bargaining agreements and company integration;
- Company level, on topics regarding individual companies or a cluster of companies, for which a Unitary Union Representative Body (RSU) is established;
- regional level, on topics regarding the single production unit, downstream of the Company level, or on topics that concern several companies located in the same area.

Furthermore, procedures are defined for developing relations based on information sent to the Trade Unions, discussion and consultation (exchange of information and evaluations, acquisition of opinions, requests or indications from Trade Unions, verification of phenomena on matters specifically identified to seek possible points of convergence), and negotiation (discussion between the Parties aimed at reaching agreements that are binding on them).

The Group's Industrial Relations Protocol also establishes two participatory bodies: the RSU National Coordination and the RSU Executive Committees, while bilateral committees (environment and safety, training and development, equal opportunities and welfare) are envisaged for analysing specific issues.

Engagement also takes place directly with employees through internal communication, which plays a crucial role in supporting the Company processes, promoting a common culture and orienting towards shared goals, through direct meetings with people, the company intranet and internal newsletters. Considering the possible obstacles to employee involvement, Iren Group is committed to ensuring that the new digital tools are easily accessible to all (for example, the

payslip also available on-line for those with sight difficulties) and, in order to foster dialogue and collect suggestions or reports, a dedicated mailbox is in place to help maintain a constant flow of communication with all employees. Where necessary, printed communication materials are also produced to reach a wider audience. In addition, training webinars and employee welfare initiatives are promoted via the intranet and also implemented with third parties, as well as **projects and surveys** to gather ideas, feedback and suggestions, with the aim of improving the work environment and contributing to the development of corporate strategies.

In the area of **health and safety**, there is systematic discussion with the workers' health and safety officers (see paragraph "Health and safety" in this chapter).

Lastly, engagement also takes place through the activities managed by the Group through the Local Committees (for more details, see paragraph "Iren Local Committees: dialogue, exchange of ideas and community participation" in the chapter Sustainable development of local communities), in which, among others, the Trade Unions participate, delegating their own representatives capable of expressing the point of view of Iren employees and non-employees, both during Local Committee meetings and through the impact materiality assessment and other channels made available by the Group.

Open channels for Iren people: tools for prevention and improvement

[S1-3_01, S1-3_02, S1-3_03, S1-3_04, S1-3_05, S1-3_06, S1-3_07, S1-3_08, S1-3_09]

The materiality assessment revealed only one negative impact in the area of health and safety. In order to prevent or mitigate the risk of work-related injuries or ill health, the Group has implemented the prevention and protection measures set out in the risk assessment documents prepared pursuant to Legislative Decree no. 81/2008. The actions can essentially be classified as information and training activities, health surveillance, use of Personal Protective Equipment (PPE) and application of safe work instructions.

All Iren Group companies adopt an **Integrated Management System** (see paragraph "Certified Integrated Management System" in the chapter Iren Group governance) for the prevention and management of work-related injuries, which includes risk assessment, to identify safety measures to prevent injuries and ill-health, and incident management according to specific procedures. The main companies of Iren Group adopt systems certified according to the international standard UNI ISO 45001, which represent a fundamental tool both to prevent and mitigate health and safety risks and to involve and stimulate all employees to make reports on the basis of which improvement actions can be implemented (see paragraph "Health and safety" in this chapter).

In addition, the Group has adopted a specific procedure governing the **handling of reports of** violations (reporting channel, methods for receiving and analysing reports, protection of the whistleblower), for which reference should be made to paragraph "Reporting channels" in chapter Business conduct.

The Group considers it crucial for the protection of people and the working environment that all employees and collaborators report any violence, harassment or acts of bullying, as provided for in the specific Policy on the matter, undertaking to support any victims or witnesses and to protect them from any retaliatory acts or negative repercussions in terms of job assignment or other work activities, as well as to take the necessary organisational and disciplinary measures against those who commit violence or acts of harassment and bullying. Alerts can be made through one of the following methods:

- using the reporting channels provided for in the Group's Code of Ethics (Section 8.3);
- contacting the Personnel Management department of their own Group company;
- contact their direct superior or, where the latter is involved, their manager or a trusted person, who in turn will involve the Personnel Management department.

As soon as the report is received, the Group, through the competent structures, undertakes to investigate and deal with it promptly and impartially, taking all necessary measures to ensure confidentiality and discretion and to combat the phenomenon, as well as to report cases of offence to the competent authorities.

Another fundamental way in which workers can communicate concerns or needs is through the involvement of Trade Unions, which represent an important point of reference, actively engaged in promoting a safe and respectful working environment. The Trade Unions, through constant monitoring, offer a direct and transparent channel to address issues and to ensure that workers' voices are always heard (see paragraph "Engagement of people" in this chapter).

Who are Iren people

The people who make up Iren Group's workforce, for which data and information are given below, are represented by **all employees and by workers made available by employment agencies** (temporary workers or agency workers) to meet seasonal or replacement work requirements. All data relating Iren's own workforce is based on actual figures and refer to 31 December of the relevant year or, where specified, to the annual average.

Employees

[SBM-1_03, S1-6_01, S1-6_02, S1-6_03, S1-6_07, S1-6_08, S1-6_09, S1-6_10, S1-6_11, S1-6_12, S1-6_13, S1-6_14, S1-6_15, S1-6_16, S1-6_17, S1-6_18, S1-6_19, S1-6_20, S1-8_01, S1-8_06]

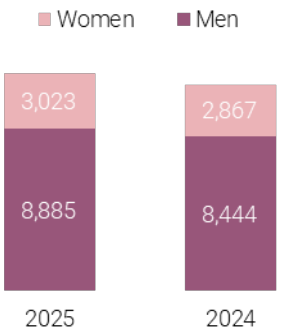
As of 31 December 2025, Iren Group employs 11,908 employees (11,876 on average for the year), up compared to 11,311 employees as of 31 December 2024 (11,312 on average for 2024). The main personnel changes are due to:

- changes to the Group's consolidation scope, mainly due to the consolidation, from January 2025, of the former Egea Group companies, for a total of 600 employees, and, from July 2025, of the company Cierre, for a total of 30 employees;
- the characteristics of the annual workforce trend of the company San Germano due to the launch/conclusion of contracted services, including those of a seasonal nature;
- continuation of the generational turnover plan;
- substantial number of recruitments related to the Group's development and expansion needs, also aimed at acquiring new skills.

More than 98% of the staff (98.3% of the average workforce 2025) are on permanent contracts or, in the case of young people, apprenticeships.

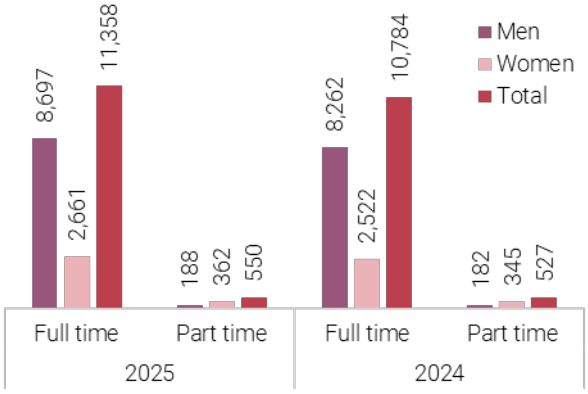
[S1-6_01]

Staff by gender (head count)

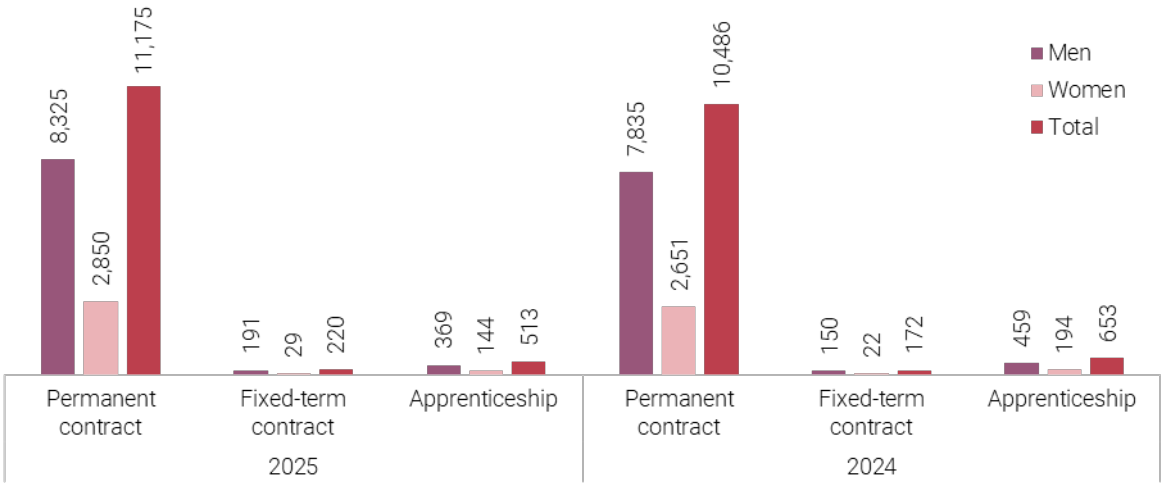


[S1-6_07, S1-6_18]

Staff by full-time/part-time contract, by gender (head count)



Staff by type of contract and by gender (head count)



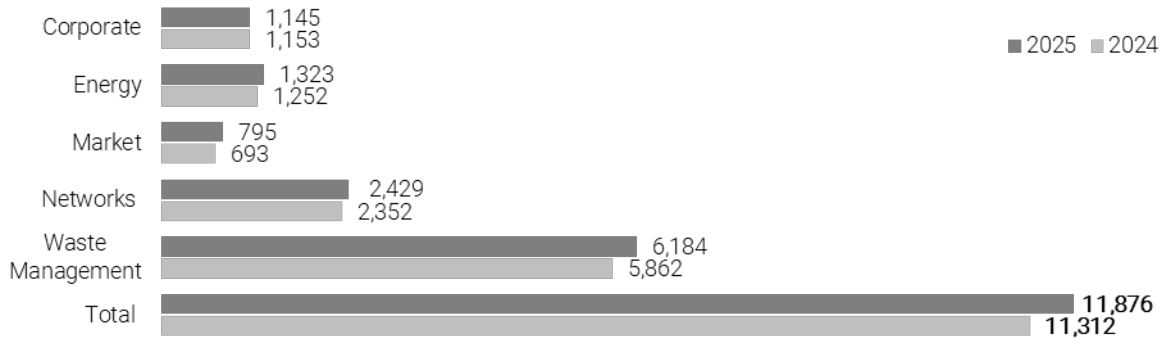
[SBM-1_04, S1-6_08, S1-6_09, S1-6_18]

Staff by geographical area and by type of contract (head count)								
	2025				2024			
Region	Total	Permanent contract	Fixed-term contract	Apprenticeship contract	Total	Permanent contract	Fixed-term contract	Apprenticeship contract
Piedmont	4,664	4,243	105	316	4,264	3,771	82	411
Emilia-Romagna	2,736	2,604	28	104	2,752	2,593	13	146
Liguria	2,182	2,113	5	64	2,145	2,050	19	76
Tuscany	1,385	1,319	46	20	1,311	1,270	25	16
Lombardy	131	128	0	3	117	116	0	1
Sicily	112	108	4	0	113	101	12	0
Friuli-Venezia Giulia	157	157	0	0	163	160	3	0
Sardinia	213	201	8	4	255	237	15	3
Other regions	328	302	24	2	191	188	3	0

Staff by geographical area and by full-time/part-time contract (head count)						
	2025			2024		
Region	Total	Full-time	Part-time	Total	Full-time	Part-time
Piedmont	4,664	4,520	144	4,264	4,149	115
Emilia-Romagna	2,736	2,583	153	2,752	2,598	154
Liguria	2,182	2,011	171	2,145	1,976	169
Tuscany	1,385	1,340	45	1,311	1,269	42
Lombardy	131	128	3	117	114	3
Sicily	112	110	2	113	111	2
Friuli-Venezia Giulia	157	146	11	163	152	11
Sardinia	213	199	14	255	231	24
Other regions	328	321	7	191	184	7

[IREN_S1_10]

Staff by Business Unit (average no. of people)

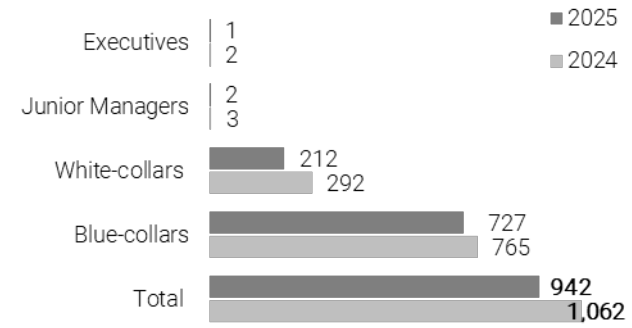


The total number of employees is given in "Note 39_Cost of personnel" in chapter "XI. Notes to the Income Statement", found in the Notes to the Consolidated Financial Statements.

In line with the targets of the Sustainability and Transition Plan, in 2025 the Group hired 942 employees. With the exception of the companies San Germano and Egea Ambiente, which use fixed-term contracts to meet the start-up of contracted services, including those of a seasonal nature, in the other Group companies 79% of hirings (89% in 2024, the year in which Egea Ambiente was not yet consolidated) are on permanent or apprenticeship contracts, and the remaining fixed-term hirings are due to seasonal or replacement needs. In line with Group policies, of the contracts subject to expiry during the year, more than 99% of apprenticeship contracts were confirmed (net of terminations and extensions), while fixed-term contracts were renewed within the limits of replacement and seasonal operating needs.

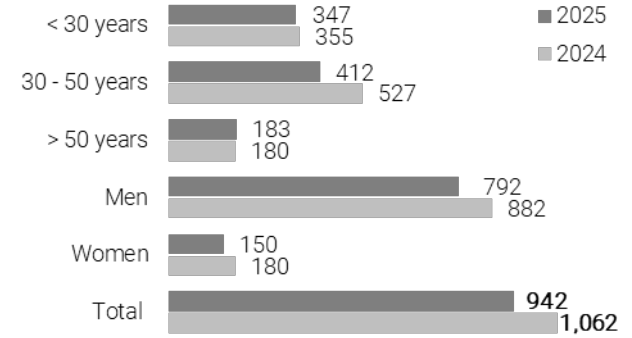
[IREN_S1_07]

Hires by position (head count)



[IREN_S1_07]

Hires by age and gender (head count)



During the year, 897 employees left the Group with a turnover of 7.5%, in line with 2024.

[S1-6_11, S1-6_12, S1-6_13]

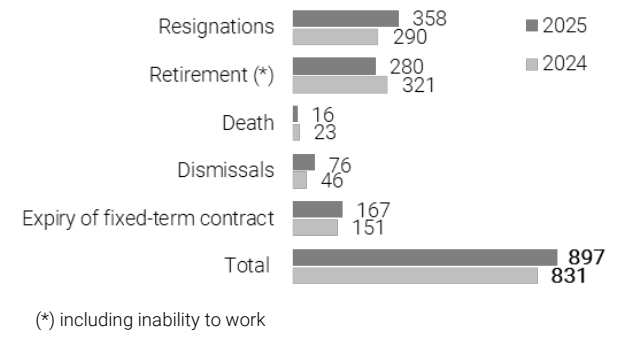
Employees who left the Company during the year and turnover rate	2025	2024
Total employees leaving during the year (head count)	897	831
Turnover rate (%) (1)	7.5%	7.4%

(1) Turnover was calculated as a percentage ratio of outbound employees to the number of total employees at 31/12.

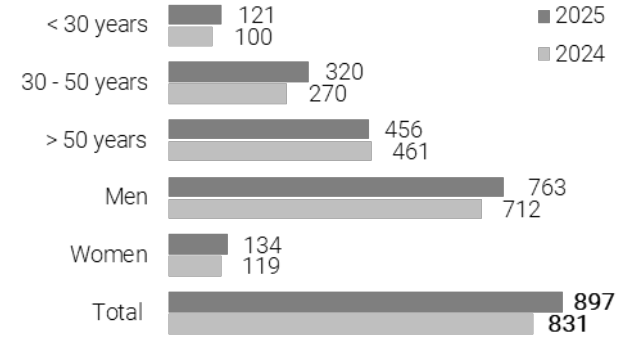
The main causes of termination are consensual terminations/retirements followed by resignations. If the former are the driving force behind the demographic rebalancing plan, the latter are to be correlated with the "Great Resignation" phenomenon, albeit on a smaller scale than the national trend. Almost all terminations due to the expiry of fixed-term contracts are related to the seasonal nature of the work.

[IREN_S1_08]

Outbound in the year by reason (head count)



Outbound during the year by age and gender (head count)



The Group adopts national collective labour agreements for all its employees (including, mainly: "electricity sector employees", "gas and water sector employees", "environmental services employees"), which ensure the application of all provisions and that contractual salaries are paid to all employees. Since the Group operates exclusively in Italy, relations with Trade Unions are only developed at national, regional and local level.

[S1-8_01, S1-8_06]

Collective bargaining coverage and social dialogue	2025	2024
Employees covered by collective labour agreements	100%	100%
Employees with workers' representatives	100%	100%

Non-employees workers

[S1-7_01, S1-7_03, S1-7_05, S1-7_06, S1-7_07, S1-7_08, S1-7_09]

The Group's non-employee workers are workers made available by agencies whose main activity is the search for and the selection and supply of personnel (temporary or agency workers). The reported data, provided regularly by the employment agencies, refer to the number of persons (as of 31/12 and average number).

Significant fluctuations in the number of temporary workers are mainly due to changes in work organisation and seasonal or replacement needs. As of 31 December 2025, there were 82 temporary workers employed by Iren Group, a decrease compared to the 178 recorded as of 31 December 2024.

[S1-7_01, S1-7_03]

Non-employees (temporary workers) (head count)	2025		2024	
	31/12	average [1]	31/12	average [1]
Men	44	63	92	66
Women	38	56	86	76
Total	82	119	178	142

[1] To calculate the average, for each temporary worker, the number of months during which their contract was active in the year is taken into account, and the result obtained is divided by 12 months. The sum of the values obtained for all temporary workers gives the value of the annual average.

Actions and resources for people

[S1.MDR-A_01-12, S1-4_01, S1-4_02, S1-4_03, S1-4_04, S1-4_05, S1-4_06, S1-4_07, S1-4_08, S1-4_09, S1-4_10, S1-4_11, S1-4_12, S1-4_13, S1-4_18, S1-4_20]

The adoption of an approach based on concrete data, preventive and corrective actions, constant monitoring and transparent communication (see the chapter "Proactively managing social IROs" in this section), also enables Iren Group to effectively address impacts, risks and opportunities related to its own workforce.

Actions	
Employment	• creation of **new employment** enabled by the medium to long-term Business Plan
Skills	• promotion of employee **training** plans and initiatives for skills development • individual **performance appraisal and review** systems
Diversity and inclusion	• promotion of equal opportunities and enhancement of diversity, with a special focus on the **management level** • focus on creating employment opportunities for young people under 30
Health and safety	• continuous improvement of the **prevention system** of potential occupational injuries and illnesses
Welfare and personal care	• dissemination of plans to improve **people's well-being** • development of **work-life balance** initiatives

The responsibility for the management of planned actions is entrusted to dedicated bodies of the Personnel and Organisation Department operating for all Group companies. As far as occupational health and safety is concerned, in addition to central monitoring, responsibilities lie in the hierarchical line of employers, executives, supervisors (individuals who oversee the health and safety of workers in the workplace), on the basis of the specific Company organisation as well as the delegations conferred.

Quality employment

In the current economic climate, employment is of great social importance and is a determining factor for Iren Group, which considers its human resources to be fundamental capital for its development.

With this in mind, and in order to support and realise its growth strategy, the Group has defined a major recruitment plan in the medium and long-term, with a commitment to increase the presence of young people, consistent with the needs and requirements for experience in managed services. This plan contributes to strengthening the Group's positive impact on job creation, social development and the reduction of youth unemployment, in the territories where it operates.

Through actions aimed at maintaining long-term relationships with its people, enhancing their professional skills, guaranteeing fair and meritocratic remuneration systems and social protection, the Group acts on its social responsibility to ensure stable and quality employment.

Remuneration system

[S1-10_01, S1-16_01, S1-16_02, S1-16_03, S1-16_04, S1-16_05]

The Group adopts, for all employees, national collective bargaining agreements that guarantee adequate remuneration and equal pay levels between men and women, for the different job categories. Therefore, no employee receives wages below the appropriate salary parameter stipulated in national contracts, and employees on staff leasing contracts generally receive the same economic treatment as that provided for in the contracts applied to Group employees. Furthermore, no differences in benefits for full-time employees, employees with fixed-term contracts or part-time employees exist.

The remuneration policy, within the context of defined budget guidelines, is always based on performance evaluation, taking into account, however, the remuneration package of the people holding the evaluated positions. In any case, any form of discrimination based on gender, age and/or health shall be avoided, and retraining initiatives are performed in the event that personnel are unfit for previous responsibilities. Variable remuneration linked to performance (such as on-call duty) and the achievement of Company and individual targets is added to fixed remuneration:

- performance bonus - in order to involve staff more and direct them towards the achievement of the Group's targets a collective performance-based bonus is contemplated, according to logic consistent with the strategic and management targets, which enhances the correlation between remuneration and results obtained. Several factors are taken into account to determine the compensation, which are connected to rewarding productivity, service levels and the achievement of specific profitability objectives. Once again for 2025, specific agreements were signed on the subject with Trade Unions based on which bonuses may be paid in the form of one-o ff compensation or via welfare instruments to non-management personnel;
- one-off compensation - across all Group companies a one-off incentive can be paid to employees that have achieved particularly positive results through remarkable work commitment, mainly through projects or innovative activities. Individuals to be rewarded are identified following a thorough analysis of individual performance results, carried out by the various managers;
- Management by objectives (MbO) - in most Group companies, all executives, junior managers and employees holding important positions are included in the incentive system (pay for results) under which individual targets are assigned that, when achieved, trigger the payment of the amounts that were defined at the time of assignment. The objectives-based system hinges on the measurable indicators (economic-financial, operative, ESG or relevant to strategic projects), in line with the Business Plan, the Sustainability and Transition Plan and the Company mission.

In 2025, the ratio of the highest annual salary to the median salary of all other employees, which stood at 24.48 (compared to 9.65 in 2024), increased significantly. This change can be attributed to two factors: in 2024, the highest remuneration was increased due to the assignment of roles with greater responsibility, limited to the final four months of the year, whereas in 2025, this increase is recorded on an annual basis; and the payment in 2025 of the three-year long-term incentive (LTI) award for the period 2022-2024.

[S1-16_02]

Ratio of the highest annual total remuneration to the median annual remuneration of all employees (rate)	2025	2024
Total rate	24.48	9.65

The gender pay gap, at -3.1%, has widened in favour of women compared to 2024, mainly due to the combined effect of the change in scope and the ongoing generational turnover within the Group's operational workforce. The latter trend primarily affects male staff, among whom there has been a greater intake of junior profiles with lower job grades. This change in the composition of the workforce has had a rebalancing effect on the overall pay gap.

[S1-16_01, S1-16_04]

Total and per category gender pay gap (%)	2025	2024
Total [1]	-3.1%	-0.9%
Executives	23.1%	17.6%
Junior managers	0.6%	2.1%
White collars	7.4%	8.6%
Blue collars	2.4%	6.2%

[1] The data for 2024 has been corrected to rectify a sign error: 0.9% instead of -0.9%.

[S1-16_05]

Gender pay gap for ordinary basic salary and complementary/variable components, by employee category (%)	2025		2024	
	ordinary basic salary	complementary/variable components	ordinary basic salary	complementary/variable components
Total [1]	-1.3%	9.2%	-1.1%	-2.0%
Executives	23.1%	18.2%	17.6%	22.6%
Junior managers	0.3%	20.0%	1.8%	22.3%
White collars	8.0%	13.5%	8.0%	14.2%
Blue collars	6.5%	-15.6%	6.6%	-5.0%

[1] The total data for 2024 have been corrected to rectify a typing error.

Social protection

[S1-11_01, S1-11_02, S1-11_03, S1-11_04, S1-11_05]

For all employees, without exclusion, the Group applies the provisions of the law and industry collective bargaining agreements on social protection against loss of income due to illness, injuries or disability, parental leave, retirement or unemployment.

Since the legislation reforming the supplementary pension system came into force, employees have been able to decide how to use their post-employment benefits. They can either leave it with the company or put it in one of the pension funds provided for by law, which provide benefits supplementary to the compulsory public system and ensure higher levels of pension coverage. Due to the number of participants, the ones that stand out are the pension funds established by collective bargaining, which can be joined by workers applicable for certain collective agreements. As part of the process of unification and harmonisation of economic-regulatory treatments, in order to develop the value of complementary pensions also among young people and to encourage registration in the related funds, an additional payment is paid annually to personnel hired on permanent contracts or in apprenticeship to the supplementary pension to which they are registered. As of 31 December 2025, 9,559 (8,662 at 31/12/2024) employees have joined the contractual supplementary pension funds to which the Group has paid a total of over 6.7 million Euro (more than 6 million in 2024), as its own contribution. Employees can also make use of a pension support and advice service.

Furthermore, almost all employees in junior management, white collar and blue collar positions are insured by a policy stipulated by the Group for death or total or partial permanent invalidity due to work-related injuries and injuries outside of work. Furthermore, special insurance policies are taken out in the event of death and/or total permanent invalidity resulting from non-occupational disease for electricity, gas-water and environment sector employees, in accordance with the provisions of the respective national collective bargaining agreements. Insurance coverage in the case of injuries (even ones which occurred outside of work and in the case of work-related ill health) and life insurance are provided for all executives, as per the provisions of the Confservizi National Collective Labour Agreements for executives. A policy is also taken out to cover damages involuntarily caused to third parties by the executive or his/her family members in the performance of activities relating to private life (insurance cover for “head of household” liability).

Reports

[S1-17_01, S1-17_02, S1-17_03, S1-17_05, S1-17_06, S1-17_07, S1-17_08, S1-17_09, S1-17_10]

In 2025, two incidents of discrimination were recorded (two in 2024 as well), reported via the Iren Integrity Line channel and managed in accordance with the Procedure for the management of whistleblowing reports adopted by the Group's main companies. In addition, 26 new legal proceedings were initiated (11 in 2024), mainly concerning requests for higher job classification, payment of salary differences, challenges to dismissals and, to a lesser extent, claims for compensation on various grounds. The total amount of the provision for litigation commenced in 2025 and the amounts paid during the year, also related to previous years, in execution of unfavourable judgements or settlement agreements, amounted to 1,191,135 Euro (433,710 Euro in 2024). The amount indicated is included in the income statement item “Other provisions and impairment losses”, which is dealt with in “Note 41_Provisions and impairment losses” in chapter “XI. Notes to the Income Statement”, in the grouping “Provisions for risks and others”.

No serious human rights incidents were recorded during the year.

Skills development

[S1-1_22, S1-13_01, S1-13_02, S1-13_03, S1-13_04, S1-13_05, S1-13_06]

Iren Group is committed to enhancing individual skills and knowledge, within a model that aims to maintain a high level of professionalism in its human resources, through policies aimed at developing their professional skills and ensuring their necessary involvement. In order to regulate personnel development in a unified and systemic manner, Iren has activated its own model, which is constantly being updated, for performance and skills management, the Job System, which analyses the professional skills present in the Group across professional areas, professional families and organisational roles, supporting key processes such as training and skills development. Each standard job within the Job System is weighted, in relation to the contribution that each organisational role provides in the creation of value, with a shared platform for internal comparison, as well as with the market. Management bands (groupings) are identified on the basis of the weight of the positions, which were then divided into ranges, into which each of the roles present are characterised by the same complexities and responsibilities, managerial skills and management policies.

The managerial competencies required to achieve results in accordance with the Group’s characteristic methods and values - and which constitute one of the elements supporting the assessment of individual performance - are defined consistently with the Job System. The expected professional knowledge and skills are also defined for each organisational job, being those which are fundamental not only for the performance management system, but also for other human resources management processes, first and foremost, training.

2025 was also a year of evolution and transformation for Iren Group, consistent with the challenges outlined in the Business Plan. The finalisation of important acquisitions, combined with the numerous recruitments, required the introduction of new skills and, at the same time, fostered the dissemination and blending of existing ones. In this context, the projects and actions continued to improve the effectiveness and efficiency of operational processes, making investments in technology and digitalisation, in order to lead and anticipate the rapid changes underway and meet the new challenges imposed by the market. Therefore, it was necessary to maintain and expand upskilling and reskilling programmes to support people in the

various stages of their professional career, supporting the transfer of know-how between generations and enabling everyone to count on the set of skills needed to best cover their role to effectively contribute to the achievement of company results, fostering the expansion of digital, technological and soft skills that are fundamental to support the processes of adaptation to the new organisational and production models. The many initiatives organised for this purpose were often realised by making use of internal resources that collaborated both in terms of planning and teaching.

Training

[S1-1_20, S1-1_22, S1-13_01, S1-13_03, S1-13_04, S1-13_06]

The consolidation and strengthening of technical-specialist competencies, managerial skills, aptitude for innovation, and the sharing of corporate values are at the heart of the training strategy, which takes the form of creating learning opportunities that enable everyone to keep pace with current and future business scenarios, and is based on:

- overseeing the articulated professional technical know-how present and contributing to its dissemination and evolution, also ensuring its exchange between the different generations that meet at work;
- implementing reskilling programmes to enhance and improve everyone's skills in the face of new needs, new markets and new scenarios;
- stimulating curiosity about new emerging skills and related new possible ways of learning;
- share and disseminate knowledge and tools useful for living life to the full in the Group.

The training offer is constructed and periodically updated to align it with the reference context (e.g. global macro-trends, the Business Plan, technological and/or regulatory developments). The main areas of intervention concern different types of skills:

- managerial and behavioural;
- technical-specialist;
- related to contractual, regulatory and safety requirements;
- transversal and/or related to strategic projects of the Group.

Continuous learning is one of the main levers for professional growth and for maintaining professional profiles aligned to needs. A path that begins with the **onboarding** programme dedicated to new hires. The welcome given upon signing the contract is done through the ReadyTolren app, which provides new hires with information about the Group. The course continues with a welcome webinar, in which useful information is shared to facilitate the induction, and a subsequent moment, at one of the managed plants, to learn more about the organisation and activities of the Group and to encourage networking and relations among the newly inducted. This is followed by individual e-learning, through access to content available in the training Portal on the intranet or on external platforms. Training sessions extended to all are followed by customised courses based on the level of responsibility and seniority: induction courses are dedicated to new managers and professionals and are useful for introducing new recruits to key people individually.

Learning continues at the individual level primarily via the Company intranet and the free-access area of the Training Portal.

The training process starts from an understanding of the context of reference and translates, after hearing from the Company management, into training needs that differ at the level of role, organisational function and professional family. The needs are fed into the training plan, which is updated periodically.

The operational management of training takes place through a dedicated application (Training Portal), dynamically updated with employee master data and linked with an e-learning course platform accessible to all employees through their own devices (PCs, tablets and smartphones). Participation is tracked and contributes to enriching the training curriculum of employees, which can be consulted by them, their supervisors, the personnel function and the Prevention and Protection Service.

The training provided is subject to effectiveness evaluation, through the analysis of participant satisfaction and learning, and the monitoring of indicators that provide useful elements for improving training provision.

The total number of training hours provided by the Group in 2025 – over 260,000 hours – is up compared to 240,000 hours in 2024, as is the average number of training hours per capita, despite the impact of the gradual application of Group policies to the companies acquired over the years (in particular, for 2025, the former Egea Group companies), which have resulted in a significant increase in the average number of employees against lower training hours compared to the Group average.

[S1-13_03, S1-13_04, S1-13_06]

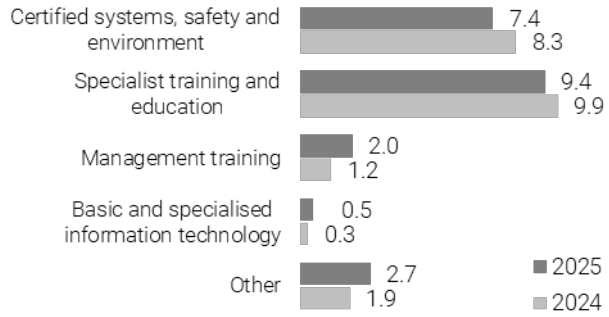
Average training hours by gender and position (no.)	2025	2024
Men	22.7	22.4
Women	19.8	19.9
Executives	19.9	19.2
Junior managers	22.7	22.0
White collars	23.9	22.8
Blue collars	20.5	20.7
Training hours per capita - average	22.0	21.6

[IREN_S1_14]

Employees involved in at least one training course by gender (no.) and position (%)	2025	2024
Men	8,084	7,008
Women	2,915	2,289
Total	**10,999**	**9,297**
Executives	98.0%	97.8%
Junior managers	100%	96.6%
White collars	100%	92.2%
Blue collars	84.5%	73.2%

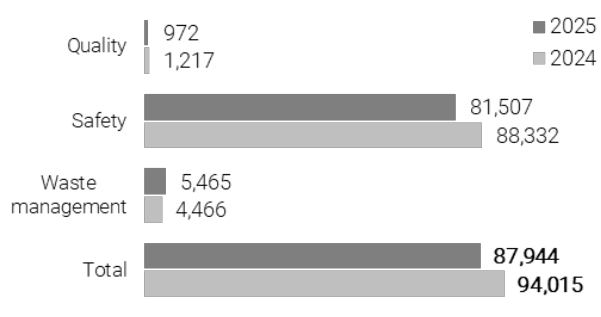
[IREN_S1_15]

Average hours of training by topic per capita (no.)



[IREN_S1_15]

Hours of quality, safety and environment training (no.)



In 2025, 6,434 employees (6,399 in 2024) undertook training on safety issues.

In the area of **managerial and behavioural** skills, a number of training activities were introduced:

- Training courses on **project management** methodologies, made available to all organisational levels and for the various business areas, through a combination of classroom training and e-learning, including in self-study format;
- Promotion of the use of an external training platform to facilitate the wide dissemination of content on topics related to organisation, management, innovation, and **diversity and inclusion**, which involved employees in *live* events with lecturers and testimonials from the largest Italian companies;
- Training and awareness-raising courses on the adoption of **Artificial Intelligence**, with a particular focus on governance aspects and the associated risks, including through content that can be accessed asynchronously and freely consulted on the Training Portal;
- Design of a dedicated training catalogue, called FORMA, to support the development and training of **key skills** linked to Group values and translated into behaviours that can be observed in the Performance Management system, focusing on some of the main skills of the Iren model and delivered primarily in person, using highly experiential methods.

Specialised training (including specialised IT), accounting for 45% of the total number of hours, remained significant in 2025 with numerous initiatives, both in the classroom and through participation in industry events, in the various areas of operation:

- periodic professional refresher courses dedicated to all personnel in the Human Resources area ("HR InForma"), with the twofold objective of maintaining specific skills related to the activities supervised and to learn more about the activities of other colleagues in order to better share internal procedures and also identify potential improvements;
- training initiatives to continue investing in the skills of operational staff, which are also important for ensuring service continuity and operational safety (e.g., professional development programmes in the Electricity Distribution sector for the roles of Electricity Network Operator, Electricity Network Team Leader, Plant and Emergency Response Technician, and Electricity Distribution Technician);
- regular training for personnel as part of the 'Trades School' on important specialist topics or on topics that are mandatory in order to obtain or maintain specific qualifications and certifications, for example, training on steam generators (qualification for the operation and maintenance of thermal plants), on welding plastic materials, steel (electric arc and oxyacetylene welding), on the supervision of natural gas distribution systems, or refresher courses for members of professional associations (engineers, chemists, biologists, etc.).

These training experiences arise from the ongoing need to oversee professional activities that are critical due to the evolution undergone by the professional field, the entry of young new hires who will have to work with highly experienced colleagues, and also due to the difficulty of finding candidates on the labour market that meet expectations. For these reasons, again in 2025, highly internal engagement programmes have been activated, with the aim of enhancing existing professionalism, facilitating the exchange of experiences between the almost four generations cooperating in many structures and raising skills levels overall.

Training initiatives dedicated to female staff were numerous and included webinars, training and mentoring courses organised by Valore D, Stem by Woman and the Libellula Foundation. These were complemented by training initiatives related to respect for human rights.

[IREN_S1_15]

Training hours on human rights policies and procedures	2025	2024
Total number of hours	961	1,536

The **Lean Programme** continued, promoting a culture of continuous improvement, simplification and efficiency in company processes, through performance measurement and analysis tools. Since 2022, the Lean Academy has been working with the aim of involving all levels of the Group in specific coaching, training and certification programmes according to recognised international standards (Lean Six Sigma). In 2025, this activity led to the launch of new programmes, pursuing the implementation of significant improvement projects aimed at achieving the Group's industrial targets.

In 2025 **informal training and coaching** was also systematically promoted, encouraging and supporting all spontaneous and/or planned initiatives in the field to guarantee the transmission of knowledge, rich in experiential content that service managers or internal experts often organise for the benefit of colleagues. In a high-skill group such as Iren, for example, the internal restitution of knowledge acquired by some colleagues in external courses can be enriching for a broader range of employees, just as the sharing of experience by those with greater seniority can serve to oversee homogeneity in operating and behavioural methods, especially in departments where there has been a lot of recruitment. In line with this approach, the **Iren Engage** project was also launched, based on an idea that emerged during Call4Ideas 2024. This project introduces a new form of in-house training, creating a structured space for the exchange of knowledge and skills between colleagues.

The other significant subject area is **safety**, which accounts for 31% of the total number of hours. The 2025 figures confirm Iren Group's commitment to promoting and developing a solid safety culture, with the aim of constantly involving and raising the awareness of employees through the implementation of training actions with a proactive approach, aimed at improving behaviour and increasing individual and collective awareness and responsibility, among which can be highlighted:

- Basic training and refresher courses for executives, managers and workers, as well as for emergency and first aid officers, and on specific risks;
- qualification and updating for security assignments;
- qualification and retraining in the operation of equipment;
- training in the use of equipment.

During the year, targeted initiatives were also implemented to support the 'Health Protection and Accident Reduction' project, which was extended in particular to companies in the environmental sector, with the aim of strengthening the culture of prevention and raising awareness of the role of the human factor in risk perception and unsafe behaviour. Particular attention was also paid to training courses for staff exposed to risk situations related to interactions with service users, as well as to specialist refresher training for Prevention and Protection Service Managers and Officers. Initiatives also continued for personnel to acquire or maintain specific qualifications and certifications, aimed in particular at gas and water network personnel, for the supervision of gas distribution systems and electric arc welding of plastic and steel.

The digital culture initiative continued in 2025 with specific training on the use of Copilot in all its declinations (as a support for internal and external information searches, drafting of material, data analysis, etc.). This project includes **skills related to transversal projects**, along with the dissemination of related usage guidelines.

In line with the Group's cybersecurity policies, the Security Awareness project continued with the provision of a series of e-learning training modules and in-depth modules to increase awareness and knowledge of IT security issues.

The training is also measured through the feedback provided by the participants at the end of the courses: the satisfaction rate is 84% (87.8% in 2024), while the learning index, measured through tests and/or qualifying exams/tests, was 85.8%, showing growth compared with 83.8% in 2024. In addition to the design of training initiatives based on the needs of internal clients, constant mentoring during delivery, especially during distance learning sessions, also contributes to these results. The Group's investment in training in 2025 amounted to approximately 1,423,000 Euro, reflecting the significant initiatives undertaken.

Performance enhancement and evaluation

[S1-13_01, S1-13_02, S1-13_05]

The monitoring and development of competencies are also carried out through the performance management process adopted by the Group, which is one of the central tools of the personnel development system and is integrated with the individual incentive system (MbO).

The performance evaluation system focuses on technical and result aspects as well as on values and behavioural aspects, orienting individual performance towards shared values and results. For the employees involved (managers, junior managers and white-collar employees in service for more than 6 months during the year, with a permanent or apprenticeship contract),

a performance review per year per head is contemplated: in 2025, 84% of employees received a performance appraisal, while the remaining 16% were employees of companies that have recently joined the Group and will be progressively included in the performance management process.

[S1-13_01, S1-13_02, S1-13_05]

Performance evaluation by gender and category	Reviews performed out of no. of evaluation agreed by management (%) [1]	
	2025	2024
Men	85%	87%
Women	82%	85%
Executives	86%	94%
Junior managers	86%	90%
White collars	83%	86%
Total	84%	86%

[1] The data refers to the eligible workforce: executives, junior managers and employees in service for more than 6 months during the year, with a permanent contract or apprenticeship.

During the year, the Group developed 5 virtual classroom training initiatives aimed at increasing awareness of the performance management process, targeting 154 new participants in the process. These initiatives provided an opportunity to explore in greater depth the strategic importance of performance management, the model adopted, and the stages and stakeholders involved in the process. In addition, four sessions of a training programme specifically designed for managers (152 participants) were held to ensure a continued focus on the process and the associated feedback opportunities. Furthermore, in order to provide people with awareness and support tools when expanding their activities and responsibilities and to refine the process of defining succession and development plans, to complement the indications provided by the performance management system, 138 assessment paths were activated (65 in 2024), conducted by external bodies, both on figures with the role of analyst and specialist. A further 148 assessments were conducted, with the involvement of an external consultancy, to support internal mobility initiatives and to strengthen managerial skills in relation to the roles held.

Health and Safety

[S1-14_01, S1-14_02, S1-14_03, S1-14_04, S1-14_05, S1-14_06, S1-14_08, S1-14_10, S1-14_11, S1-14_12]

To prevent or mitigate potential negative impacts on health and safety, the Group has defined **preventive** monitoring and control **actions**, including:

- inspections by the supervisors of employees and of the works management of the activities of third-party companies;
- the establishment of specific health and safety management committees at company level;
- audits conducted as part of the Certified Management Systems and Internal Audit activities;
- supervisory inspections of the Prevention and Protection Service (PPS) planned annually;
- visits by occupational health physicians to workplaces;
- discussions with workers' health and safety representatives;
- management of reports received (e.g. of near misses);
- simulation of emergency situations.

In the event of **actual negative impacts**, such as in the case of injuries and emergency situations, a systematic analysis is carried out, with the aim of defining the causes and management methods. Injuries are analysed by the company department involved and/or the Prevention and Protection Services; in the case of major events, the investigation is also carried out by means of on-site inspections and involving, in addition to the injured person, the Supervisors and any witnesses. Following the analysis, the causes are identified and possible corrective or improvement actions, which may be:

- techniques, e.g. modifications to machines or work equipment, provision of different signage;
- procedures, with new ways of carrying out work activities;
- training, with specific focus and awareness-raising initiatives;
- organisational, e.g. changes in shifts or reduction of personnel authorised for certain tasks.

The progress of improvement activities is monitored periodically.

The effectiveness of preventive and corrective actions is monitored through the use of specific indicators:

- frequency rates, severity, injury incidence;
- number of injuries occurring to third-party companies;
- number of near-misses;
- number of PPS inspections planned/performed;
- number of occupational health physician inspections planned/performed;
- number of medical examinations planned/performed.

The **risk identification and assessment** process is regulated by procedures and by a software[11] that guarantees a standardised approach. For each working activity, the risks and the appropriate prevention and protection measures, personal protective equipment (PPE) necessary to conduct said activities, proper conduct and any organisational measures or other requirements are identified and evaluated. Furthermore, workplaces are analysed to identify and evaluate the risks present, taking instrumental measurements where necessary. The assignment to each employee, directly or through groups (safety certifications) of the results of the assessments conducted on working activities and workplaces completes the risk profile of each worker, identifying the consequent general protection measures that include, for example, the provision of necessary PPE, the need or otherwise for health checks, and the results of these, where applicable. This structured evaluation process is conducted and coordinated by the Prevention and Protection Service (PPS) of each Company, with the indispensable involvement of the operating units. The PPS also carries out periodic controls to check the correct implementation of the provisions.

All Group employees are covered by a worker health and safety management system. Moreover, to ensure systematic control of these issues, the main Group companies (corresponding to 11,599 employees, 97% of the total workforce) adopt a Certified Management System according to the UNI ISO 45001 international standard. The Group uses the certified GAMMA application to manage the requirements of the UNI ISO 45001 standard.

[S1-14_01]

People in the Iren's own workforce covered by a health and safety management system according to recognised regulatory requirements or guidelines (%)	2025	2024
Employees	100%	100%
Non-employees	100%	100%
Total	100%	100%

Each Group Company organises at least one annual meeting on corporate security (Art. 35 of Legislative Decree no. 81/2008), and, as a rule, one or two other meetings per year for discussion and updating attended by the workers' health and safety officers. Surveys and specific meetings are also carried out at the request of the workers' health and safety officers and/or workers themselves. The workers' health and safety officers are also invited to take part in the visits to the workplace with the occupational health physician (Art. 25 of Legislative Decree no. 81/2008) and are involved in audits of certified systems. The **reporting and management of injuries and near misses** takes place through hierarchical channels and subject to supervision by the Prevention and Protection Service according to specific procedures regulating the process, which may be computerised and are accessible to all workers. A detailed analysis of the event is carried out, aimed at identifying the causes of unwanted events, and the necessary actions and skills to prevent them. A specific Safety App on the Company smartphones provided to all employees enables near misses to be reported, promoting employee participation and facilitating the introduction of any corrective actions.

The entire workforce is involved in this process: responsibilities for occupational health and safety are the responsibility of employers, executives and supervisors, based on the specific Company organisation as well as the delegated powers. Furthermore, all workers, according to their tasks and their respective competencies and responsibilities, are involved and called upon to play an active role in prevention. As such, attention is given to providing **training and information** to employees and conducting continuous monitoring, including the analysis of individual injuries, near-misses, and planned supervisory surveys.

Within the certified system, periodic audits are also planned on the correct management of health and safety at work, carried out by qualified and independent auditors. The results of these audits are brought to the attention of the Management to enable the relative action to be taken.

For the mitigation of major risks, contingency plans have been prepared that consider multiple scenarios, both local and extended.

Health surveillance of Iren Group employees is carried out according to the risk profiles associated with the tasks assigned to each worker. Medical examinations are carried out in accordance with current legislation, by external doctors appointed by the employers of the individual companies. As far as work-related ill health is concerned, the risk assessment document (DVR) of each company highlights the possible presence of a potential risk. The risk is controlled, on the one hand, by decreasing the probability of occurrence through the constant improvement of working conditions, where critical issues have been highlighted, and, on the other hand, by using health surveillance protocols drawn up by the occupational health physicians on the basis of the residual risk, aimed at protecting the psychophysical integrity of workers, including the most sensitive ones. The occupational health physician is, however, required by law to report any suspected occupational disease to the competent bodies.

In 2025, numerous initiatives were developed to disseminate the culture of safety and preventive healthcare within the Group, for example:

- compulsory training and specific courses aimed at workers performing particular tasks or on new procedures (see paragraph "Training" in this chapter);
- definition of new specific training paths for newly recruited workers engaged in operational activities, in order to develop, right from the start of the work path, a greater awareness of workplace health and safety;
- meetings with workers who have suffered accidents and additional specific training, particularly in the waste collection and management sector;
- regular meetings with supervisors and workers;
- initiatives to strengthen emergency response capabilities, including targeted drills based on specific scenarios and dedicated training for internal and external personnel responsible for surveillance;

[11] The software is used by the companies of the Security Services perimeter of Iren, which covers about 75% of the employees.

- comparative analyses of serious/fatal accidents with other companies in the sector, in order to adopt a preventive approach and identify any shortcomings in plant facilities and/or procedures;
- telemedicine service, for all employees, offering a round-the-clock teleconsultation on general medicine and paediatrics for the whole family;
- access to special rates at a vast network of affiliated healthcare facilities throughout Italy, without the need to take out an insurance policy;
- the "Al cuore della salute" (At the heart of health) project (operating in Liguria) that offers employees the opportunity to undergo a biennial optional preventive health check-up, through laboratory tests, diversified according to age and gender, which are evaluated by the occupational health physician.

By joining supplementary health insurance funds, employees are entitled to health coverage in accordance with the relevant national collective bargaining agreement (gas-water, electricity, environment, metalworking, commerce and rubber and plastics). The national collective bargaining agreement for the electricity sector provides for the payment of contributions to associations of recreational clubs for workers (CRAL) for healthcare activities. Specially constituted funds manage the payment of healthcare benefits that ordinary members (employees) and their dependants can benefit from.

All executives, for whom primary healthcare coverage is provided by their membership to Fasi, are provided with supplementary health insurance (ASSIDAI) which refunds additional healthcare costs that are not reimbursed by Fasi.

Annually, as required by the ISO standard, the health and safety management system is audited by an accredited certification body, according to the principles, criteria and methodologies defined in the standard.

With regard to the reporting of accidents, for the sake of prudence, the data shown is that relating to accident reports submitted during the year and recognised by INAIL by the date of finalisation of this document. Any adjustments resulting from the non-recognition of an accident by INAIL after the finalisation of this document will be reflected in the report for the next financial year.

[S1-14_02, S1-14_03, S1-14_08]

Fatalities in Iren's own workforce due to work-related injuries and ill-health (no.)	2025	2024
Employees - Work-related injuries	0	0
Employees - Work-related ill-health	0	1
Non-employees - Work-related injuries	0	0
Non-employees - Work-related ill-health	0	0
Other workers working at Group sites - Work-related injuries	0	0
Total	0	1

[S1-14_04]

Recorded work-related injuries for Iren's own workforce, including fatalities (no.)	2025	2024
Employees	511	581
Non-employees	3	6
Total	514	587

[S1-14_05]

Recorded work-related injuries for Iren's own workforce, including fatalities (rate)	2025	2024
Employees	26.0	30.3
Non-employees	22.8	29.0
Total rate	26.0	30.3

[S1-14_06, S1-14_12]

Recorded cases of work-related ill-health of employees, including fatalities (no.)	2025	2024
Total	15	17

[S1-14_10, S1-14_11]

Iren's own workforce covered by an internally audited and/or externally audited or certified health and safety management system	2025	2024
Total	97.4%	97.6%

The numerous cross-cutting and targeted initiatives implemented by Group companies in 2025 to reduce the number of injuries have led to a significant improvement in the injury rates, particularly in the companies operating in the waste collection and management sector, which are characterised by a high level of operational activity and the associated risk of injuries, and whose performance has a significant impact on that of the Group as a whole.

[IREN_S1_16]

Work-related injury rates for own workforce	2025	2024
Incidence rate (total no. injuries/average workforce x 1,000)	42.9	51.4
Frequency rate (no. total injuries/hours worked x 200,000)	5.2	6.1
Severity rate (days away from work due to injuries/hours worked x 1,000)	0.8	1.0

The sickness rate is 4.5% (4.6% in 2024), while the absenteeism rate is 4.7% (4.9% in 2024).

Equal opportunities, diversity and inclusion

[S1-1_17, S1-9_01, S1-9_02, S1-9_03, S1-9_04, S1-9_05, S1-9_06, S1-12_01, S1-12_02, S1-12_03]

Iren Group promotes a culture of full and widespread inclusion thanks to actions aimed at pursuing this commitment. Training is one of the most effective levers: partnerships with organisations and associations that promote training programmes on the topic of diversity are renewed annually. In particular, in 2025, the training campaign on the 2030 Agenda, launched in 2024 and tailored to different population groups, continued. This initiative also provided an opportunity to raise awareness at various organisational levels about social sustainability objectives, including gender equality, on which everyone can have a direct impact. In order to reinforce the positive impact connected with equal professional and remuneration opportunities and the fight against all forms of discrimination, the Group has planned and implemented numerous actions and initiatives, addressed to both internal and external parties:

- projects, in collaboration with third-party organisations, for the valorisation of the female role and STEM careers (InspirinGirls with Valore D and support in organising the "Women & the City" Festival promoted by the association "Torino città per le donne");
- financial education initiatives, with the aim of promoting and disseminating the development of financial, insurance and pension knowledge and skills. Financial education plays a key role in women's independence and empowerment, thus representing an important step towards gender equality;
- projects on disability in the workplace, in cooperation with third parties, both to raise awareness among employees and to include people belonging to protected categories;
- initiatives to raise awareness and promote a culture of inclusion and well-being; for example, in 2025, the company supported participation in a series of sessions organised by an external body, focusing on psychological well-being and the needs that arise at different ages and stages of life, thereby fostering greater awareness and inclusiveness.

The handling of diversity and inclusion issues is monitored annually through the compilation of questionnaires and indices. In particular, in 2025 the Group participated in Valore D's Inclusion Impact Index, and Utilitalia's D&I Index.

The policies implemented in the selection phase and in the enhancement of skills, the drive towards female management and the development of work-life balance tools have increased the Group's attractiveness for female personnel, even within professional families characterised by a strong technical component historically "reserved" for a purely male population. The recent inclusion of young female graduates, even in strictly technical sectors such as engineering in the field of environmental services or distribution networks, is proof of this.

The 3,013 women on average present in the Group in 2025 represent 25.4% of the average number of employees, showing slight growth on 2024 (25.2%).

[IREN_S1_01]

Employees by position and gender (average no. of people)	2025			2024		
	Men	Women	Total	Men	Women	Total
Executives	101	20	121	91	21	112
Junior managers	285	112	397	283	110	393
White collars	2,865	2,052	4,917	2,807	1,917	4,724
Blue collars	5,612	829	6,441	5,281	802	6,083
Total	**8,863**	**3,013**	**11,876**	**8,462**	**2,850**	**11,312**

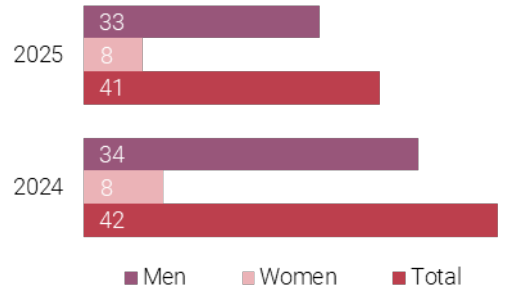
The majority of female personnel (72%) are executives, junior managers and white-collar workers (overall constituting 45.8% of total employees, compared to the 54.2% of blue-collar workers). The analysis, also in consideration of the mainly technical characteristics of the managed activities, revealed a non-discriminatory situation for women, who represent around 40.2% of executives, junior managers and white-collar workers. Equal remuneration between men and women is ensured by the application of the national collective bargaining agreements in which minimum salaries for each employment category are defined.

The proportion of women at the level of senior executives and junior managers, for which the Group has set medium- and long-term growth targets (see paragraph 'Our targets for Iren people' in this chapter), stands at 25.5% on average, a slight decrease compared to 2024 (25.9%) due to the expansion of the company's scope of operations, in line with the forecasts of the Sustainability and Transition Plan, which takes this expansion into account.

At top management level (delegated bodies, senior executive managers, executive managers and senior managers reporting directly to the delegated bodies), the female component accounts for 20%.

[S1-9_01, S1-9_02, S1-9_06]

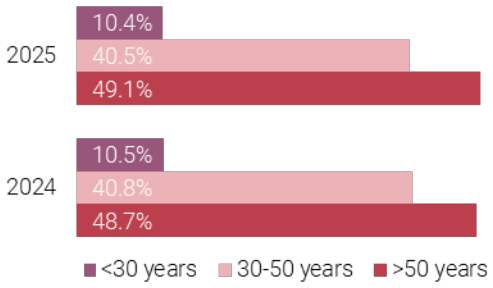
Employees at top management level by gender



The coexistence within the Group of a multiplicity of generations represents an important opportunity for growth and cultural and gender exchange. Mutual adaptation, respect and understanding are key elements to manage the challenges and exploit the opportunities this coexistence offers, especially by valuing the cultural and professional experiences of each generation for mutual enrichment.

[S1-9_03, S1-9_04, S1-9_05]

Distribution of employees by age group (%)



In line with its policies, Iren Group turns its attention not only to those with temporary or permanent disabilities, but also to those in a **situation of fragility**, whether visible or invisible.

Knowing how to make the most of people's different skills and potential is the key to creating innovation. To do this, the first step is to listen to their different points of view and needs. With a view to continuously improving people's working situation, the Group is committed to **raising awareness of the context**, thus reducing any **lack of attention**, even involuntary, towards disability and reducing any **architectural and technological barriers**. Through listening and dialogue, the Group wants to promote working environments in which all people can feel respected and valued.

In 2025, the Group followed up on the results of the "Listening to Include" project, launched in 2024 and comprising a survey of all Group personnel on diversity and inclusion issues, with a focus on disability, a self-narrative questionnaire for those with disabilities or caregivers, and focus groups for people in vulnerable situations and managers who supervise people with disabilities within their teams. The findings from this listening exercise guided the Group's strategy on disability and the launch of an awareness-raising programme aimed at developing greater understanding of the issues of disability and invisible vulnerabilities, strengthening managerial skills, fostering inclusive leadership, and promoting collaboration between the various company departments.

The Group employs 457 people belonging to protected categories, as defined by national legislation (Law no. 68/1999), a slight increase compared with 2024. Out of respect for privacy, it is not possible to identify the type of protected category to which an employee belongs, so it is not possible to trace information on disabilities.

[S1-12_01, S1-12_02]

Personnel belonging to protected categories	2025	2024
Employees belonging to protected categories (no.)	457	431
Percentage of total employees (%)	3.8%	3.8%
Men (%)	68.5%	70.3%
Women (%)	31.5%	29.7%

Work-life balance

[S1-15_01, S1-15_02, S1-15_03, S1-15_04]

To retain its human resources and improve the internal working environment, the Group has defined a number of initiatives to enhance welfare and work–life balance, to which it allocated over 5 million Euro in 2025 (approximately 4.8 million Euro in 2024). These initiatives include:

- supplementary pension coverage, insurance coverage and supplementary health funds;
- flexible working arrangements: remote working, flexible working hours, teleworking, part-time, ultra-daily flexibility, additional leave, short leave and short paid leave, supplementing compulsory maternity leave;
- initiatives to promote employee well-being, such as setting particularly high standards in company canteens to promote proper nutrition, offering courses to promote physical and emotional well-being, thanks to agreements with a wellness provider offering access to thousands of sports centres and online video training courses, as well as nutritional advice;
- possibility of allocating all or part of the performance bonus to corporate welfare initiatives, benefiting from a bonus. Through the Iren Welfare portal, employees can obtain, within the limits of the allocated amounts, reimbursements and/or goods and/or services, for expenses incurred for the family, health insurance, mortgages, supplementary pensions, sports, culture, leisure and travel;
- support, through contributions, to the various company recreational clubs for workers (CRAL), which organise not only recreational, leisure, sports and cultural activities, but also activities aimed at parenting and work-life balance.

[IREN_S1_04]

Smart Working	2025			2024		
	Total	Men	Women	Total	Men	Women
Employees (no.)	4,030	2,200	1,830	3,820	2,098	1,722
Days taken (no.)	251,298	118,686	132,612	236,629	114,075	122,554

All employees of Iren Group are entitled to leave for family reasons, in compliance with the provisions of the relevant national legislation and the national collective bargaining agreements applied.

[S1-15_02, S1-15_03]

Percentage of eligible employees who took family leave by gender (%)	2025	2024 [1]
Total	7.5%	6.9%
Men	6.2%	5.6%
Women	11.4%	10.7%

[1] The figure for 2024 has been corrected, as it contained a calculation error regarding the female workforce, for which 3.59% had been reported, compared to the actual figure of 10.7%, and regarding the overall figure, which had been reported as 9.23% instead of 6.9%.

Our targets for Iren people

[S1.MDR-T_01-13, S1-5_01, S1-5_02, S1-5_03]

The growth and enhancement of employees, including with a view to diversity and inclusion and together with health and safety, are fundamental values for Iren Group: pillars that are transposed into the mission and vision of the Strategic Plan and in the actions of personnel.

The Sustainability and Transition Plan has, in fact, defined a set of strategic targets for its employees, focusing on professional growth, inclusion and well-being in the medium- (2030) and long-term (2040).

[IREN_S1_07]

New hires (cumulative since 2020)				
Main scope	Own operations			
Stakeholders engaged	Employees			
Target/Results (no.) (absolute)	Base year 2020	2025 Results	2030 (medium-term)	2040 (long-term)
	-	5,326	+6,740	+9,400
Methodologies, assumptions and scientific data used	The medium- and long-term targets consider possible options to expand the consolidation scope, in line with the Business Plan forecasts, and logic of progressive implementation of Group policies in the event of the acquisition of new companies			
2025 Results	The results are in line with expectations			
SDGs				

[IREN_S1_15]

Training hours per capita				
Main scope	Own operations			
Stakeholders engaged	Employees			
Target/Results (no. average hours per capita) (absolute)	Base year 2020	2025 Results	2030 (medium-term)	2040 (long-term)
	25	22	23.8	25
Methodologies, assumptions and scientific data used	The medium- and long-term targets consider possible options to expand the consolidation scope, in line with the Business Plan forecasts, and logic of progressive implementation of Group policies in the event of the acquisition of new companies			
2025 Results	The result, down from the base year, was influenced by the enlargement of the consolidation scope during the year and the gradual application of Group policies to the newly acquired companies, which resulted in a significant increase in the average number of employees against fewer training hours than the Group average			
SDGs				

[IREN_S1_11]

Employees evaluated on performance (%)				
Main scope	Own operations			
Stakeholders engaged	Employees			
Target/Results (%) (intensity)	Base year 2020	2025 Results	2030 (medium-term)	2040 (long-term)
	54%	84%	89%	90%
Methodologies, assumptions and scientific data used	The target is calculated as the ratio of the number of persons receiving a performance appraisal in the year to the total eligible workforce (executives, junior managers and white-collar employees, excluding employees on fixed-term contracts, employees hired for less than 6 months, personnel from Company takeovers for less than one year, personnel with absences of more than 6 months, and take-overs of contracts of less than 3 years). The medium- and long-term targets consider possible options to expand the consolidation scope, in line with the Business Plan forecasts, and logic of progressive implementation of Group policies in the event of the acquisition of new companies			
2025 Results	The results are in line with expectations, considering changes in the consolidation scope			
SDGs				

[IREN_S1_01]

Women in managerial roles (%)				
Main scope	Own operations			
Stakeholders engaged	Employees			
Target/Results (%) (intensity)	Base year 2020	2025 Results	2030 (medium-term)	2040 (long-term)
	22.8%	25.5%	27%	30%
Methodologies, assumptions and scientific data used	The target is calculated as the ratio of the average number of female junior managers and executives to the total number of junior managers and executives. The medium- and long-term targets consider possible options to expand the consolidation scope, in line with the Business Plan forecasts, and logic of progressive implementation of Group policies in the event of the acquisition of new companies			
2025 Results	The results are in line with expectations			
SDGs				

[IREN_S1_07]

Hires under 30 out of total hires				
Main scope	Own operations			
Stakeholders engaged	Employees			
Target/Results (%) (intensity)	Base year 2020	2025 Results	2030 (medium-term)	2040 (long-term)
	50%	52.1%	≥ 50%	≥ 50%
Methodologies, assumptions and scientific data used	The target is calculated as the ratio of hires under the age of 30 (excluding hires from subcontracting and internalisation) to total hires. The medium- and long-term targets consider possible options to expand the consolidation scope in line with the Business Plan forecasts, and logic of progressive implementation of Group policies in the event of the acquisition of new companies			
2025 Results	The results are in line with expectations			
SDGs				

[IREN_S1_13]

Employees with corporate healthcare (%)				
Main scope	Own operations			
Stakeholders engaged	Employees			
Target/Results (%) (intensity)	Base year 2020	2025 Results	2030 (medium-term)	2040 (long-term)
	71%	71%	100%	100%
Methodologies, assumptions and scientific data used	The target is calculated as the ratio of the number of employees covered by supplementary healthcare to the total number of employees. The medium- and long-term targets consider possible options to expand the consolidation scope, in line with the Business Plan forecasts, and logic of progressive implementation of Group policies in the event of the acquisition of new companies			
2025 Results	The results are in line with expectations			
SDGs				

[IREN_S1_16]

Injury incidence rate (no.)				
Main scope	Own operations			
Stakeholders engaged	Employees			
Target/Results (rate) (intensity)	Base year 2020	2025 Results	2030 (medium-term)	2040 (long-term)
	50.2	42.9	44	41
Methodologies, assumptions and scientific data used	The target is calculated as the ratio of the number of recordable injuries to the average number of total employees multiplied by one thousand. The medium- and long-term targets consider possible options to expand the consolidation scope, in line with the Business Plan forecasts, and logic of progressive implementation of Group policies in the event of the acquisition of new companies			
2025 Results	The significant reduction in the incidence rate compared to the base year was achieved through targeted actions, particularly in companies operating in the waste collection and management sector, which are characterised by a high level of operational activity and the associated risk of injuries			
SDGs				

All targets are monitored on an interim and annual basis to verify the alignment of progress in relation to the annual targets of the Sustainability and Transition Plan and to define, if necessary, corrective actions or changes in the scenario that may require a revision of the target.

Furthermore, as part of the review of the Integrated Management System, performance results and monitoring data are analysed in order to define possible improvement actions, which are communicated to all personnel.

In relation to the subject of health and safety, targets are set annually, including through discussions with workers and workers' representatives, concerning:

- technical or procedural improvements in work processes;
- improvement of the safety culture, by increasing training hours, organising events on specific topics, and actively involving workers in improving safety conditions;
- strengthening of supervisory activities to ensure compliance with rules and procedures;
- improving the welfare of workers, including through welfare initiatives;
- computerisation of security compliance management.

Suppliers and partners

[S2.SBM-3_01, S2.SBM-3_02, S2.SBM-3_03, S2.SBM-3_04, S2.SBM-3_05, S2.SBM-3_06, S2.SBM-3_07, S2.SBM-3_08, S2.SBM-3_09]

The integration of sustainability in the strategy is also expressed through the management of the supply chain where the Group promotes the adoption of sustainability commitments in line with those defined internally, including through the adoption of environmental and social criteria and standards in the supplier selection and evaluation system.

By managing and improving its environmental, social and economic impacts and ensuring good supply chain governance, the Group acts not only to achieve its strategic targets and to generate a positive reflection on its resilience and competitiveness, but also in the interest of stakeholders and society at large, with the aim of creating value over time. The engagement of the supply chain enables Iren Group's strategic lines to be realised:

- achieve increasingly ambitious **sustainability targets**, reinforcing the commitment to advanced ESG practices;
- take a **lead role** in the growth of the region, with a specific focus on supporting small and medium-sized enterprises in the integration of ESG issues;
- **generate value** for the Group, improving economic and operational efficiency through ESG initiatives and contributing to improved sustainability ratings;
- follow **regulatory developments** that impose an increasing focus on ESG issues along the entire value chain;
- ensure **better monitoring of** negative and positive **impacts** along the value chain, with particular reference to the social aspects of health and safety, adequate wages and diversity.

The material impacts, risks, dependencies and opportunities were analysed using the process described in the paragraph "Double materiality assessment" in the chapter Strategy for sustainable development, for the general analysis, and in the chapter Iren People, for the specific process relating to social aspects.

IMPACTS	
✗	• Potential negative social impacts generated within the supply chain, also resulting from insufficient monitoring by the Group
✓	• Promotion of a culture of sustainable growth in companies in the value chain, with positive repercussions on the socio-economic growth of the companies themselves and their workers
OPPORTUNITIES	
	• Technological and process innovations, and initiatives to disseminate the culture of prevention that improve the health and safety of employees in the performance of their work activities
	• Promoting the inalienability of people's rights throughout the value chain

The identification of potential employee-related impact, risk and opportunity factors in the value chain was carried out by taking into consideration the different types of suppliers - of goods, works and services - with which the Group has relations. The baseline analysis focused on the upstream and downstream operations in the chain, taking into account all the inputs needed to manage their activities, with the aim of identifying the workers most exposed to adverse effects and particular vulnerabilities, also considering the countries of origin of the suppliers and the activities they perform.

Among the types of supply chain workers considered, and who could be significantly impacted, are **workers of third-party companies** that carry out their activities at the Group's premises (workers of contractors on construction sites, workers operating at customer counters, cleaners and company canteens) and **workers of downstream supply companies** (sales agencies and call centre operators). Workers employed by companies operating at the Group's sites are also potential beneficiaries of the opportunity arising from technological and process innovations and from initiatives to spread a culture of prevention that improves health and safety, while the opportunity related to promoting the inalienability of people's rights applies to all suppliers.

The negative impact that emerged from the **materiality assessment** is potential as it may be related to sporadic events, not systematic or generalised, also considering the supply chain management policies adopted and the context, structurally subject to stringent regulations on working conditions, in which the Group operates. In order to minimise the possibility of this potential impact becoming actual, the Group has adopted **actions and policies** also aimed at promoting a culture of sustainable development in the companies of the value chain, with positive repercussions on the socio-economic growth of the companies themselves and their workers.

The positive impact noted, extended to all workers employed by suppliers (Tier 1), is closely related to the Group's strong focus on placing sustainability issues and performance at the basis of the process for the selection, qualification and monitoring of its suppliers and of the path undertaken to support them in implementing ESG policies, actions and targets.

In fact, in 2023, the Group launched the **ESG Supply Chain project** (see paragraph 'ESG Supply Chain Project' in this chapter), which focuses on the sustainable development of supplier companies. The project comprises a series of initiatives aimed at promoting a sustainable economy, in line with national and international directives, and seeks to strengthen ESG policies, initiatives and objectives within the supply chain, encouraging more responsible processes and fostering continuous improvement in the sustainability performance of the companies involved.

As part of the project, the Group joined **Open-es**, a collaborative ecosystem aimed at supporting the development of production chains with regard to sustainability, as a Value Chain Leader Partner. This alliance brings together over 41,000 companies across 117 countries and 66 industry sectors, united by the goal of promoting a sustainable future and a just transition. Open-es is a platform that not only enables the **sharing of sustainability data**, but also places a strong emphasis on growth and collaboration between companies, on **measuring sustainability performance** and comparing it with industry benchmarks, and on **development pathways and solutions** to help companies adopt sustainable principles, close their gaps and leverage their strengths.

Through the **Open-es platform**, the Group acquires, among other things, information from its suppliers concerning geographical areas or goods at risk of child, forced or compulsory labour, such as:

- adoption by the company of a policy or guidelines for the management of human rights aspects and related risks (e.g. discrimination, child labour and forced labour);
- the number of risks, in the area of human rights issues, arising from the Company's activities;
- the number of human rights risks identified in relation to the countries in which the company operates;
- the activities and types of suppliers considered at risk of human rights incidents for the Company.

The information gathered shows that there are no significant risks of child, forced or compulsory labour among workers in the Group's value chain, also considering that the supplier companies operate in EU or non-EU countries for which such risks are not significant.

Policies for sustainable supply chain management

[S2.MDR-P_01-06, S2-1_01, S2-1_02, S2-1_03, S2-1_04, S2-1_05, S2-1_06, S2-1_08, S2-1_09]

The Group has defined commitments and guiding principles relating to workers in the value chain in its Code of Ethics, Sustainability Policy and Model 231 (see paragraph "Policies" in the chapter Iren People).

The **Code of Ethics**, which defines the behavioural principles and values of business ethics that are adopted by all Group companies, also applies to consultants, external collaborators, suppliers and any other party that may act in the name of and on behalf of Iren Group. It can be considered in the same way as a "Suppliers' Code of Conduct", since it establishes the ethical guidelines and principles with which all parties involved with the Company, including suppliers, are required to comply. The Group's principles and commitments to sustainable supply chain management are set out in the Code of Ethics, Chapter 6, and in the **Sustainability Policy**, Chapters 2.8 and 2.9. These principles cover:

- a commitment not to cooperate with partners who violate the fundamental principles underlying **respect for human dignity**;
- all suppliers must respect **human rights**, the legislation regarding workplace health and safety, working conditions and obligatory tax and social welfare payments, and only use personnel who comply with all legal requirements, avoiding any form of discrimination;
- the assessment of economic operators who qualify for inclusion in the supplier register, through a questionnaire on **ESG profiles**, and the prioritisation of sustainability performance when determining supplier selection criteria;
- requiring suppliers to expressly accept the organisational principles of **Model 231** and the rules of the Group's **Code of Ethics** , which is a condition for admission to tenders and a condition for the effectiveness of contracts;
- the request that suppliers sign specific contractual clauses regarding compliance with social standards on human rights and working conditions throughout the supply chain;
- the identification in tender procedures with award criteria based on the best quality-price ratio, of criteria for the attribution of **technical scores** on environmental, social and governance aspects such as, for example, measures to contain environmental impact, decarbonisation, waste management, energy efficiency, diversity and equal opportunity, business culture, training, protection of health and safety, when compatible;
- requiring suppliers to sign contractual clauses at the award stage committing them to carry out activities in an **environmentally friendly and efficient** manner.

The commitments of the Sustainability Policy and the Code of Ethics are based on the principles of the Constitution of the Italian Republic, the UN Universal Declaration of Human Rights, the International Labour Conventions and Recommendations issued by the ILO (International Labour Organisation), the Global Compact, the OECD Guidelines for Multinational Enterprises, and the UN Sustainable Development Goals (SDG).

Policy monitoring is structured in an articulated manner, at the different levels of the organisation, and provides for specific actions in case non-compliance situations are detected.

Violation of the provisions of Model 231 and the Code of Ethics entails the exclusion of the supplier from the tender or, if the violation is discovered at a later stage, the revocation of the award or termination of the contract and may also entail, depending on the seriousness, a one-year ban on participating in tenders to be called by Iren Group. Violation of contractual clauses concerning compliance with social standards on human rights and working conditions may lead to the application of the contractually agreed penalty, without prejudice to the Group's right to terminate the contract. In the event of non-

compliance with environmental obligations, Iren Group may order the immediate suspension of activities until the safeguard measures have been adjusted, without prejudice to the possibility of terminating the contract.

The evaluation of suppliers by the Group's Departments and Business Units that manage contracts and directly verify the supplier's behaviour during implementation, generates a score that supplements the **qualification score**. Repeated negative results or serious failures in the performance of the service shall lead to suspension and subsequent exclusion from the supplier register for a predetermined period.

In addition, the **Certified Integrated Management System** policy (quality, environment, safety and energy efficiency) includes a commitment to implement adequate control over all operational processes, including the quality of supplies and procurement.

All of the Group's stakeholders are considered in the Sustainability Policy and Code of Ethics, including through a commitment to constant and active dialogue with stakeholders. The Group reports annually on its social, environmental and governance performance, highlighting the progress it has made in meeting its commitments and targets.

Responsibility for approving the Sustainability Policy and Code of Ethics lies with the Board of Directors and their implementation is delegated to top management.

Human rights of supply chain workers

Iren Group considers respect for human rights in business practice as a fundamental element for sustainable development on which the ability to create long-term value for the Company and its stakeholders depends.

The principles of the Code of Ethics and the Sustainability Policy are based on the rejection of practices such as forced or child labour, irregular labour, discrimination of any kind, and the promotion of human dignity, diversity, inclusion, equal treatment, health and safety, and environmental protection as necessary conditions for the full enjoyment of human rights.

The Sustainability Policy commits Iren Group to respect all universally recognised human rights, among which forced labour and child labour are explicitly considered.

The Group's contracts expressly provide for the contractor's commitment to ensure that the contracted goods and works are produced, supplied, installed and executed in compliance with the **minimum social standards** on **human rights and working conditions** along the supply chain, as defined by the International Labour Organisation Conventions, the Universal Declaration of Human Rights, Article 32 of the UN Convention on the Rights of the Child and national legislation in force in the countries where the supply chain stages take place. These minimum standards cover occupational health and safety, labour standards, including wages, working hours and social security, and entail the supplier's commitment to:

- inform suppliers and subcontractors involved in the supply chain of the requirement to comply with the above-mentioned standards;
- provide information and documentation on compliance with standards, as well as details of suppliers and subcontractors involved in the supply chain;
- accept and ensure that suppliers and sub-suppliers likewise accept any audits relating to compliance with standards conducted directly or on behalf of the Group;
- undertake, or have suppliers and subcontractors undertake, any appropriate corrective action in the event of a contractual breach of minimum social standards;
- demonstrate, through appropriate documentation, that the clauses are being respected and document the outcome of any corrective actions taken.

Annually, Internal Audit performs audits on the effectiveness of business processes, risk management practices and internal controls. According to the findings of **Internal Audit**, no human rights reports or incidents along the supply chain were found in 2025. Considering the importance of human rights and the continuous evolution of this issue, the Group considers constant monitoring to ensure that ethical and legal standards are met to be essential.

The **ESG Supply Chain project** (see paragraph "ESG Supply Chain Project' in this chapter), launched by the Group, involves its suppliers in strengthening the culture of sustainable development, including the adoption of policies, actions and targets for the protection of workers' human rights. As part of the project, **workshops for** suppliers from the Group's main geographical areas were launched in 2025, with the aim of fostering their active engagement and facilitating direct dialogue on their needs as they embark on a shared journey to improve ESG performance. The workshops will continue in 2026, progressively involving suppliers from other strategic areas of the Group.

Engagement of the supply chain

[S2-2_01, S2-2_02, S2-2_03, S2-2_04, S2-2_06, S2-2_07, S3-2_03]

The stakeholder engagement activities managed by the Group through the **Local Committees** (see paragraph "Creation of social value" in the chapter Sustainable development of local communities) involve, among others, economic categories representing the Group's suppliers and trade unions that also represent workers in the value chain who, through their delegates, can express their views during Committee meetings, through the impact materiality assessment and through other channels made available to them by the Group.

Through the Local Committees, a broad and inclusive participation of stakeholders, including value chain workers, is ensured for a transparent and constructive collaboration.

The Company assesses the effectiveness of this engagement mainly through the monitoring of the results of the projects and initiatives implemented, as well as through the feedback gathered during the discussions in the Local Committees, mainly during the **impact materiality assessment**, which allows the Group's vision to be compared with that of the different categories of stakeholders. The materiality assessment incorporates input from suppliers and representatives of economic categories and trade unions, who participate in Iren's Local Committees on a structured and ongoing basis, on the positive and negative impacts related to environmental, social and governance issues. The Group uses this input to plan its strategies and development and to produce reporting that is increasingly relevant and focused on the real interests of stakeholders, providing a clear framework of policies, actions and results achieved.

Through the activities of the Local Committees and the impact materiality assessment process, delegates from business associations and trade unions representing workers in the value chain can draw the Group's attention to specific issues relating **to particularly vulnerable workers**.

The supervision of the Local Committees is delegated to the Deputy Chair, who is supported in this by the Corporate Social Responsibility and Local Committees Department, which reports directly to him or her, and who periodically reports to the Control, Risks and Sustainability Committee and the Board of Directors on the progress of activities and on the discussion and planning carried out within the Committees themselves. Each Local Committee meets on average four times a year and, through specific internal working groups, oversees activities for the best implementation of projects for environmental and social sustainability.

Together with the Local Committees, the **Open-es collaboration platform**, to which the Group has adhered since 2024, represents a tool through which Iren monitors the ESG performance of its suppliers. A structured questionnaire - differentiated according to the size of the supplier company - makes it possible to detect, for each supplier that has accepted the invitation to access Open-es, the presence of policies, actions and targets related to its workers and to identify initiatives to be addressed to the supplier companies in order to manage the actual and potential impacts on the workers themselves. The questionnaire also explores issues related to workers who may be particularly vulnerable, checking, for example, the adoption of diversity, inclusion, and equal opportunity management policies and/or practices for different categories of employees, the approach towards the inclusion of disadvantaged workers, and women's empowerment. The information gathered in this way, which constitutes an in-depth source on ESG issues relevant to the Group's suppliers, together with the findings of the materiality assessment of impacts, does not point to particularly vulnerable categories of workers in the Group's value chain.

Open-es is also a tool used by the Group to engage suppliers and provide them with an assessment of its **sustainability profile** with indications of areas for improvement to reduce the impacts generated, including on its own workers. This allows supplier companies to continuously improve their sustainability performance, in line with regulatory developments and industry best practices, and enables Iren to monitor the sustainability journey of its suppliers.

The Group also promotes direct interaction with suppliers, through **dedicated workshops** to support them, among others, in decisions related to the management of impacts on their workers.

The **ESG Supply Chain project** (see paragraph "ESG Supply Chain Project" in this chapter), undertaken by the Group to involve suppliers in a process of growth in the management of ESG issues, is headed by the Procurement and Corporate Social Responsibility Departments and Local Committees which, in this context, also pursue the target of identifying, assessing and managing the positive and negative impacts of supply chain activities on the environmental, social and governance levels, with particular attention to possible impacts on workers.

Preventing impacts through analysis and listening

[S2-3_01, S2-3_02, S2-3_03, S2-3_04, S2-3_05, S2-3_06]

The materiality analysis conducted by the Group did not reveal any actual negative impacts on workers along the value chain. However, a potential impact has been identified in relation to social aspects, e.g. health and safety, working conditions and diversity, which is also related to the Group's limited supervision. This implies that, although there are no concrete signs of immediate impacts or risks, there is a possibility of negative effects that could occur, thus requiring attention and preventive measures. In this perspective, the Group provides a number of channels through which supply chain workers can raise concerns, among which:

- **Iren's Local Committees**, a channel for dialogue and the exchange of ideas that enables representatives of economic categories and trade unions to participate systematically and to report any concerns and needs of workers along the value chain. Through this channel, specific requests are brought directly to the attention of the Group, which provides the necessary support;
- the **Group website** is another of the channels through which workers in the supply chain can communicate directly to obtain information and assistance. In fact, for each Local Committee there is a reporting form available, which is both easy for interested parties to access and useful for expressing their concerns;
- the **Iren Integrity Line**, another channel accessible from the Group's website also by workers in the value chain (see paragraph "Listening to the customer" in the chapter Customer orientation). The site also contains an information document and references for accessing the **external channel** for sending whistleblowing reports **managed by ANAC** (the national anti-corruption authority), which can only be used in the cases provided for by Legislative Decree No. 24/2023.

Both the contact channels and the meetings of the Local Committees are made known and accessible to the Group's suppliers and workers through the corporate website.

On the Group **Procurement Portal**, an accident reporting form is available to suppliers, which is referenced in tender procedure. In addition, any claims by the employees of contractors, e.g. in cases of non-payment, are monitored and assessed, with the contracting authority intervening as a substitute.

Any reports received through the dedicated channels are monitored and brought to the attention of the relevant corporate departments. In this way, the Company can assess each individual report and take corrective measures to improve processes or respond directly to the concerns raised. This approach ensures that workers in the supply chain can see a tangible response to their demands, contributing to a continuous improvement of relations between the Group and its economic and social reference context, also at local level.

Sustainable supply chain: actions and monitoring

[S2.MDR-A_01-12, S2-4_01, S2-4_02, S2-4_03, S2-4_04, S2-4_05, S2-4_06, S2-4_07, S2-4_08, S2-4_09, S2-4_10, S2-4_11, S2-4_12, S2-4_13, S2-4_14, S2-4_18]

Adopting an evidence-based approach, preventive and corrective actions, constant monitoring and clear and transparent communication (see the chapter "Proactively managing social IROs" in the section Focused on people), allows Iren Group to effectively address any impacts, risks and opportunities related to the supply chain. The Group has a number of procedures in place to prevent and effectively intervene with corrective measures, should cases arise, even though the negative impact mentioned regarding supply chain workers that resulted from the impact significance analysis is potential rather than actual.

The Group has implemented a **supplier qualification and selection process** that, from a preventive perspective, takes into account a number of sustainability-related factors, with a focus on socio-environmental issues and adherence to the values and principles of the Code of Ethics, which must be mandatorily accepted by all bidders without the possibility of exceptions or amendments. The Code of Ethics outlines the standards of behaviour with regard to, among other things, business ethics, respect for and protection of the market, human rights and personal dignity, protection of personal data, and environmental protection. When qualifying in the Register, Iren also requires, as part of the information on operational and organisational capacity, that the number of permanent and fixed-term employees be indicated and that the ratio of permanent employees to the total number be specified, a ratio that generates a directly proportional increase in the qualification score in the Register. In addition, the presence of an internal or external **prevention and protection service**, the designation of a **safety focal point** to oversee individual contracts and orders, the existence of a training programme on the topic, and the integration of training for foreign workers with Italian language courses are some of the factors examined through the evaluation questionnaire.

When assessing the award of the service or supply, particular care is taken to ensure compliance with the rules on the **correct application of labour contracts** and the payment of the relevant compulsory **insurance and social security contributions**; the specifications provide for the supplier's obligation to comply with the rules on the protection of workers and national collective labour agreements (CCNL) in force and applicable in the sector concerned. Public tenders for works and services are subject to the requirement that the leading CCNL, as determined by the company itself in accordance with established guidelines, be applied to the workers employed in the contract. Additionally, it is necessary to confirm the economic and regulatory equivalence of the different contract applied in the event that a different CCNL is declared. These responsibilities are managed by periodically obtaining the single document of tax and social welfare payment compliance (DURC) and the documents mandated by workplace safety legislation (document for the evaluation of interfering risks (DUVRI), and safety operating plan (POS). In the case of non-compliance with **remuneration and social security contributions**, the rules on substitute intervention are applied, meaning employees and social security funds are paid directly and these amounts are deducted from the amount paid to the contractors.

Subcontracts are also authorised and controlled, according to the law, and the same protections are extended to the workers of subcontractors as those to the workers of contractors.

In addition, the Group's contractual documentation makes it expressly clear that supplies and services are to be performed in compliance with minimum social standards on **human rights** and **working conditions** (see paragraph "Policies" in the chapter Iren People). All the Group's specifications include clauses aimed at curbing the phenomenon of irregular work in tenders and subcontracts.

As well as fully implementing the regulations for employee health and safety, in many contracts the score attributed by the Group focuses on the commitment of the contractor to ensure, in line with the provisions established by the collective labour agreement (social clause) and with the organisation it intends to implement, **employment protection** through the hiring of the personnel of the outgoing contractor (the latter may be scored for the maintenance of the resources used). Furthermore, in regard to Contact Centre services, the awarding tenders state that the personnel costs cannot be lowered.

To compete in public tenders organised by Iren Group, the supplier must comply with the obligations established by the regulations regarding the employment of disabled workers (Law No. 68/1999).

For **tenders**, Group contracts state that the contractor is responsible for complying with current sector legislation. As the contract is characterised by the assumption of the responsibility to achieve a result, the contractor is responsible for organising the means and workforce needed to attain said result. In the context of public tenders, the supplier is required to specify the applicable National Collective Labour Agreement and the number of hours estimated for the performance of the contract. If the offer appears to be suspiciously irregular, the aspect of the cost of labour used in the execution of the contract is also investigated.

The attention to workplace health and safety is extended to suppliers through their registration in the Register, contractual provisions, safety documentation and on-site monitoring. In contract situations or, more generally, where third parties operate at Group sites, the relevant documentation required to identify and communicate information on **workplace risks and prevention measures**, as well as any interference risks relating to the performance of activities by third-parties in those sites, is prepared. This documentation is prepared according to procedures specific to each Business Unit, in order to make the process as appropriate as possible to the characteristics of the individual contracted activities. The professional competence of supplier companies is verified, and information is provided on the specific risks present in the work environments in the case of contracted activities falling within the scope of the Consolidated Law on Occupational Health and Safety (Article 26 of Italian Legislative Decree 81/2008); interference risks are managed through the preparation of the Interference Risk Assessment Document (DUVRI); for activities carried out on temporary or mobile construction sites (Title IV of Legislative Decree 81/2008)a safety coordinator is appointed for the design and execution phases, and document checks and site inspections are carried out by the site assistants, the Works Management and the Prevention and Protection Service, with the relevant reports being drawn up.

In addition, in 2025, **awareness-raising and training** activities were once again carried out for companies working for the Group on operational and safety skills, procedures and instructions, as well as technical and commercial skills.

[IREN_S2_04]

Training of supply chain workers (no.)	2025		2024 (1)	
	Total	Of which on health and safety	Total	Of which on health and safety
Training courses for supplier companies	134	51	49	9
Hours of training provided to supplier companies	2,546	733	821	34
Workers of supplier companies involved	1,018	129	252	41

(1) The data for 2024 was restated.

Injuries that happen while carrying out tasks for the Group and at locations where the Group has legal access are reported to the Works Management. The Group's Prevention and Protection Service gathers and thoroughly examines information about these incidents, in addition to consulting with the Works Management, to identify any criticalities and establish corrective measures.

[IREN_S2_05]

Injuries of supply chain workers (no.)	2025	2024
Recorded injuries	75	95
of which fatal	0	0

Qualified suppliers that have been awarded a tender are assessed by the internal departments that manage contracts and directly monitor the conduct of the supplier when carrying out the contracted works. Monitoring and verification of compliance with the provisions of the contracts on **social, environmental and safety aspects** are under the control of the Group's Works Management. Control occurs on two levels:

- the first is **documentary** and involves checking the consistency and existence of all the documents declared in the contract;
- the second is the **monitoring** directly on the site of execution of the work, by the Directors of Works of the Business Units and by the site assistants, of the compliance with the contractual conditions and rules in force by workers employed by the contracting companies.

The assessment performed generates a score, which is added to the qualification score. Any continuous negative outcome or serious failure in the execution of the work, which the Procurement, Logistics and Services Department is notified, will lead to the suspension and subsequent exclusion from the Supplier Register for a set period.

Contractual commitments regarding compliance with the minimum **social standards** on human rights and working conditions (see paragraph 'Policies for sustainable supply chain management' in this chapter), are undertaken by the supplier through the signing of specific declarations, including the express acceptance of the Code of Ethics and the principles of Model 231.

Processes to remedy negative impacts, should they occur, are clearly regulated within the **Group Procurement Code** and are available to the workers involved in the process. Their effectiveness is monitored for each individual case in which they need to be applied.

The significant socio-economic impacts vis-à-vis the supply chain highlight the Group's key role in generating value for the workers in the chain, and more broadly for the communities in which it operates. In fact, the location of the Group's suppliers is rooted in the local areas of reference, both in terms of the number of active suppliers and the economic value of the orders. In 2025, purchase orders were issued to 6,498 suppliers for about 1,530 million euro. The incidence of volumes by geographic area is shown below. In addition, the Group supports social co-operation whose main task is to professionally integrate disabled or disadvantaged people (Law No. 381/1999 regulates the social cooperatives).

Social cooperatives, which are active in particular in waste collection and environmental hygiene services, received orders in 2025 amounting to almost 57 million euro, or approximately 4% of the Group's total order intake.

[IREN_S2_01]

Suppliers by geographical area (% of euro)	2025	2024
Piedmont	19.2	16.8
Liguria	10.1	12.1
Emilia-Romagna	15.3	14.2
Tuscany	6.0	7.9
Lombardy	28.4	25.3
Sicily	1.9	2.0
Friuli-Venezia Giulia	1.2	1.4
Sardinia	0.2	0.2
Other Italian regions	14.8	18.9
Other European countries	2.6	1.0
Other non-European countries	0.3	0.2

ESG Supply Chain Project

To promote a culture of sustainable growth in value chain companies, technological and process innovation aimed at improving the health and safety of employees, and respect for people's rights, the Group continued the **ESG Supply Chain** sustainable management project in 2025. The primary target of the project is to generate positive repercussions on the workers in the value chain and to take an increasingly leading role with respect to its own supply chain with a view to sustainable and resilient development, accompanying its suppliers along the way and enhancing the capacity of the area and local companies.

The project is developed through several **actions** over a multi-year horizon.

Actions	
Qualification of suppliers	• evolution of the Group's Supplier Register by **expanding the information required on sustainability profiles** through the activation of a new qualification questionnaire with greater focus on the ESG policies, actions and targets adopted by suppliers for the purpose of awarding **qualification points** • gradual inclusion, by company size, of **mandatory certifications** for qualification in the supplier Register
ESG criteria in tenders and Vendor rating	• implementation of the **catalogue of** ESG **criteria** to be introduced in tender specifications and in tenders themselves • integration of the **Vendor rating** system with ESG criteria
Evaluation of suppliers' ESG performance	• access to the Open-es platform • gradual expansion of the supplier base with ESG performance evaluation and indication of **improvement profiles**, obtained through the Open-es platform
Engagement of suppliers and supply chain workers	• invitation to suppliers to report through the Open-es platform • organisation of ***workshops*** with qualified suppliers • **training** for workers of supplier companies, including on workplace health and safety issues • analysis of the significance of impacts
Internal engagement	• **internal training** activities to disseminate knowledge of the path undertaken at Group level for sustainable supply chain management

Participation in **Open-es** (see introduction to this chapter) has the dual target of strengthening the direct engagement of the Group's qualified suppliers on sustainability issues and providing them with a tool to assess strengths and areas for improvement in the area of ESG factor management. In fact, the information that suppliers make available to the Group by answering the **sustainability questionnaire** contributes to the assessment of ESG performance and allows them to access a benchmark to compare their results with those of similar companies, to activate a customised development plan, identifying priority actions to be implemented, and to support suppliers in their improvement path.

In addition, the training programmes and workshops for suppliers planned by the Group provide opportunities for knowledge sharing and strategic discussion. These opportunities not only enable the transfer of ESG knowledge and best practices, but also allow for the monitoring of the effectiveness of the measures taken, thereby promoting continuous improvement in the sustainability performance of the supply chain.

At the same time, the initiative offers Iren Group the opportunity to prevent and minimise potential negative social impacts generated within the supply chain, also thanks to a more detailed and constantly updated information base. Information gathered periodically through Open-es on a large number of suppliers, and their analysis by size, geography and product categories, allows the Group to identify any significant negative impacts on workers in the supply chain.

ESG supply chain targets

[S2.MDR-T_01-13, S2-5_01, S2-5_02, S2-5_03, S2-3_03, S2-4_12]

The **ESG Supply Chain project** was designed as a tool to concretise Iren Group's strategic lines in the area of sustainable supply chain management. It began operations in 2024 and has a 2028-time horizon. The project targets were defined in a cross-functional project group involving Procurement, Logistics and Services, Corporate Social Responsibility and Local Committees, all business units and the main central departments. The targets were approved by the CEO.

The monitoring of the targets, conducted in parallel with the development of the project, makes it possible to assess the effectiveness of the actions undertaken and to identify possible **areas for improvement**, with the adoption of corrective or implementation measures, to ensure the achievement of the set targets of strengthening the integration of ESG principles along the entire supply chain.

Improving the ESG profiles of the supply chain			
Main scope	Own operations		
Stakeholders engaged	suppliers, Iren's own workforce, networked companies		
Target		2026 (short-term)	2028 (long term)
Strengthening the supplier qualification system on ESG factors	new supplier qualification questionnaire with greater focus on assessing the sustainability policies, actions and targets adopted by suppliers for qualification scoring purposes	monitoring of the integrated qualification system	supplier qualification scores
ESG factors in tenders	implementation of the catalogue of ESG criteria used in tender specifications and in tenders themselves	ongoing updating of the catalogue of ESG criteria and monitoring of their use and effectiveness	
Direct engagement of suppliers	• workshops with qualified suppliers at the main sites • evaluation of suppliers' ESG performance with indication of improvement profiles through Open-es	• conducting three additional workshops • expansion of the pool of evaluated suppliers	• continuous direct engagement through Open-es • all suppliers evaluated
Vendor rating	integration of the **Vendor rating** system with ESG criteria	monitoring and refining the integrated vendor rating system	
Mandatory certifications	gradual inclusion by size of supplier companies (large, medium and small) of mandatory certification for qualification in the supplier Register		block certifications introduced for different types of suppliers
Internal dissemination	ongoing involvement of Staff and Business Unit representatives in consolidating and improving the sustainable supply chain management process	ongoing involvement of the Business Units and Departments in updating the catalogue of ESG criteria for tender specifications and calls for tenders, and in analysing the results of monitoring activities	
2025 Results	In 2025, the main focus was on consolidating activities in the various areas: launching the new qualification and vendor rating questionnaires; defining the certifications deemed necessary as critical prerequisites; finalising and launching the catalogue of ESG criteria; providing training to over 200 Business Unit and Staff Department representatives on the project and on the use of the ESG catalogue in tenders; continuing the internal and external communication plan; and holding the first workshop with suppliers		
SDGs			

Among the **future evolutions**, the Group assesses the possibility of developing a process that allows, during the executive phase of contracts, to conduct operational inspections using indicators and check-lists, suggest direct questionnaires or interviews to the workforce, conduct monitoring activities to gather any complaints and unresolved issues of the worker, confirm that the contractor operates in accordance with the fundamental principles of social ethics, transparency, and respect for workers' rights, limiting the risk of joint and several liability of the client, confirm, on a regular basis and for the duration of the contract, that the contractor has accurately fulfilled its wage and social security obligations with regard to the personnel employed in the contract, and establish suitable channels of direct communication between the contractor's employees and the customer.

Sustainable development of local communities

[S3.SBM-3_01, S3.SBM-3_02, S3.SBM-3_03, S3.SBM-3_04, S3.SBM-3_05, S3.SBM-3_06, S3.SBM-3_07, S3.SBM-3_08]

Local presence, understood as embeddedness in the communities, is one of the pillars of Iren Group's strategy. Therefore, active listening to communities is a core principle, integrated in the Group's policies and strategies. Through constant dialogue and the sharing of objectives, the Group is committed to building a solid and lasting partnership with the communities in the areas in which it operates. This synergy, founded on the knowledge that dialogue and sharing generate mutual value, guides the Group's actions. Engagement is based on criteria of inclusiveness, transparency, fairness and attention to ethical, environmental and social aspects, ensuring that everyone's voice is heard and taken into consideration.

IMPACTS

- ✕ Visual impact on the local area due to the presence of Group facilities (i.e. waste-to-energy plants, wastewater treatment plants, power stations)
- ✕ Potential inconveniences related to traffic, the presence of construction sites, noise pollution, the emissions of vibrations and the spread of odours resulting from activities managed by the Group
- ✓ Increased value distributed to stakeholders and direct and indirect economic impacts for communities
- ✓ Contribution to economic and social development and to the reduction of environmental impacts, supported by the Group's activities in the areas of efficiency of infrastructures favouring the green transition, digitisation, technological innovation, collaboration with innovative start-ups, universities, research centres and other partners
- ✓ Dissemination of a sustainability culture within the communities served through the promotion of information and training initiatives

RISKS	OPPORTUNITIES
• Risk that the Group does not exploit the leverage of technological change (e.g. investments in plants aimed at reducing emissions) and/or does not maintain the efficiency of existing infrastructures, thus not contributing to the reduction of impacts on the surrounding community and the environment, with effects on performance and competitive capacity (e.g. decrease in the market value of plants, costs of decommissioning/adaptation of plants that have become obsolete)	• Implementation of sustainable investments and initiatives that can contribute to the growth and improvement of the area in which the Group operates
• Risk of water, soil or air pollution and impact on the surrounding community (e.g. noise and odour pollution) from activities managed by the Group	

Material impacts, risks, dependencies and opportunities related to communities were analysed through the process described in paragraph "Double materiality assessment" in the chapter Strategy for sustainable development, for the general analysis part, and in the chapter Iren People, for the specific process related to social aspects. The analysis considers all the communities located in the areas where the Group operates, the operations along the entire value chain, the inputs required and the outputs generated by its activities, with the aim of identifying any communities most exposed. The analysis highlights impacts, risks and opportunities relating to the communities in which the Group operates as a whole.

The **visual impact** on the local areas due to the presence of the Group's facilities is of a generalised nature, while **potential inconveniences** related to road conditions, the presence of construction sites, noise pollution, the emission of vibrations and the spread of odours deriving from the activities managed, are linked to specific events.

The increase in the value distributed to stakeholders and **in the direct and indirect economic impacts** for communities, as well as the **promotion of a culture of sustainability**, are directly linked to the Group's strategy, which aims to generate shared value, with economic benefits manifested through the creation of new jobs, investments in sustainable infrastructure, an increase in services provided to local communities, and the provision of initiatives to enhance knowledge and skills in support of sustainable development.

Also of strategic importance is **the contribution to economic-social development and the reduction of environmental impacts**, which is supported by the activities managed in the area of infrastructure efficiency to facilitate the green transition, digitisation and technological innovation, including through partnerships and collaborations. All fundamental factors to ensure a responsible use of natural resources, reduce waste and enhance the services offered, with the aim of improving the quality of the environment and living conditions of communities and meeting the needs of people and businesses in an increasingly efficient manner. Collaboration on research and innovation stimulates the creation of advanced solutions to reduce environmental impact and contribute to the creation of new opportunities, fostering the development of skills and knowledge to support economic and social growth in the areas where the Group is present.

Policies for communities

[S3.MDR-P_01-06, S3-1_02, S3-1_03, S3-1_04, S3-1_05, S3-1_06, S3-1_07, S3-1_08, S3-4_11]

Iren Group's policies concerning communities are based on the Sustainability Policy and the Code of Ethics, which, in the update carried out in 2025, set out a more clearly structured framework of rules of conduct and engagement in relation to the various categories of stakeholders, including communities (see paragraph "Policies" in the chapter Iren People and paragraph "Governance policies and tools" in the chapter Iren Group governance). These policies are based on an integrated approach that takes into account social, environmental and economic dimensions, dialogue and collaboration with communities and stakeholders, and impact assessment as prerequisites for creating shared value and development, through the sustainable conduct of activities and the promotion of initiatives of cultural and social value, in the awareness of the influence, including indirect influence, that the Group's operations can have on the general communities well-being. Some of the main elements of these policies include:

- **sustainability and the green transition** through planning and management that aims to reduce the environmental impact of activities and facilitate the transition to a low-carbon economy. The adoption of innovative technologies and energy efficiency are at the heart of these initiatives, with the aim of minimising environmental risks and improving the quality of life in local communities;
- **engagement and continuous dialogue with local communities** to understand their needs and concerns. Corporate policies promote transparency and participation, ensuring that decisions are aligned with the interests of the people living in the areas where the Group is active, in order to better understand and integrate their expectations into corporate strategy. To this end, the Group has activated various channels of communication, participation and dialogue, among which the Iren Local Committees are of particular importance (see paragraph "Creation of social value" in this chapter);
- **investments in infrastructure and services** that also foster sustainable growth for communities, such as renewable energy plants, water management systems, and advanced digital solutions. These investments help to improve the services offered and create economic opportunities for local people and businesses;
- **contribution to the employment growth of the communities**, through the creation of new jobs and the development of growth opportunities for people and businesses in the areas in which it operates, favouring the transfer of knowledge and the development of local skills;
- **management of social and environmental risks** through a system that takes into account potential issues related to its activities. These include the management of environmental impacts, the protection of workers' health and safety, and the constant monitoring of industrial activities that could adversely affect communities;
- **collaboration with local authorities and social organisations** in order to foster the socio-economic development of communities, reduce inequalities and improve social integration.

Responsibility for approving the Sustainability Policy and Code of Ethics lies with the Board of Directors and their implementation is delegated to senior management.

Through its activities, the Group contributes to the **creation of the socio-economic conditions necessary for the effective enjoyment of human rights**. It considers this aspect in its policies and in the feasibility assessment of new projects, in order to avoid harmful behaviour and identify areas of possible intervention to help improve stakeholders' access to fundamental rights. Respect for human rights is part of the constant dialogue with stakeholders (also through the Local Committees) and the Group's commitments are also referred to in the Service Charters adopted (see paragraph "Customer policies" in the chapter Customer orientation).

Therefore, the Group is committed to gathering **feedback from stakeholders** through open communication channels to ensure that human rights needs and concerns are adequately considered.

In addition, the Group is committed to ensuring **grievance mechanisms** that allow anyone who believes their rights have been violated to file complaints and obtain appropriate responses, to resolve any conflicts through constructive dialogue, and to identify, assess and communicate in a transparent manner the environmental, social and economic impacts generated by its activities. These commitments reflect the desire to ensure that all activities are carried out in a responsible manner, respecting human rights and in line with international regulations.

The effectiveness of the policies adopted by the Group is confirmed by the fact that, in 2025, no human rights reports were made in relation to the communities concerned.

Engaging communities through dialogue and listening

[S3-1_04, S3-1_09, S3-2_01, S3-2_02, S3-2_03, S3-2_06, S3-3_10, S3-3_11, S3-3_13, S3-3_14, S3-3_15]

Community engagement is crucial in the management of activities and in the definition of Iren Group's sustainable development strategies: the communities' point of view guides decisions and activities aimed at managing actual and potential impacts.

In the process of **building plants**, discussion with the public is included in the authorisation process, with the possibility for anyone to make comments on the project and obtain answers from the competent authority. In the **planning of services**, particularly in the environmental sector, meetings are held with communities when changes are made to **waste collection** methods, and the citizens' concerns are formally represented by the Area Authorities and municipalities. Similarly, the Group places great emphasis on dialogue with communities in the daily management of waste collection, constantly monitoring reports, collaborating with municipalities to improve the service, and implementing targeted communication campaigns to encourage correct waste disposal.

Furthermore, in the **water sector**, the Group values dialogue with communities through collaboration with municipal administrations and regulatory and control bodies. Reports from institutions, associations and individual members of the public are fundamental to understanding the needs of communities and guiding corporate actions. In managing service interruptions, whether planned or for fault repair, the Group takes into account situations of greatest inconvenience and vulnerability, ensuring special attention to essential community water needs.

In the **electricity distribution**, as for the water service, in managing service interruptions the Group takes into account the most sensitive situations (hospitals, prisons, schools, public and private care facilities) to which, in cases of emergency, priority is given to ensuring the service.

The Group adopts an integrated and transparent communication strategy to **disseminate its policies**, using both corporate online channels (website and social media profiles) and direct dialogue tools with stakeholders. In particular, community-related policies are discussed and shared within the Iren Local Committees (see paragraph "Creation of social value" in this chapter), where the company engages in dialogue on key issues such as the Business Plan, the analysis of sustainability performance, the quality of the services provided, the sustainability focus areas (circular economy, water resources, decarbonisation, resilient cities and people) and local development projects, with a specific focus on the needs of the various local areas. Through the tool of the Local Committees, the Group can on the one hand intercept the needs of the local area and on the other hand detect the potential impacts of its activities on the communities. In this sense, the Local Committees guarantee that the communities are heard and that the key issues and any emerging reports are mapped.

Reports from communities are carefully considered in order to target actions and best respond to the needs of the local area. The Group offers different channels for affected communities to express their concerns, ensuring an open and constant dialogue:

- dedicated call centres per service line (communicated in the invoice and on the websites of the relevant companies);
- reporting through social media channels and company websites;
- counters open to the public (times communicated in the invoice and on the relevant websites);
- dedicated apps for various service lines, through which it is possible to submit reports;
- emergency reporting services for network services, available 24 hours a day, 365 days a year;
- round tables with municipalities to consider improvements or changes;
- The Iren Integrity Line (see paragraph "Listening to the customer" in the chapter Customer orientation), an online channel dedicated to reporting violations, accessible to all, whose modalities of use are detailed on the Group's website.

Any reports received through the dedicated channels are monitored and brought to the attention of the relevant corporate departments. In this way, the Group can assess each individual report and take corrective measures to improve processes or respond directly to concerns raised. This approach ensures that affected communities can see a tangible response to their requests, contributing to a continuous improvement of relations with the local area. The communication channels made available to the communities concerned are publicised on all bills and on all documentation sent to service customers, and are also continuously publicised through the media and local public authorities. They are also featured on the Group's websites, each according to its relevance. This ensures that communities are aware of the reporting channels and can use them in a useful and reliable way to express their concerns.

In addition, the press office ensures constant and extensive communication with the media and the public, through interviews, in-depth reports and the dissemination of corporate initiatives and strategies.

Acting for communities

[S3.MDR-A_01-12, S3-4_05, S3-4_06, S3-4_07]

The Group's activities are planned and carried out with an awareness of its responsibility towards communities and local areas, especially producing wealth while protecting the environment and respecting stakeholders' expectations. Therefore, the Group evaluates, in a structured manner, the measures to be adopted for an effective response to the negative impacts on the affected communities, in relation to their actuality or potential.

Actions	
Risk prevention	• **investments** to maintain the efficiency and **technological upgrade** of plants • construction of **new plants and infrastructure** to support the green transition • adoption of a certified **environmental management system** • **dialogue with stakeholders** on the implementation of new plants
Architectural integration	• **strategic location of** plants • **architectural solutions** and urban **green areas** to minimise the visual impact of plants • **consultation** of communities and local authorities
Sustainable management of construction sites	• **planning and organisation of construction sites** to reduce disruption to local communities • **timely and transparent communication** to local communities on interventions and timelines • **cooperation with local authorities** for traffic management
Prevention of noise and odour emissions	• acoustic **measurements** and insulation solutions • odour abatement **technologies**
Creation of social value	• investments in **sustainable infrastructure** for the local area and communities • **Eduiren** activities and projects to raise community awareness of sustainability issues • **Iren Local Committees** for dialogue, discussion and participatory planning

Risk prevention

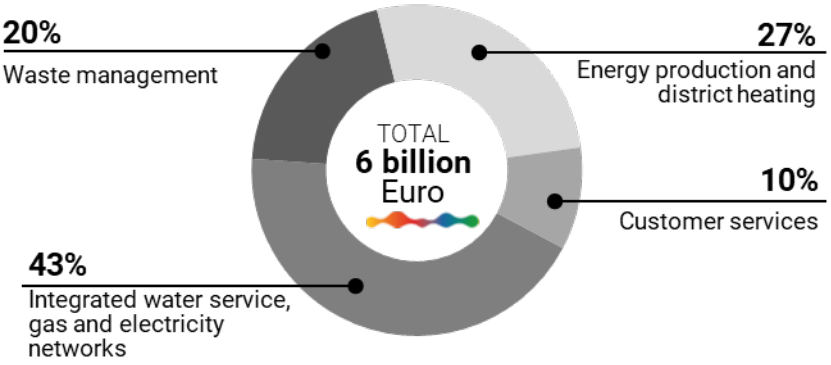
[S3-4_08, S3-4_09]

The Group's strategy focuses on **risk prevention**, transparency and constant communication with local communities and authorities, monitoring progress and planning future resources to ensure success:

- **planning the investments** necessary to maintain plants at high efficiency standards, including through research initiatives and technological and process innovation. These investments are contemplated in the Group's Business Plan in order to improve performance, including in terms of environmental impact, prevent breakdowns and malfunctions, and renew plants to optimise their operation and extend their useful life. This includes technology scouting, collaborations and investments in innovative start-ups, agreements and partnerships with research centres and universities, and access to public co-financing for R&D activities;
- construction of **new cutting-edge plants and infrastructure**, envisaged in the Business Plan, in the energy, water and waste treatment sectors to support the green transition (waste-to-energy plants, renewable energy generation plants, electric and thermal energy storage plants, development of the district heating network, wastewater treatment plants);
- adoption of an **environmental management system** that introduces the assessment of environmental impacts, risks and opportunities into decision-making paths and provides for control and monitoring systems based on periodic analyses, in all the Group's plants and assets, also for the purpose of constant **control of compliance** with environmental **authorisation requirements** that determine the parameters and limits to be respected in the management of plants. For each activity, direct and indirect impacts related to the main environmental aspects (e.g. consumption, waste, emissions, soil pollution, odours, traffic, electromagnetic fields, noise) are assessed, in order to prevent the risk of emissions and plant inefficiency that could affect local communities (see the chapter Environmental Policies in the section Green Transition);
- **constant dialogue with stakeholders** during the design and implementation of new plants. Before embarking on the authorisation process to build new plants or infrastructures, the Group considers it essential to conduct information meetings with local communities, explaining the project in detail and its impact on the local areas. For major projects, the party appointed to issue the authorisation convenes the Conference of Services, which must give its opinion concerning the feasibility of the project, indicating the necessary conditions to obtain the agreements, opinions, concessions, authorisations, licences, clearances and consents required by the law. The Services Conference is a cooperation programme between government entities, the public, businesses and local authorities, in which dialogue with the public and institutions is guaranteed. During the construction phase, the Group ensures a constant flow of information to the authorising bodies and the public, including in relation to the timing of the completion of the works, in order to maintain an alignment on any delays resulting from the technical complexity of the construction or other external causes.

Investments and initiatives to contribute to the growth and development of the local area are included in the Group's Business Plan with a strategic orientation towards sustainability: over 90% of investments, amounting to 6 billion Euro, are directed at projects to support the development of resilient cities, the green transition, sustainable water resource management, the circular economy and service quality.

Investments to 2030 with impacts on communities (billion Euro)



Architectural integration of plants

[S3.MDR-T_01-13, S3-4_01, S3-4_02, S3-4_03, S3-4_10]

Installations that can have a significant **visual impact** - waste-to-energy plants, waste treatment plants, energy generation plants and electricity distribution substations - tend to be in urban industrial settings. The commitment to minimise this impact is realised as early as the planning stage where the Group's strategic choices are oriented towards the **positioning of plants**, when possible, in industrialised areas or away from areas of particular landscape and residential value.

Special attention is paid to aesthetics and landscaping during the **design and realisation** of plants. This includes the adoption of **architectural solutions** that minimise visual impact, such as the choice of materials and colours that blend in with their surroundings and the containment of volumes. One example is the installation of green roofs on two Primary Substations currently under construction in Turin, with the aim of reducing the heat island effect and the visual impact of the structures.

For **plants located in places of scenic or tourist interest** - as in the case of wastewater treatment plants, reservoirs and water plants - the Group assesses the possibility of building underground works or otherwise taking care to mitigate their impact, using materials and tree barriers that improve their integration into the context. The **integration of green areas** and the planting of trees or hedges around the facilities, in addition to acting as a visual screen, helps to improve the surrounding landscape and also offers environmental benefits such as CO_2 reduction and improved biodiversity. This is the context for The Heat Garden, built at some heat storage facilities in Turin, which houses terraces and roof gardens (over 2,500 square metres and about 11 thousand plants and trees) and a cultivation greenhouse, perfectly integrated into the storage system. Other examples include the woodland (covering 300,000 square metres and comprising approximately 15 thousand plants and trees) created around the Parma waste-to-energy plant, and the planting of trees, following the construction of the Genoa Central Area Wastewater Treatment Plant, along the new cycle path currently under construction. All are solutions that contribute to improving the local microclimate.

For newly built plants, the Group contemplates, as early as the design phase, the possible enhancement of nearby areas with **urban or landscape redevelopment** projects, such as the landscaping of surrounding or overlying areas with the inclusion of street furniture and/or infrastructures related to the road system or the use of public spaces for sports, recreational and social activities. For example, following the construction of a new well field in the Municipality of Tiglieto, a diversion was created to supply a natural wetland area, enabling the conservation of certain native animal and plant species threatened by climate change.

Furthermore, in the area of **public lighting**, particular attention is paid to reducing night-time light pollution, including by upgrading systems with LED fixtures that have specific technical characteristics.

The **consultation phases with local communities** and relevant bodies are also of particular importance in the choices made by the Group in the planning process. During these phases, visual impacts and other aspects of integration into the landscape are assessed and, where appropriate, compensatory measures are put in place to ensure that installations are better integrated into the landscape.

Sustainable management of construction sites

[S3-1_04, S3-4_01, S3-4_05, S3-4_06, S3-4_07]

In order to prevent and contain potential **inconveniences to local communities** related to the road network and the implementation of works, the Group **plans and organises worksites** in such a way as to minimise, as far as possible, their impact on road traffic and people's daily lives, including by intervening in strategic periods (e.g. when there are fewer people and vehicles during holidays, school closures), with particular attention to vulnerable groups and economic activities. For example, as part of the "EfficienTO" project, several school buildings in Turin were upgraded, planning the timing and timetable of works to minimise the impact on the usability of school spaces and noise emissions so that teaching activities can continue without interruption.

The Group is also committed to ensuring that any work to lay underground infrastructures (e.g. district heating, water, gas networks) is followed by careful restoration of the affected areas, so as to ensure full functionality and safety of the roads for local communities. The restoration process is carried out in compliance with current regulations and with the aim of minimising inconvenience to the public and preserving the aesthetic and structural integrity of the area.

The Group also considers it essential to adopt all measures capable of guaranteeing maximum safety on construction sites for the public, especially in the case of work carried out on road surfaces.

The mitigation of inconveniences to local communities is also implemented through **timely and transparent communication** about ongoing activities, informing about the timing of works, measures taken to limit inconveniences, and possible alternatives for road management. In the case of plant construction, the communication sector supports the business units through the management of relations with the local press and the implementation of training and awareness-raising actions for the local population. In 2025, a major communication campaign was launched in relation to the construction sites deemed to have the greatest impact in terms of duration, size, the population/commercial density of the affected area, and the inconvenience caused to the citizens. For the construction sites with the greatest impact, a dedicated section has been created on the Group's website, providing a brief description of the site, the start and expected completion dates, the reasons for the work, and any changes to the road network. This section is updated promptly in the event of any changes. In addition, a QR code linking directly to the dedicated web page has been displayed on the site barriers. A leaflet campaign was also launched, targeting homes and businesses affected by the road network changes, with the aim of providing advance information on the start of the works, the area affected and the expected duration of the disruption.

Finally, **cooperation with local authorities** is strategic for the preparation of traffic management plans, when facilities or construction sites interfere with the road system, with detours and temporary route changes.

Prevention of noise and odour emissions

[S3-4_01, S3-4_02, S3-4_05, S3-4_07]

The Group pays particular attention to the prevention and monitoring of emissions into the air, water and soil and the containment of noise and odour pollution. In order to prevent and reduce the inconvenience to communities resulting from the emission of noise and vibrations and the spread of odours related to its activities, the Group has defined specific actions:

- outward **acoustic measurements** and the adoption of noise-limiting technologies and processes. For example, for the water service, the choice of pumps and machines falls on those with the lowest emissions and in some cases they are shielded to reduce emissions outside the area;
- **advanced technological solutions for odour control**, such as air treatment and the use of dedicated filters to reduce unpleasant odours, as well as regular monitoring of air quality in the areas surrounding the plants to ensure that environmental standards are met. A particular case is the sludge storage plant at the Reggio Emilia wastewater treatment plant, where an innovative technology of atomising specific enzymatic products is used to favour the degradation of odorous substances, thus reducing the olfactory impact and improving the quality of the surrounding air. In addition, when spreading agronomic sludge, special care is taken to bury the material, which has a fertilising function, as quickly as possible. In 2025, work began, funded by the NRRP, on converting the sludge storage facility at the plant into a facility for transforming biological sludge into defecation gypsum, a more stabilised material that is easier to reuse for agricultural purposes.

In addition, the adoption of specific **waste and emission management systems** prevent air, soil and water pollution, including through technologies that reduce harmful emissions beyond the limits of environmental permits (see the chapter Preventing pollution in the section Green transition). One example is the upward conveyance of emissions from the biofilters at the OFMSW treatment plant in Reggio Emilia, a measure deemed appropriate in view of the environmental context of the Po Valley, where the plant is located.

In summary, Iren Group adopts a proactive and integrated approach to manage and minimise the disruption to communities related to its activities, focusing on advanced technologies and actions aimed at preventing environmental and social impacts, preserving the quality of life of local communities.

Creation of social value

[S3.SBM-3_05, S3-2_06, S3-4_03, S3-4_08, S3-4_12, S3-4_15, S3-4_17, IREN_S3_03]

The Group's contribution to the sustainable development of the local area and communities also translates into the realisation and support of sustainability projects: from training and culture, to adaptation to climate change, to saving water and energy resources, to the promotion of social inclusion for the most vulnerable categories, in line with the Sustainable Development Goals of the 2030 Agenda. In 2025, Iren Group carried out numerous **initiatives with the aim of promoting the socio-economic development** of the areas in which it operates, supporting organisations and institutions in their promotional and participatory activities. For this reason, during the year the Group invested around 13 million Euro in 488 projects in the areas of culture and sports and in support of organisations such as foundations, theatres and museums in the various areas in which it operates.

Iren Group also develops initiatives that create social value and promote collective well-being, through investments in sustainable infrastructures and the growth of services to citizens and, more broadly, to local communities. Municipal waste management and city cleaning, integrated water services, and the operation of electricity and gas distribution networks produce significant social value because they contribute directly to improving the quality of life and health and safety, protecting the environment and creating a fairer and more sustainable society.

The planned development of the **district heating** network will, in the coming years, offer the public the opportunity to contribute to **improving air quality** in urban areas by reducing pollutant emissions compared to traditional heating systems.

In **waste management services**, a particularly relevant aspect is **cooperation with social entities** that generates value for the local community, fostering inclusion and support for disadvantaged groups, and helping to stimulate the local economy, activating job opportunities and entrepreneurial development. This is in addition to the environmental and social value of **advanced and sustainable** management **of waste produced by communities**, using waste sorting systems and innovative technologies to maximise the recovery of materials and energy from waste.

In the area of **energy efficiency**, the Group provides integrated and customised solutions to businesses, condominiums, public administration bodies and third-sector organisations. Building and plant upgrades and efficient energy management measures deliver tangible and lasting benefits for customers and the communities concerned, including in terms of reducing emissions associated with energy consumption.

For the health and safety of the community, the Group's actions take the form of substantial investments in infrastructure efficiency, continuous monitoring of emissions, inspection of gas, electricity, water and district heating networks, systematic control of the quality of distributed water resources, and the enhancement of the safety of pedestrian crossings in the city of Turin through the installation of new LED traffic light lanterns with a twilight system. In addition, the promotion and dissemination of a network of water kiosks for free water to the public is a supporting element for economically disadvantaged population groups.

The creation of social value also passes through **communication and awareness-raising in local communities**, as in the case of the permanent exhibition on energy efficiency solutions at the Tecnopolo in Reggio Emilia or in the wide range of initiatives proposed by **Eduiren**, the Group's educational sector.

Eduiren

[IREN_S3_02]

Eduiren promotes the dissemination of a culture of sustainability and innovation, contributing to the development of an informed and responsible citizenry. Its initiatives are aimed at schools and the general public, adopting a narrative, workshop-based and inclusive educational approach focused on active participation and dialogue with local communities.

In 2025, Eduiren consolidated its free **educational offering** with a new edition of the "*'Un mondo da scoprire*" ("A World to Discover") catalogue, which featured educational workshops tailored to different school age groups and visits to Iren Group's technological facilities, promoted as spaces for learning and dialogue between the worlds of education and business. On-line and in-person open days accompanied the launch of the new "*Percorsi di sostenibilità*" ("Sustainability Pathways") catalogue for the 2025–2026 school year.

The activities addressed the topics of the circular economy, water resource management, waste, energy and environmental protection in a cross-cutting manner, thanks to collaborations with expert partners, public bodies, supply chain consortia, universities, foundations and cultural organisations. Particular emphasis was placed on experimenting with innovative languages and tools, including through audiovisual productions, docuseries, short films, educational escape rooms, theatre performances and interactive workshops, with the aim of making environmental content accessible and engaging for different audiences.

The Group's **plants** served as a strategic asset for educational activities, hosting training courses, inclusive visits and orientation initiatives, and reinforcing Iren's role as an organisation open to engagement and dialogue with local communities. The projects covered numerous regions, from the north to the south of Italy, thereby ensuring a widespread dissemination of the initiatives and close integration with local communities.

During the year, Eduiren also developed **co-design projects with schools and local stakeholders**, creating events and initiatives aimed at neighbourhoods, museums, hospitals, festivals and public gatherings. Particular attention was paid to the issues of sorted waste collection, combating marine litter, waste reduction and the recovery of WEEE, including as part of the European Week for Waste Reduction, through recovery, reuse and awareness-raising projects. Of particular note is the project to distribute personal computers decommissioned by the company to local non-profit organisations and associations in Genoa, Piacenza, Reggio Emilia and Turin, which will continue throughout 2026.

This commitment also extended to participation in conferences, talks and public events, fostering discussion on topics such as the circular economy, urban sustainability, eco-anxiety and the green transition. All educational initiatives and resources are made available via the dedicated website and a monthly newsletter.

In 2025, **more than 1,000 schools were involved in educational activities**, with **712 projects** reaching around 78,000 people, and 399 visits to the Group's plants were carried out with a total number of more than 14,300 visitors. Eduiren's activities also generated more than **5,600,000 contacts to digital content offered online**.

The creation of value for the communities concerned is also expressed, as anticipated, through the activities of **Iren's Local Committees**, a tool for dialogue, exchange of ideas and participatory planning between the Group and all its stakeholders.

Iren Local Committees: dialogue, exchange of ideas and community participation

[S3-2_02, S3-2_03, S3-2_04, S3-3_12, S3-4_15, S3-4_16]

The main tool used by the Group to maintain constant collaboration with the communities is the **Local Committees**, i.e. bodies set up to strengthen relations with local communities and regions, analyse and anticipate their needs, stimulate innovative environmental and social initiatives, increase widespread knowledge of the strategies and services offered, guaranteeing a broad representation of stakeholders and directly involving the top management of Iren Group.

Iren's Local Committees work to maintain an active and **systematic dialogue** with stakeholders, including through participatory planning initiatives and consultation on sustainability, innovation and the quality of the services managed by the Group. Local Committees are governed by a specific regulation under which they are set up at provincial level by means of a bottom-up stakeholder selection mechanism. Indeed, a dedicated call for applications is published on the Group's website, addressed to recognised associations and bodies that represent environmental, consumer, economic or trade union interests, or that have otherwise actively participated in the public debate on issues relevant to the Iren Group's activities.

The Group publicises the procedure for the establishment of the Committee by carrying out appropriate publicity and assigning a deadline within which interested associations and bodies must express their interest in participating in the Committee, at the same time indicating one of their representatives.

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

Stakeholder engagement through the Local Committees is delegated to the Deputy Chair who, for their management, relies on the Corporate Social Responsibility and Local Committees Department, which reports directly to him or her, and who periodically reports to the Control, Risks and Sustainability Committee and to the Board of Directors on the progress of activities and on the discussion and planning actions carried out within the committees themselves.

Each committee meets on average four times a year and, through specific internal working groups, oversees activities for the best implementation of projects, proposed by committee members themselves or by the public through Irencollabora.it, a collaboration platform for broadly and directly involving communities in the shared and participatory planning of sustainability initiatives for the local area. **In 2025, 56 meetings of committees** and working groups **were held.**

Projects proposed on the **Irencollabora.it platform** are evaluated during the relevant Local Committee meetings and, if considered worthy, are accompanied and supported. The members of the committees represent various local entities and make their skills and knowledge available, often providing proposers with ideas and suggestions to refine their project proposals and facilitate their feasibility. In 2025, Iren Local Committees **initiated 22 new projects**, while 27 projects, some of which had already been started in the previous year, were brought to full implementation. The areas of intervention of the projects concern: energy efficiency and energy saving, renewable sources, reduction of emissions, the circular economy and reduction of waste production, protection and rational use of natural resources, combating food waste, urban decorum, reduction of impacts on the local area and biodiversity, enhancement of the local environmental and cultural heritage, education for sustainability and attention for the weakest segments of the population in relation to Iren Group's areas of activity.

A **dedicated e-mail** address for each Committee is a further channel used by Committee members to make specific requests. In addition, the Group's website publicly offers detailed information on the activities of the Committees, with an indication of the topics discussed at the various scheduled meetings, the return of minutes of the meetings and a contact channel open to all members of the public. Periodically, when publicising the activities carried out by the Committees, reference is made to the availability of these contact channels.

Monitoring the effectiveness of actions

[S3.SBM-3_05, S3-2_05, S3-4_04]

To assess the effectiveness of its actions, the Group adopts instrumental or process monitoring systems that include the collection of feedback directly from local communities, also in relation to any inconveniences suffered, and, if necessary, takes immediate corrective action to improve the management of activities.

The Group assesses the effectiveness of the engagement of the communities concerned mainly through the verification of the results of the projects and initiatives undertaken, as well as through the feedback gathered by the **Local Committees** (see paragraph "Creation of social value" in this chapter), including in the materiality assessment process that allows the Group to compare its vision with that of the different categories of stakeholders, welcoming their contribution in defining corporate strategy and to develop increasingly relevant reporting focused on their real interests. Constant dialogue and follow-up of activities are crucial in order to monitor the effectiveness of engagement and to make any necessary corrections.

At the operational level, internal and external audits are carried out within the framework of certified quality, environmental and safety management systems (compliant with ISO 9001, ISO 14001 and ISO 45001). In addition, several dedicated systems and tools are structured:

- in **gas distribution**, all activities are constantly monitored with performance assessments - also in relation to the provisions of ARERA (the regulatory authority for energy, grids and the environment) with reference to the technical quality of the service - through quantitative indicators that are recorded monthly and verified within dedicated management committees;
- in **electricity distribution**, the effectiveness of the actions undertaken for the renewal, maintenance and development of the distribution network is monitored by means of the development indicators of the annual investment plan and the technical service quality indicators provided by ARERA;
- in the **integrated water service**, in addition to internal analyses and those of the bodies in charge of control, the effectiveness of the actions pursued is monitored through specific indicators, mandatory periodic reports provided to ARERA, and the monitoring of user complaints;
- in the **district heating** service, continuous verification of network performance and analysis of emergency reports or service interruptions, as well as their response times, are carried out to assess the effects of the actions taken;
- in the **waste management** services, the effectiveness of the improvement actions taken is evaluated through the information received from the public and regulatory and supervisory authorities;
- for building **redevelopment** projects, attention is paid to the time-frames for carrying out the work in order to meet the contractually stipulated completion deadlines, and to the use of materials that comply with the Minimum Environmental Criteria (CAM) requirements, as stipulated by the specific tax incentive regulations;
- with regard to **public lighting and traffic light** systems, the *Luce in Città* app is available to residents, enabling them to report any faults or malfunctions promptly. Analysis of the reports received also enables the effectiveness of the actions taken to be evaluated;
- for the **thermal** and **electrical** systems managed, specific operational channels have been established to ensure the prompt and effective management of issues, with the aim of mitigating the impact on the community.

For all business areas, the reports received from the community and local authorities are particularly significant for monitoring purposes, as they make it possible to detect the occasional or possible recurrence of critical situations for which timely and targeted or structural action should be planned.

Our targets for local communities

[S3.MDR-T_01-13, S3-5_01, S3-5_02, S3-5_03]

Iren Group has defined targets for communities, with the aim of strengthening collaboration and promoting sustainable development of the local area, maximising positive impacts and responsibly managing risks, improving people's quality of life and supporting the local economy, with a particular focus on environmental protection. The Group's focus on creating shared value and promoting balanced and sustainable development also guides the generation of tangible benefits for local areas, through targeted investments and social responsibility initiatives for a more sustainable and prosperous future.

Area	Target	Impact on communities	Reference
Decarbonization	Carbon intensity of energy production (GHG Scope 1)	Reducing carbon intensity is a contribution to climate change mitigation that impacts communities in terms of improving quality of life, reducing extreme events and the resulting impacts on people, and providing access to cleaner natural resources for future generations	paragraph "Climate targets" in the chapter Meeting the challenge of climate change
	Environmentally friendly company vehicles fleet	The increasing use of environmentally friendly vehicles in the corporate fleet contributes to reducing atmospheric emissions, decreases dependence on fossil fuels and promotes a more sustainable mobility model	
Circular Economy	Recovery of material from waste	Extracting resources from waste produces several benefits for communities because it reduces pollution, stimulates the economy, conserves natural resources, promotes a healthier and more sustainable environment and supports the transition to a circular economy	paragraph "Targets for the circular economy" in the chapter Supporting the circular economy
	Sorted waste collection	The development of efficient ways of waste collection enables the recycling and reuse of waste material while reducing environmental impact. Systems aimed at rewarding those who produce less waste provide incentives to reduce waste production and make more conscious consumption choices	
Water resources	Treatment capacity	Increasing treatment capacity and quality ensures that wastewater is effectively treated before being released into the environment, preventing pollution that affects the quality of life of communities	paragraph "Targets for water and marine resources" in the chapter Sustainable use of water and marine resources
	Water withdrawals from the environment	Reducing water withdrawals means preserving vital community resources, ensuring environmental sustainability as well as economic and social well-being	
	Aqueduct network losses	Reducing losses in the aqueduct network contributes to a more efficient use of water resources, resulting in less water being withdrawn from the environment	

District heated volumes				
Main scope	district heating/own operations/downstream value chain			
Stakeholders engaged	customers, users, communities, environment			
Target/Results (Mm^3 - absolute)	Base year 2020	2025 Results	2030 (medium-term)	2040 (long-term)
	97	115	125	135
Methodologies, assumptions and scientific data used	Future forecasts of the target are based on what is contemplated in the development and urbanisation plans of the target territories, as well as in the local energy plans that include district heating in the strategies to improve the energy efficiency of cities and urban air quality			
2025 Results	The result achieved in 2025 is in line with expectations			
SDGs				

Customer orientation

[S4.SBM-3_01, S4.SBM-3_02, S4.SBM-3_03, S4.SBM-3_04, S4.SBM-3_05, S4.SBM-3_06, S4.SBM-3_07, S4.SBM-3_08, S4-1_01, S4.MDR-P_01-06]

Customer orientation, quality, accessibility and transparency of services are priorities that Iren Group has defined in its Sustainability Policy and in its growth strategy: high levels of quality and service innovation, to meet new and emerging customer needs, are a solid basis for long-term growth.

In fact, the Group's strategy is strongly oriented towards the development of new integrated services to anticipate market trends. Technological innovation, resource sustainability, green transition and digitalisation are some of the levers to strengthen the relationship with customers in a broader perspective of satisfaction and loyalty.

IMPACTS

- Potential uncontrolled circulation of information/data concerning citizens/customers (processing of personal data not in accordance with the law)
- Development of new products/services, projects and cultural dissemination initiatives for the sustainable use of resources, including through continuous dialogue with stakeholders
- Ensuring constant and secure access to managed services for citizens/customers, with special attention to vulnerable groups

RISKS

- Acute physical risk related to water with significant damage/failure/malfunctioning of infrastructure, interruption or limitation of activities and a reduction of hydropower generation, increased charges for interventions, disruption of supply of goods and services by strategic suppliers, soil pollution, impact on water quality/water stress, personnel health and safety criticalities
- Acute physical risk related to solid mass with significant damage/failure/malfunctioning of infrastructure, interruption or limitation of activities, increased charges for interventions, disruption of supply of goods and services by strategic suppliers, personnel health and safety criticalities
- Chronic physical risk related to temperature with damage to infrastructure, lower plant efficiency, critical issues in the provision of services, variations in the demand for gas/district heating, with a consequent reduction in revenues
- Chronic physical risk related to water, leading to fluctuations in the output of hydroelectric power plants, resulting in revenues reduction, unavailability of water resources to meet drinking water demand, saline intrusion phenomena, and critical issues at wastewater treatment plants
- Chronic physical risk related to solid mass, resulting in damage to infrastructure, an increase in reports of leaks on the gas network from users, and issues related to the waste collection and urban hygiene service
- Disputes with public authorities, customers, consumer associations, class actions (e.g. following prolonged inefficiencies/claims for reimbursement)

OPPORTUNITIES

- Business opportunities related to the green transition, the circular economy, local areas and technological and digital evolution (e.g. services for energy efficiency and self-production, material recovery from waste, sustainable mobility, etc.) with a consequent positive impact on communities and the environment

The identification of potential impact, risk and opportunity factors considers all customers and end users on which the Group could generate significant impacts: the public and businesses served by the integrated water and urban hygiene services, domestic and business customers of the sale of gas, electricity and district heating, users of the gas and electricity distribution service, customers of smart solutions services (private, business and public administrations).

[IREN_S4_09, IREN_S4_10, IREN_S4_11, IREN_S4_12, IREN_S4_19, IREN_E5_06]

Main types of customers and residents served (no.)	2025	2024
Electricity sales customers	1,424,185	1,387,171
Gas sales customers	935,435	918,381
Electricity distribution customers	734,634	733,997
Gas distribution customers	800,725	754,718
Residents served by the district heating service	707,861	630,273
Residents served by the integrated water service [1]	3,310,136	3,150,122
Residents served by urban waste management services	4,499,523	4,047,997

[1] The data for 2024 has been corrected as it contained a calculation error.

The analysis considers the downstream operations and all the outputs generated by the activities managed, with the aim of identifying the customers and/or end users most exposed to negative effects and particular vulnerabilities (e.g. economically or socio-demographically vulnerable persons) for whom the Group is committed to guaranteeing physical, economic and information access to the services provided, also in order to reduce exposure to possible risks. Through ongoing dialogue with stakeholders, including representatives of consumer associations within the Local Committees, the Group is able to identify and respond promptly to the concerns raised, paying particular attention to the needs of the most vulnerable consumers.

Potential negative impact relating to customer privacy is linked to possible incidents and, therefore, is not of a widespread or systemic nature.

The realisation of the positive impacts and opportunities connected to customers, as well as the prevention and mitigation of risks, passes through the significant investments and actions that the Group carries out to guarantee the safety, continuity, healthiness and sustainability of its activities, aware of the responsibility that the management of services of primary importance entails for the present and future of people and the environment.

The positive impacts generated by the development of new products and services, projects and cultural dissemination initiatives for the sustainable use of resources, including through continuous dialogue with stakeholders, and ensuring constant and safe access to managed services, with particular attention to vulnerable customers, derive from a multifaceted framework of activities, described in detail in this chapter (see paragraphs “Sustainable products and services”, “Continuous dialogue with customers and consumers” and “Sale of energy services” in this chapter).

The data and information provided within the chapter concern all consumers and end users who may suffer impacts, risks or benefit from opportunities relevant to the Group.

Customer policies

[S4.MDR-P_01-06, S4-1_01, S4-1_02, S4-1_03, S4-1_04, S4-1_05, S4-1_06, S4-1_07, S4-1_09, S4-4_11]

The centrality of the customer and the focus on guaranteeing high quality standards are priorities for Iren Group, which, to this end, adopts appropriate communication tools, marketing practices and initiatives aimed at improving processes and services to meet its customers’ needs. In pursuing these priorities, the Group adheres to the principles of **fairness, clarity and transparency** set forth in its Code of Ethics, the Consumer Code (Legislative Decree no. 206/2005) and the Code of Business Conduct of the regulatory authority for energy networks and environment (ARERA), with the aim of enabling customers to make informed choices.

The **human rights** commitments set out in the Sustainability Policy (see paragraph “Governance policies and tools” in the chapter Iren Group governance) take into account stakeholder expectations and are referred to in the Service Charters adopted by the Group and made available to all customers through its websites, which govern day-to-day operations to ensure the quality, efficiency and continuity of services, respect for the environment, protection of health and safety, and fairness in customer relations:

- equal rights of citizens/customers and non-discrimination;
- equal treatment, objectivity, justice and impartiality towards different categories or groups of customers and the citizens;
- attention to people with disabilities, the elderly and members of weaker social groups;
- universal access to water, as a guarantee to all users of the quantity of water necessary to satisfy their basic needs;
- collaboration with local and regional governments to ensure access to energy for vulnerable customers;
- respect, courtesy, clarity and transparency;
- facilitating the citizen/customer in exercising their rights and fulfilling their obligations;
- citizen/customer participation in the provision of the service, both to safeguard the right to proper provision and to foster cooperation, including by periodically acquiring the users’ assessment of the quality of the service provided and making appropriate channels available to them for communicating suggestions and complaints;
- clarity and comprehensibility of messages with the utmost care in the use of simple, immediately comprehensible language;
- accessibility to information by foreign citizens/customers, as much as possible;

- respect for the fundamental right to privacy and the protection of personal data, guaranteeing the integrity, confidentiality of data and ensuring their processing in a responsible, fair and transparent manner, in accordance with the policies adopted on the matter and the legislation in force (GDPR - Regulation (EU) 2016/679).

The Group recognises that access to essential services such as water and energy plays a substantial role in ensuring respect for human rights, as they are directly related to the well-being and quality of life of individuals, and is therefore committed to working with local and regional governments to ensure that vulnerable customers have access to these services (see paragraph "Sale of energy services" in this chapter).

Continuous dialogue and listening to representatives of consumer associations, also through the Iren Local Committees (see paragraph "Iren Local Committees: dialogue, exchange of ideas and community participation" in the chapter Sustainable development of local communities), are pillars of the Group's policies, with the aim of identifying and responding promptly to new needs and any instances from customers, and to consider them at both strategic and operational levels.

The Group constantly monitors any impacts of its activities on stakeholders and is committed to providing adequate remedy, including through specific channels that allow people to make reports and get answers on the matter: information or complaint channels for customers, the channel for reporting violations (whistleblowing) accessible via the web (see paragraph "Listening to the customer" in this chapter) and the channels indicated in the Code of Ethics (see paragraph "Governance policies and tools" in the chapter Iren Group governance).

In 2025, the Group found no violations of human rights, the principles of the UN Global Compact and the OECD Guidelines in relation to its customers and users.

Active engagement of customers and consumers

[S4-2_01, S4-2_02, S4-2_03, S4-2_04, S4-2_05]

Maintaining a constant dialogue with customers and their representatives is essential for Iren Group to better understand their needs and expectations, thus improving the services offered. A continuous dialogue also allows for the early identification of possible problems or development opportunities, ensuring more effective and timely management of resources. In addition, listening and communication help to strengthen customer trust and build lasting relationships in a competitive and ever-changing environment where it is increasingly necessary to take up new challenges and respond with innovative and customised solutions.

The engagement of customers and their representatives takes place at different levels.

Through **Iren's Local Committees**, the Group actively involves consumer associations - whose representatives are members of the Committees - in the process of analysing the materiality of impacts through which they contribute to the assessment of relevant sustainability issues, including that relating to respect for human rights, thus providing guidelines for the definition of the Group's strategy and for the development of reporting that is increasingly relevant and focused on their real interests. The Committees are also a forum for discussion on company services and issues of environmental and social sustainability and allow consumer associations to express the views of customers through the communication channels provided by the Committees. The Group assesses the effectiveness of customer and consumer involvement through the feedback gathered at the meetings of the Local Committees, which on average meet four times a year, and during the relevance analysis process: dialogue and follow-up activities are fundamental tools for monitoring and planning improvement actions.

Collaboration and dialogue with consumer associations also takes place through the **National Council of Consumers and Users** (CNCU), which fosters a constant discussion at national level, enriched by territorial meetings with local representatives of the associations. The CNCU is a state body that has advisory functions on consumer rights issues, with the aim of improving and strengthening their position in the market.

Tools for prevention and improvement

[S4-3_01, S4-4_08]

The potential negative impact that may affect customers and end-users relates to the confidentiality of information and the consequent processing of personal data not in accordance with the legislation. The Privacy Management Model adopted by the Group (see paragraph "Privacy management model" in the section Ethical governance) ensures that issues relating to the protection of personal data are managed in accordance with the regulatory principles (GDPR – EU Regulation 2016/679), based on the principles of lawfulness, fairness, transparency, purpose limitation, data minimisation, accuracy, storage limitation, integrity and confidentiality of data and accountability of the data controller.

The adoption of this Model forms part of Iren Group's broader approach, which aims to prevent the occurrence of any risks and negative impacts on customers and users – including those that may arise from factors related to climate change – and is based on:

- ensuring the continuity and reliability of managed services, through the implementation of **investments**, the definition of **monitoring plans**, including predictive monitoring, of managed activities and the widespread use of infrastructure **control** tools. The Group designs and carries out structured preventive, routine and control maintenance on all its plants and infrastructures. Preventive maintenance is based on planned interventions to prevent failures, malfunctions and increase the resilience of infrastructure, including to climatic effects. Routine maintenance plans, which cover the periodic activities necessary to maintain good working order, take into account the assessment of the vulnerability of installations/infrastructure and the historical analysis of failures and malfunctions to identify trends or more problematic

areas on which to focus interventions. The scheduling of activities considers the timing, frequency, priorities and any related constraints (necessary authorisations, accessibility of locations). Through an advanced monitoring system, the status of the installations and infrastructure and any malfunctions or disruptions are detected, allowing for the prevention of sudden breakdowns;

- the **monitoring of the effects of climate change**, which concerns both the dependence on natural resources - such as the availability of water resources, in the case of the aqueduct network and hydroelectric power plants, to meet demand - and the rise in temperatures, with the aim of identifying mitigation strategies such as, for example, planning for greater penetration of cooling and support for electrification of consumption;
- timeliness and effectiveness in ordinary, extraordinary and emergency management, including through **24-hour availability** to ensure the fastest possible restoration of services;
- monitoring **the quality of the service and customer relations** through the control of parameters that influence the efficiency and reliability of the service (continuity, intervention times on breakdowns and requests, repetitiveness of anomalies, response times to requests) and the preparation of clear intervention procedures for the management of sudden breakdowns or planned interruptions that minimise inconvenience to customers;
- management by processes and a focus on **managing risks and impacts** against a continuous analysis of the organisation's context, needs and the expectations of stakeholders;
- the **development of technologies** to prevent interruptions and to operate without interrupting or minimising service interruption;
- **proactive communication** on planned maintenance activities - particularly when they entail service interruption - on new regulations, on the correct use of services, on the management and sustainability of consumption, on tariff changes, on the Group's growth and development plans, and on any other factor that may contribute to maximising transparency and gathering suggestions and observations, including through direct and ongoing dialogue with consumer associations. Continuous and open communication is also a tool for dealing with complex issues and establishing alternative dispute resolution processes, such as mediation, preventing them from turning into lawsuits;
- **continuous training** of employees and collaborators, in the knowledge that competent staff can solve problems quickly;
- the adoption of **certified Quality, Environmental and Safety Management Systems**, also subject to third-party audits, which provide specific procedures to maintain high quality standards.

Should significant negative impacts on customers occur, the Group intervenes by ensuring adequate remedial processes. The effectiveness of operational processes is monitored to ensure timely and appropriate solutions. In order to monitor the effects of interventions, evaluations are conducted on the results obtained, ensuring that the actions taken have effectively resolved critical issues and reduced negative effects.

In addition, the Group works with stakeholders and interested parties to identify possible improvements to remedial processes, using the feedback received to refine its practices. The monitoring of key performance indicators and customer reports enables timely action to correct any non-compliant practices. The main objective is to ensure a quick and effective approach to managing impacts, improving trust and the relationship with customers and consumers.

Listening to the customer

[S4-3_02, S4-3_03, S4-3_04, S4-3_05, S4-3_06, S4-3_09, S4-3_11, S4_3-12, S4-3_13, S4-1_03]

The Group provides all customers and users with various contact channels to make reports, communicate suggestions, needs and complaints, and receive assistance. These include dedicated toll-free numbers, digital platforms, apps for mobile devices to request information on services, receive customised notifications and send reports, physical counters to receive direct assistance, and 24-hour communication channels for reporting faults and emergency situations, which guarantee technical interventions within certain timescales.

Customer contact personnel receive specific and regular training, including updates and in-depth information on industry regulations and tariffs. To ensure an effective service, the types of requests and the quality of responses are monitored, and customer satisfaction surveys are also conducted.

Iren counters and stores: a network of 208 points distributed throughout the region, for customers who prefer physical interaction.

Single toll-free number for commercial services: the toll-free number responds to all enquiries and reports from customers of energy and water services and products, offering the possibility of handling paperwork and obtaining advisory support. In 2025, a dedicated number for calls from abroad was also introduced.

WhatsApp channel: a tool that expands the options for quickly contacting an operator and obtaining answers.

Waste management services customer care: the service responds to enquiries from users of waste collection and management services that can be submitted by telephone, e-mail and web. Reports and requests are automatically forwarded to the operational structures of the relevant local environmental services for management.

Toll free numbers for emergency requests: dedicated numbers are available to customers and the public in general for reporting faults, emergencies and requests for emergency assistance for water, electricity, gas and district heating networks.

Direct contact channels to encourage interaction with condominium administrators and consumer associations and to manage requests from their clients.

IrenYou app: in 2025, the app was further developed to improve user experience, accessibility and to extend functionality. Through a single account, users can access all Group apps using the same credentials.

IrenAmbiente app: enables access to all the waste management services of the municipality of residence, to book the collection of bulky waste in a few steps and to make any environmental reports.

Luce in città app: enables users to report any faults or anomalies relating to Turin's public lighting service, thus speeding up restoration activities to the benefit of service efficiency and quality. The app allows the fault to be reported by taking a photo or sending the code of the malfunctioning light point, automatically geolocalising the affected area. Once the repair work is completed, the person who reported the fault or failure receives feedback on the resolution of their report.

On the websites of the Group companies that manage waste management services, the integrated water service and the sale of electricity, gas and heat, the procedures for filing a **complaint** are explained and there are forms to simplify filing and sending them. The channels, methods and information on the proper handling of complaints are also set out in the information contained in the bills and in the Service Charters.

As already mentioned, the periodic meetings and public online tools made available to the **Iren Local Committees** also represent a channel through which consumer associations can report the needs of the organisations they represent. In addition, the Group's website, from which it is possible to consult the contact channels dedicated to the Committees, provides detailed information on their activities, with an indication of the topics discussed at the various meetings and minutes of the meetings.

In addition, the Group has adopted a procedure for handling reports of violations that provides for specific protection measures for whistleblowers against any form of retaliation. Reports can be transmitted through the **Iren Integrity Line** online platform, which guarantees, by means of encryption tools, the confidentiality of the reporter and the content of the report (see paragraph "Reporting channels" in the chapter Business conduct).

As natural persons affected by the processing of personal data, customers and end-users may lodge complaints, in accordance with the GDPR Regulation, with the data protection watchdog in the event of a possible breach of the law by the data controller. In 2025, 23 complaints were registered concerning possible breaches addressed to the Group companies responsible for processing and to the data protection watchdog. These requests were dealt with in a timely manner, within the deadlines set by the legislation, without any requests for information being made by the watchdog.

Customers are informed about the channels made available by Iren Group through integrated communication including invoices, websites, apps, social media, contracts, information materials and dedicated campaigns. Thanks to the communication push, the contact channels are widespread and popular with customers, as evidenced by the number of people using them.

[IREN_S4_07]

App/platform users (no.)	2025	2024
IrenYou	2,116,844	2,009,830
IrenAmbiente	197,155	76,103
Luce in Città	1,831	1,160
Facebook, X, Instagram, LinkedIn	232,305	67,930

[IREN_S4_07]

Websites	2025	2024
Iren Group (no. of visitors/month)	33,626	43,506
Iren Luce Gas e Servizi (no. visitors/month)	375,761	261,231
Iren Collabora (no. of users)	2,493	2,399
Iren YouTube (no. of users)	2,374	2,210

[IREN_S4_40, IREN_S4_41, IREN_S4_42]

Contact channels	2025	2024
Physical counters (no.)	208	157
Customers served at counters (no.)	1,157,961	827,541
Contact centre - Energy services and water service		
Customers who spoke to an operator (no.)	2,122,594	2,759,500
average response time (seconds)	51	54
Customer care – Waste management services		
Customers who spoke to an operator (no.)	497,587	531,015
average response time (seconds)	43	57
E-mail and web contacts (no.)	291,306	276,543
average response time (days)	4	6

In 2025, the increasing use of digital channels by customers and the improved effectiveness of support services led to a significant reduction in the number of contacts with contact centre operators.

The reports received are analysed by special teams so that the most appropriate action can be taken, both in the management phase of the complaint and, above all, in the prevention phase of the cases that generated it. In this way, the Group can assess each report and take corrective measures to improve processes and respond directly to customers and users, ensuring tangible feedback to their requests. Monitoring complaints and reports is therefore a fundamental management tool: the number and type of complaints are an element of great attention for the Group and, at the same time, attest to the increased awareness of customers and the growing level of their expectations.

[S4-3_13]

Complaints submitted by customers by type of service provided (no.)	2025	2024
Integrated water service	8,738	7,303
Waste management services [1]	36	6
Gas sales	7,132	10,462
Electricity sale	6,739	9,375
District heating	105	77
Total	22,750	27,223

[1] The data for 2024 has been corrected to rectify a material error: 12 instead of 6.

The reduction in complaints relating to the sale of energy services recorded in 2025, in line with the trend of recent years, is the result not only of the process of unifying management systems but also of the enhancement of digital services and the introduction of more immediate and accessible tools, including chat, which, by enabling customers to interact with a virtual assistant capable of providing rapid and effective responses, helps to prevent the submission of new complaints. Improved monitoring of meter readings has also had a positive impact, as has the enhancement of operators' skills, which has helped to make complaint handling more structured and efficient. With regard to complaints relating to waste management services, the change is mainly attributable to a modification of the criterion used to classify them, whereby, in accordance with current regulations, a more cautious approach has been adopted, which means that even cases in which the user does not provide all the identification codes required for a complete and formal classification are classified as complaints.

One tool available to customers and consumers to address and resolve any disputes that may arise in connection with electricity and gas sales and distribution, integrated water service management and district heating sales and, from 1 October 2025, also waste management services is **conciliation**. Conciliation is an out-of-court procedure that allows the client and the Group, through dialogue and with certain formalities and time-frames, to find a shared solution to issues not resolved at the complaint stage. Conciliation is a compulsory step before possibly going to court. The conciliation attempt can be carried out through the Conciliation Service of ARERA at the *Acquirente Unico*, through the Joint Conciliation Body Iren - Associations National Committee of Consumers and Users, recognised by ARERA as an ADR (Alternative Dispute Resolution) Body, or through other recognised ADR Bodies.

Actions and resources for consumers and end-users

[S4.MDR-A_01-12, S4-4_01, S4-4_02, S4-4_03, S4-4_04, S4-4_05, S4-4_06, S4-4_07, S4-4_09, S4-4_10, S4-4_12, S4-2_06, S4-1_03, S4-3_04]

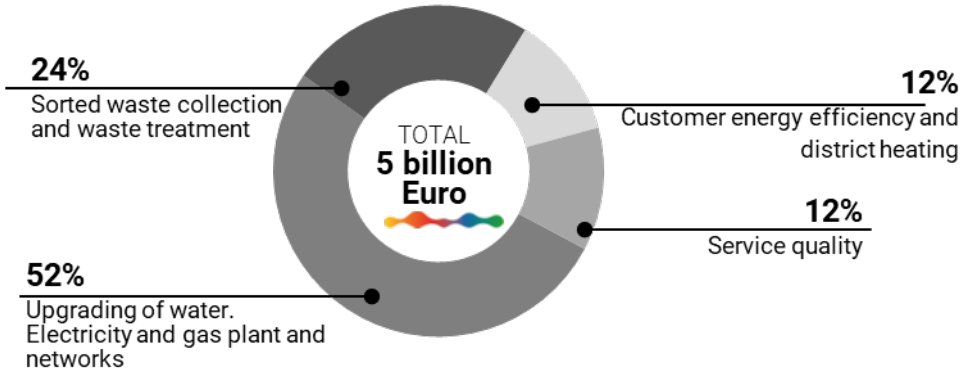
The adoption of an approach based on preventive tools, monitoring and the definition of corrective and improvement actions, together with clear and transparent communication (see the chapter “Proactively managing social IROs” in this section) enable Iren Group to effectively address impacts, risks and opportunities related to customers and end-users. The actions identified in the Group’s Strategic Plan in the environmental field have a significant social value that is reflected both directly and indirectly on customers and end-users. Specific plans also guide the Group’s action for the continuous advancement of the quality, reliability and safety of the services provided to customers.

Actions	
Service quality	• **investment** in the renewal and resilience of facilities and infrastructure • **routine and extraordinary maintenance** plans for network facilities and infrastructure • **monitoring of** Iren’s and suppliers’ **performance** • adoption of a **business continuity management model** • employee **involvement and** continuous **training**
Continuous dialogue with consumers and end-users	• evaluation of **customer satisfaction** • involvement of **Consumer Associations** • **training/information** initiatives for **customers** for accessibility of services • **raising customers’ awareness** of the sustainable use of resources
Sustainable products and services	• offering **innovative services in energy efficiency, electric mobility, home automation** • **expansion of the network of** local counters • digital contact **channels and tools**

Service quality

Efficiency, reliability and safety are relevant both for the quality of services and to ensure proper use of resources and for the reduction of impacts. To this end, the Group has planned significant **investments** up to 2030 for the renewal and ordinary and extraordinary maintenance of network equipment and infrastructure and for service quality.

Investments to 2030 for quality and sustainability of activities (billion Euro)



A structured system for monitoring and evaluating the effectiveness of actions allows for continuous improvement of processes to achieve the strategic objectives. To this end, the Group uses appropriate tools to gather information, using performance indicators (KPIs) that quantitatively and qualitatively monitor service management. Moreover, with regard to electricity and gas sales and distribution services and the water service, ARERA has established specific technical quality indicators for these services, which are subject to dedicated monitoring.

Gas distribution

municipalities served: 171
network managed: 9,578 km
network controlled: 100%
gas distributed: 1,144 million m³

In **gas distribution**, quality and continuity are ensured through constant monitoring of the networks, a modernisation plan and the implementation of emergency plans. Inspections are carried out with suitable instruments to detect any leaks not perceptible by smell, so that they can be quickly eliminated.

In 2025, **approximately 100% of the** managed **gas network**, amounting to 9,578 km, was **inspected**, and the plan to renovate network sections made with non-compliant material continued.

The use of innovative technologies for laying and maintaining the networks means that necessary activities can be performed while reducing time frames and costs and keeping disruption to residents to a minimum. For example, in the case of planned outages, work is carried out with the help of "plugging with by-pass" systems that allow work to be carried out without suspending the flow of gas.

Safety and continuity are also ensured by remote plant control systems, cathodic protection of steel networks, the use of odorised gas and a 24-hour emergency service to collect customer information/complaints.

The performance of the gas distribution service is monitored on a regular basis by the Management Committee, which analyses the key technical indicators. In 2025, a strong performance on the indicators relating to safety and continuity of service was once again confirmed. Specifically, with regard to the gas emergency calls handled, the average arrival time at the call site was well below the 60 minutes required by ARERA, and the percentage of calls with an arrival time within this limit exceeded 98%, compared to the regulatory requirement of 90%.

[IREN_S4_04, IREN_S4_44]

Gas network replaced (km)	2025	2024
Total	**16.4**	**11.3**
Steel pipes	10.3	7.6
Polyethylene pipes	1.3	0.2
Cast iron pipes	4.8	3.5

Emergency service – Gas	2025	2024
Managed calls (no.)	7,732	6,991
Average arrival time at the call location (min.)	31.2	33.4

Continuous monitoring is also facilitated by the gradual installation of electronic gas meters that allow the detection of any malfunctions or gas leaks, improving customer safety, as well as enabling their possible integration with smart home systems or applications that allow them to monitor and optimise consumption in real time, helping to save energy. In 2025, the total number of meters managed by the Group increased compared to the previous year, reaching 891,432 meters installed, mainly due to changes in the consolidation scope. Despite this increase, the proportion of electronic meters remained constant at 91%. The Group has defined a plan to replace all digital meters still in operation.

Electricity distribution

municipalities served: 3

network managed: 7,939 km

electricity distributed: 3,873 GWh

For the **electricity distribution** service, the Group has adopted a planning tool that lays down rules and procedures for the renewal, upgrading and expansion of the network and transformation plants from high to medium voltage. In addition to the gradual replacement of obsolete components, the plan provides for the technical improvement achieved by means of innovative solutions.

The management of interventions is assessed on the basis of compliance with the planned time schedules for the design and construction of the works, as well as compliance with the technical standards required for the construction of new primary substations, through periodic audits and project reviews.

The effectiveness and quality of interventions are measured through the service quality indicators defined by the regulatory authority for energy, networks and environment (ARERA).

[IREN_S4_13]

Outages per LV customer - N1 (average no.) (1) (2)	2025	2024
Turin (A.C.)	3.1	2.8
Parma (A.C.) (3)	1.8	1.4
Vercelli (M.C.)	0.5	1.1

Cumulative downtime – D1 (min./user) (1) (2)	2025	2024
Turin (A.C.)	68.0	65.5
Parma (A.C.)	33.7	39.8
Vercelli (M.C.)	10.5	13.2

(1) ARERA sets target values for these indicators in relation to the size of the areas served: - high concentration (municipalities with more than 50,000 inhabitants), N1 = 2.17, D1 = 46.63; - medium concentration (municipalities with more than 5,000 inhabitants), N1 = 1.34, D1 = 25.32; - low concentration (municipalities with less than 5,000 inhabitants), N1 = 3.71, D1 = 68.09.
(2) A.C. = high concentration; M.C. = medium concentration.
(3) Data for Parma (low concentration) are not reported due to the low numerical relevance of the underlying users.

The annual maintenance plan for secondary electricity distribution networks provides for the inspection of substations and medium voltage (MV) overhead lines, with a different breakdown by area: inspection of electrical substations every two years in all areas and visual inspection of medium voltage overhead lines every three years for Parma (with the addition of annual satellite inspections), every six months for Turin and once a year for Vercelli. The plan provides for the general inspection of each system, with six-monthly checks, six-monthly thermographic inspection of the active parts of the systems, and yearly inspection of the condition of asbestos artefacts. To safeguard the health of customers, the Group also carries out measurements to ensure compliance with electromagnetic field limits at power generation and distribution plants.

Relevant for electricity distribution is the gradual installation of second-generation (G2) electronic meters that allow customers to manage energy more efficiently, thanks to the possibility of monitoring and optimising consumption, including through apps and smart home technologies, contributing to a reduction in environmental impact and a more responsible use of resources. In 2025, the share of 2G meters installed by the Group reached 82.4% (up from 65% in 2024) out of a total of 805,076 meters installed, thanks to the ongoing process of replacing previous-generation meters.

Integrated water service

municipalities served: 311

network managed: 24,044 km

network controlled: 94%

water in the mains: 297 million m³

The regulatory authority for energy networks and the environment (ARERA) has defined specific indicators relative to contractual quality levels and targets of the water service - transposed in Iren Group's Service Charters - in relation to the initiation and termination of the contractual relationship (MC1), the management of the contractual relationship and accessibility to the service (MC2).

Reporting to ARERA in 2025, covering the year 2024, confirms for the Group a high level of compliance with the standards, on average 98% for MC1 and over 95% for MC2. Internal projections for 2025 confirm the high levels of performance achieved in the previous period.

For the distribution of drinking water, the water taken from the different sources is introduced in the distribution network that reaches all the users, after having carried out the necessary controls and verifications of the potability requirements. Control, extension and maintenance activities are carried out on the networks with a view to **minimising negative impacts for the public** as far as possible. In 2025, **out of 24,044 km of managed water network, 22,485 km** (**94% of the total**, an increase compared with the 92.5% of 2024) were checked for leaks.

By the end of 2025, the Group managed 1,088,853 water meters serving the various types of users, 31% of which are new-generation electronic meters (26% in 2024) that, in addition to providing real data for billing the fees due, help make **customers more aware of their consumption**, encouraging behaviour aimed at reducing and improving the sustainable use of water.

In the management of **network renewal or maintenance** operations, where an interruption in water distribution service is programmable, the methods of communication to users deemed most effective on a case-by-case basis (e.g. notices in the press and on local television, signs posted in the area concerned) are adopted, as required by regulation. In 2025, there were a total of 504 planned outages in the managed territories.

For emergency interventions, e.g. to repair a burst pipe, all of the necessary measures are implemented in order to restore the water supply in the shortest possible time, in accordance with the provisions of the regulation in force. In addition, and where possible, such interventions are carried out using methods and techniques that allow for no interruption in supply. In 2025, there were a total of 21,922 outages in the network (17,496 in 2024), subject to repairs carried out following the search for leaks or reports received. The average arrival time at the place of the emergency call for the Group stands at 90 minutes, in line with 2024.

In the supply of water for drinking use, the health and safety of the customer are an absolute priority, guaranteed by Iren Group through **constant verification, even beyond legal obligations, of the quality of the water** throughout the supply cycle: capture, treatment, disinfection, distribution. In the treatment sector, analytical tests are carried out on the wastewater flowing into and out of the plants, and on the intermediate treatment steps, the sludge produced and the drains from the production user plants into the sewer. The number of samples and the relative analysed parameters derive from sampling plans prepared for all the areas managed. The internal controls, aimed at preventing possible negative impacts, are more numerous than those envisaged by the regulations in force and by the protocols signed with the area authorities, ARPA and the Provinces. In 2025, **more than 1.1 million parameters** on drinking water and wastewater were analysed (see paragraph "Sustainable management of the water distribution service" in the chapter Sustainable use of water and marine resources).

The constant search for and **reduction of leaks in the aqueduct network** and activities to **raise awareness among customers and the public** to reduce water waste, are at the heart of the Group's strategy to make its water distribution service increasingly efficient, also with the aim of reducing water withdrawals from the environment (see paragraph "Optimised management of activities and processes to limit impacts on water resources" in the chapter Sustainable use of water and marine resources).

Waste management services

municipalities served: 659

local collection centres: 463

urban waste treated: 3,220,000 t

Preventing generation, increasing sorted waste collection levels, and recycling waste are central targets of management policies for the Group, as they reduce disposal requirements and thus the overall environmental impact. To this end, Iren Group promotes awareness-raising initiatives to **spread culture, awareness and virtuous behaviour** to the public and students.

The Group adopts **advanced waste collection systems** (door-to-door, ecological islands with user recognition, pay-as-you-throw) - accompanied by widespread information to create attention and responsibility towards more waste- and waste-reducing consumption styles - which contribute to achieving **excellent levels of sorted waste collection** (see paragraph "Advanced waste collection systems" in the chapter Supporting the circular economy) thanks to the **cooperation of the public** which demonstrates its awareness of the importance of this service with a view to protecting the local area. Within these systems, the presence of a widespread network of local collection centres, where different types of sorted waste can be handed in, is particularly relevant. The range of services is completed by collecting bulky waste at home and services dedicated to companies for the management of waste assimilated to urban waste.

For the development and increasingly efficient management of the service, the **computerisation of processes** plays a key role. This enables important environmental benefits to be obtained, thanks to optimisation of collection, monitoring of services rendered in the area, and extension of the pay-as-you-throw system , which is also based on the actual production of waste delivered by the user and is therefore more equitable.

As mentioned above, the use of apps allows users to receive information on services and report any problems. In particular, the IrenAmbiente app provides assistance in correctly sorting household waste, with the possibility of recognising products by framing the barcode or using search filters. Furthermore, it offers the possibility to book bulky waste collection or make environmental reports, and provides real-time alerts and news regarding the waste management services provided, as well as any updates and changes, including a notification service that provides a daily reminder of the type of waste to be collected by the operators the following day. Thanks to geolocalisation, users can view points of interest related to the service provided, such as dedicated counters, timely information on schedules and waste that can be delivered to the collection centres, and up-to-date collection calendars.

Finally, to meet specific local needs, the Group works with local administrations to improve the planning and management of the collection service, taking into account demographic, urban and logistical characteristics.

District heating

municipalities served: 24

network managed: 1,288 km

network controlled: 93%

heat sold: 3,065 GWht

The Group's district heating service produces and supplies the thermal energy required by customers for heating/cooling rooms and producing domestic hot water. In 2025, ARERA revised the regulation of the sector, updating the requirements on commercial and technical quality, quotation, metering, transparency and tariff setting.

In line with regulatory changes, the Group has taken steps to adapt its technical-administrative processes to guarantee complete compliance with the provisions laid down by the authority, and has updated the Service Charter, which constitutes the commitment to satisfy customer needs and to guarantee the reliability of the service, safety when using the service, and fairness and equity in contractual relations. The Service Charter is also the key instrument for safeguarding customers' right to receive public services that meet high standards of quality and efficiency.

Iren Group constantly monitors **the quality and efficiency levels of its services**, including district heating, with the aim of adapting strategic choices to customer expectations in a logic of continuous improvement. Iren is constantly striving to ensure efficiency and reliability in the management of the network is guaranteed, including through the adoption of **advanced technologies** and the **preventive maintenance** of the infrastructure to ensure uninterrupted service, maintaining high standards of reliability and transparency in interactions with customers. To prevent negative impacts, regular inspections and maintenance are carried out to identify and promptly resolve any problems or wear on the network; advanced monitoring systems are used to detect anomalies, leaks or inefficiencies in the network in real time (terrestrial and airborne thermography). In addition, detailed contingency plans are put in place to respond promptly to critical situations, minimising service impacts, and security measures are taken to protect key infrastructure from external threats, vandalism or sabotage.

The effectiveness of the actions is evaluated through **continuous monitoring of network performance** and through analysis of reports of emergencies or of service interruptions and their response times. The district heating network managed by Iren Group has a total length of **1,288 km** (1,146 km in 2024), and **93% of its length was inspected in 2025** (96% in 2024).

Not least, district heating provides a concrete answer to **improving air quality in cities**. The results of studies conducted by the department of environmental, territorial and infrastructural engineering (DIATI) of the Polytechnic University of Turin show a substantial reduction of environmental impacts on the atmosphere and economic impacts, in terms of avoided social costs due to the reduction of negative health effects, resulting from the extension of district heating networks powered by cogeneration plants.

Sale of energy services

energy and gas customers: 2,359,620

gas sold to customers: 862,591,000 m^3

electricity sold to customers: 6,560 GWh

The capillarity of the sales networks and a level of service characterised by increasingly high-quality standards offer customers assistance and advice both through physical channels, such as counters and stores, and through digital channels such as chat and web sales.

Communications to customers comply with the principles of clarity and transparency provided by the Code of Ethics and Consumer Code, with the objective of placing the customer in a position to be able to make an informed choice.

The Group pays particular attention to the efficiency of its **management systems**, the improvement of commercial quality and the continuous **training of operators**, especially following the expansion of the range of services and products offered.

Tablets have been introduced at the Group's counters to allow the digital signing of contracts and transactions, with benefits both in terms of sustainability, thanks to the reduced paper use, and in terms of the efficiency of the service provided to customers. Furthermore, thanks to the support of increasingly innovative digital tools, customers can perform operations such as contract transfers, self-reading or bill payment directly from their devices in no time.

All sales and marketing activities that take place outside the Group's business premises are carried out in compliance with the rules set out in the Code of Business Conduct formulated by ARERA (Regulatory Authority for Energy, Networks and Environment).

The Group carefully **monitors all the activities of the supplier agencies**, differentiating its controls according to the customer's method of engagement, the type of commercial action requested by the customer, and the way in which the contract is signed and accepted. For each acquisition channel, whether physical or digital, further controls are foreseen.

For digital channels, in order to verify the correct operation of teleseller agencies and web comparators, as stipulated by the mandate, the Group makes telephone calls known as 'courtesy calls' within 48 hours after the contract has been signed and confirmed. As of October 2025, digital quality calls have been introduced on a trial basis for the activities of certain partners operating on digital web comparison platforms, for transactions such as switching suppliers or changing tariffs. This call involves sending the customer a message through which they can access a link containing a summary of the key contractual information and confirm the transaction in an informed, secure and traceable manner. This initiative represents a further step in the Group's efforts to promote transparent and responsible business practices, to prevent the phenomenon of uninformed sales, and to strengthen the relationship of trust with customers.

With regard to the physical channels, there is the so-called instant call, carried out on average within 2 hours after contractualisation, for a more timely and effective control of the sales activity. Systematic monitoring of the agencies' activities is aimed at confirming that contact has been made with the agent, that the contract proposal has been accepted and that the customer is fully aware of the signed offer.

The Company's organisation provides for **a specific body dedicated to analysing complaints** of customers concerning external channels of sales. These complaints can result in the application of penalties and, in more serious cases, the dismissal of the agent or operator, with a ban on working for the Group, even through other companies, up to the possible resolution of the agency mandate. Furthermore, with the aim of verifying that the work of the agencies complies with contractual obligations and, in particular, with the company self-regulation documentation (Code of Ethics, Model 231, operating procedures), visits are periodically carried out at the commercial structures, the results of which are monitored by the managers of the different channels.

Commercial and marketing activities are conducted in accordance with principles of fairness and transparency, in full compliance with all regulations on privacy and personal data protection (Regulation (EU) 2016/679 - GDPR).

The Group is also focused on ensuring high commercial quality standards - in line with ARERA provisions - with regard to the **response to complaints and written requests for information**.

[IREN_S4_33, IREN_S4_34]

Response to written requests for information/complaints	2025		2024	
	Requests for information	Complaints	Requests for information	Complaints
Average time (days)	12	18	12	16
Responses within 30 days (%)	98%	94%	96%	91%

To **combat the economic inaccessibility of services** and in compliance with sector regulations, the Group has activated specific facilitation procedures for customers in economic difficulty, including bill instalment and the promotion of social bonuses.

[IREN_S4_36, IREN S4_38]

Social bonuses provided	2025		2024	
	Number	Amount (€)	Number	Amount (€)
Electricity [1]	238,092	56,485,376	175,125	27,521,158
Gas	89,802	6,076,278	103,802	6,812,221
Integrated water service [2]	77,677	12,030,985	117,944	27,901,842
Total	**405,571**	**74,592,639**	**396,871**	**62,235,221**

[1] The increase in the number of electricity social bonuses provided is due to the introduction of the extraordinary bonus (Italian Decree-Law 19/2025), which supplements the ordinary social bonus.
[2] The figure for 2024 was significantly higher than that for 2025, as it included benefits provided in 2024 but relating to 2022 and 2023.

Also for the 2024-2025 heating season, the Iren **district heating bonus** was activated, a discount on the bill fully provided by the Group. This bonus is a key support tool for households in an economically vulnerable condition, according to the indicator of the equivalent economic situation (ISEE). In continuity with what has been done in previous years, the Group decided to activate the district heating bonus, since the social bonuses provided for by current legislation only concern the gas, electricity and water service sectors. To reach as many customers as possible, documentation was also provided in Arabic, French and English.

Business Continuity Management

Iren Group has adopted a **Business Continuity Management (BCM) model** to ensure the continuity of processes deemed critical, in the face of unforeseen events, minimising external and internal impacts.

In order to properly manage business continuity processes and ensure the implementation of appropriate organisational and technological measures, a Business Continuity Plan (BCP) procedure was drawn up that defines continuity strategies to ensure the rapid resumption of processes in the event of an interruption.

In addition, the Group has adopted a crisis plan with the aim, should an emergency or critical event occur, of providing a structured response to contain any damage caused, ensuring business continuity is maintained and defining an action plan that identifies further measures and strategies.

Professionalism and expertise for customers

In order to guarantee quality, reliability and continuity of service, the Group invests in the **involvement, participation and training** of its personnel, including in the sharing of Company strategy and policies, and in the maintenance of the certified Quality, Environment and Safety Management System.

The main bodies directly involved in the management of customer-oriented services are:

- Business Units involved in the management of services and infrastructures: the emergency services that monitor the networks and intervene to deal with disruptions and handle emergencies, the technical departments that deal with the operation and routine maintenance of networks and facilities;
- Customer management, which is structured to manage the relationship, orientate and provide assistance in procedural processes for the processing of files, respond to all requests for information with respect to services, complaints so that any critical issues can be resolved promptly;
- Administration that deals with invoicing and issuing invoices;
- Safety and quality of services that monitors the safety of operations and ensures that quality standards are met;
- Privacy compliance that supports the customer service in case of requests related to privacy and protection of customer data;
- Legal counsel ensuring that Iren complies with the laws relating to the management of services while respecting consumer rights;
- Communication that works to ensure that communication is transparent, effective and understandable to all consumers and end-users;
- Personnel and organisation that contributes to building the organisational conditions for the best supervision of activities.

Collaboration between these bodies and their involvement in the processes of analysing performance and defining improvement actions is fundamental to guaranteeing ever higher levels of service to customers.

The personnel belonging to these bodies are constantly trained, in relation to their competences, on new regulations, technological and digital innovations, new products and services, corporate strategies, policies and procedures. Training on ethics and behaviour is a fundamental and transversal element for building skills and professionalism consistent with the Group's values.

Continuous dialogue with customers and consumers

The involvement of consumer associations, through the Local Committees and the National Council of Consumers and Users, along with the continuous dialogue with the regulatory bodies are essential tools for exchanging ideas and verification that actions produce concrete results for consumers.

At **Local Committee** meetings, consumer associations have the opportunity to bring attention to the needs of **particularly vulnerable customers**, thus helping to ensure that the Group's policies and actions adequately address those needs. In this regard, the Group has set up meetings with the Local Committees on the topic of sorted waste collection, focusing on waste disposal methods and operational solutions aimed at facilitating the inclusion of vulnerable users, thereby encouraging wider participation in the service and more informed and sustainable waste management.

People's vulnerability is a major factor in service management. For example, when it comes to the **distribution of electricity** and **water services**, the Group considers the most vulnerable situations, like users of electro-medical equipment, who need to be informed promptly and in advance and for whom an interruption can be rescheduled. In addition, the water service users advisory committee, set up in Emilia-Romagna in collaboration with the local sector authority, pays particular attention to vulnerable categories, proposing improvements, promoting transparency and reporting any problems in contractual clauses.

Several **communication initiatives** were carried out in 2025, aimed at increasing the awareness of the most vulnerable customers (e.g. older people or those with a foreign culture and language) of how to use the services. Other initiatives have been carried out to contribute positively to improving social outcomes for consumers, such as, for example, awareness-raising campaigns for proper and responsible waste management and sorted waste collection, cooperation with schools and associations to raise awareness among young people on environmental and sustainability issues, or specific information activities aimed in particular at the elderly population to prevent door-to-door scams by fake sellers of electricity and gas contracts.

Iren Group also promotes initiatives for the **responsible consumption** of resources, proposing solutions for monitoring energy consumption, helping customers to make conscious decisions and reduce their environmental impact. These include the **Iren4Planet** service that allows customers to calculate their carbon footprint and find out how to reduce their emissions by filling out an online questionnaire and answering simple questions about their daily habits, consumption and purchases. For **business customers**, the Group offers a **comprehensive energy monitoring service** to ensure efficient and optimised use of energy sources, thus improving efficiency and reducing waste. The service includes a series of advanced solutions, including the design of the monitoring system (also for energy audits in accordance with Legislative Decree No. 102/2014), the supply and installation of metering instruments (for electricity, gas, steam and water) and sensors (for temperature, humidity and CO_2), regular reports, consumption analyses and performance indicators.

These activities are accompanied by the constant monitoring of the press in order to capture any critical issues in relation to service management and consumer relations, as well as to provide answers that may be of interest to the general public. Through customer care surveys and enquiries, the Group collects customer feedback, which is essential for making improvements to the services offered.

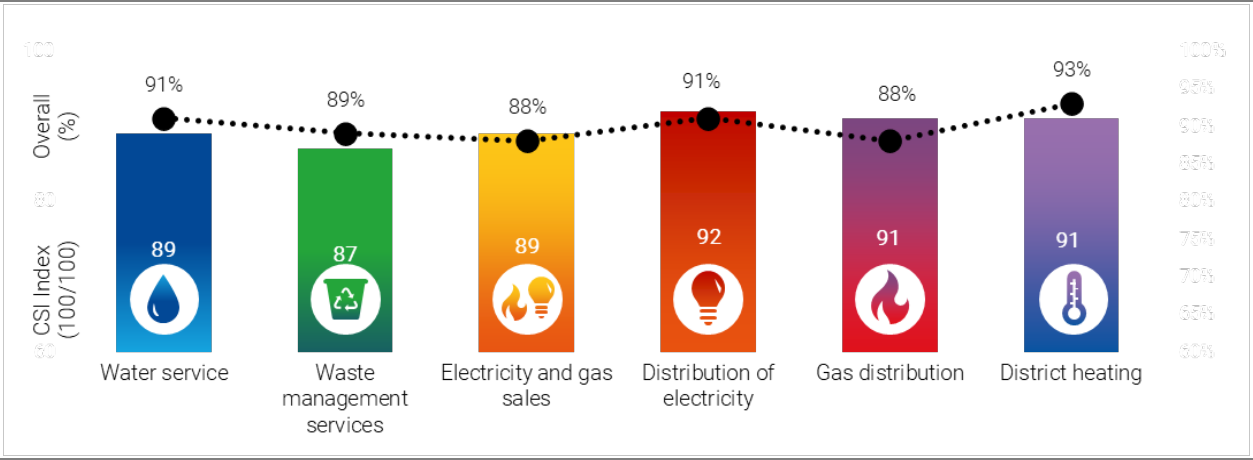
Monitoring customer satisfaction

The strategy to minimise impacts and risks also focuses on the activities carried out by both provider agencies and in-house operators, through both qualitative and quantitative monitoring tools. Particularly important among these is the **customer satisfaction** survey - conducted, within the scope of the powers delegated to the Deputy Chairperson, by the Corporate Social Responsibility and Local Committees Department - through which the Group acquires the evaluation of customers and the public on the quality of services and relations. The survey, carried out annually, provides the following for the different sectors:

- an **overall indicator** (CSI - Customer Satisfaction Index) that shows customer satisfaction in terms of the difference between perceived service value and expectations in regards various technical and relational aspects, which are weighted together. Here, evaluations are made on a set of more than 160 factors relating to the intrinsic characteristics of the service, its continuity and reliability, its efficiency and effectiveness, its cost/quality ratio and payment methods, the management of the relationship with the customer through the various channels, including the management of complaints and feedback, and the ability to listen to needs;
- a **synthetic overall satisfaction indicator** that is monitored by directly asking the customer to highlight the overall perceived satisfaction level. Overall satisfaction shows the percentage of customers who say they are satisfied.

[IREN_S4_48]

Customer satisfaction level - 2025



The analysis of the survey results, shared with the Group's Business Units and Departments, and their monitoring over time make it possible to identify any critical issues and define strategies for improvement.

Another tool for measuring the level of customer satisfaction is the ***voice of customer***, a questionnaire used after every interaction with the Group (call centre, counter, written communication, etc.), which invites customers to express an evaluation of the quality of the service received.

In general, the monitoring of customer management involves the monitoring of all performance through daily, weekly and monthly reports, which are brought to the attention of management in order to identify critical issues or areas for improvement.

Sustainable products and services

Customers are an active part of the Company's processes and the **green transition**, also thanks to a growing awareness and attention to consumption, efficient use of energy and water, and reduction of waste.

The Group aims to improve the customer experience by working to gain a better understanding of customers' needs, with the goal of increasing customer loyalty through an innovative, high-quality service and solutions that increasingly respond to changing needs, coupled with a strong focus on innovation aimed at researching and adopting technologies and solutions to support the sustainable development of its businesses. This is why Iren has gradually developed a portfolio of **innovative services and products** to support its customers in energy saving, sustainable mobility, comfortable home management and personal well-being. New services and new products, consistent with the strategy, that confirm the Group's commitment to seize the opportunities related to climate, circular economy, sustainable use of water resources and the development of resilient cities to confirm itself as a leader in the transition and an essential partner for territories in providing answers to the public and customers through:

- the expansion of the portfolio of **energy efficiency services and products for customers**, in particular related to the energy redevelopment of buildings, home automation devices for reducing energy consumption, and technological global service for public and private buildings;
- the promotion of **energy communities** and distributed energy production among retail, business and public administration customers;
- the introduction of **point-based pricing systems in waste management** that create citizen attention and responsibility towards consumption styles more oriented towards reducing waste and scrap, and the encouragement of the use of good practices in waste sorting, allowing improved processes from collection to recovery of materials from waste;
- the implementation of additional treatment in **wastewater treatment** to provide water resources with characteristics that allow them to be used by agricultural and industrial enterprises;
- selling **GO-certified electricity** to retail and business customers through offers to reduce the carbon footprint of their energy consumption;
- the provision of services and the implementation of **e-mobility** infrastructure.

[IREN_E1_08, IREN_S4_24]

GO-certified electricity	2025	2024
GO-certified electricity sold (GWh)	1,940	2,395
GO-certified electricity sales contracts signed in the year (% of total)	45%	70%

The share of GO-certified electricity contracts out of the total number of contracts signed stands at 45% (70% in 2024), reflecting a market context characterised by an increase in the options available to end customers and their reduced preference for green offers, which are less competitive in terms of the final price.

The creation of an increasingly widespread network of physical points in the local area to meet the needs of those who prefer direct contact with the Group is part of the service quality strategy. Together with the existing local stores, 51 new ones were opened in 2025, giving customers **208 counters across the local areas**. To ensure that all customers have access, there are ticketing systems for the elderly, pregnant women, and disabled, stations specifically designed to welcome people with disabilities, and multilingual operators to help with communication with citizens, customers and foreign nationals. Careful coordination and supervision guided the setting up of the new stores with the aim of increasing the number of desks and offering a more efficient service, reducing waiting times and expanding the range of services.

In pursuing a **policy geared towards green transition and technological and digital innovation**, the Group also promotes more sustainable ways of contacting users. These include promoting the dematerialisation of invoices, highlighting both the environmental benefit of reducing printing and the convenience of having documents always accessible in digital format.

[IREN_S4_14]

Invoices in electronic format	2025	2024
Electricity, gas, district heating, water service (no.)	11,884,876	8,920,158
Wate management services (no.)	927,420	861,622
Total (no.)	**12,812,296**	**9,781,780**
Electronic invoices as a % of total invoices	**50%**	**44%**

Our targets for consumers and end-users

[S4.MDR-T_01-13, S4-5_01, S4-5_02, S4-5_03]

Service quality, pursued through performance improvement, and the maximisation of consumer satisfaction levels are priorities for Iren Group, which places customer orientation, high standards of efficiency in service continuity and customer relationship management, as well as accessibility and transparency of information at the centre of its operations.

In order to realise these priorities, the Group has set specific medium- and long-term objectives, also based on the analysis and survey of customer needs increasingly oriented towards the search for sustainable services.

Energy savings from products and services sold				
Main scope	sale of energy efficiency products and services/ own operations/downstream value chain			
Stakeholders engaged	retail and business customers, communities, environment			
Target/Results (TOE - absolute)	Base year 2020	2025 Results	2030 (medium-term)	2040 (long-term)
	71,000	470,000	513,000	587,000
Methodologies, assumptions and scientific data used	Future forecasts of the target are based on climate scenarios in line with the WB2D trajectory, projections of energy market developments, consistent with Italian and European legislation on energy efficiency (EU Directive 2023/1791) and the energy performance of buildings (EU Directive 2024/1275)			
2025 Results	The results are in line with expectations			
SDGs				

Sale of GO-certified electricity				
Main scope	sale of energy efficiency products and services/ own operations/downstream value chain			
Stakeholders engaged	retail and business customers, environment			
Target/Results (GWh - absolute)	Base year 2020	2025 Results	2030 (medium-term)	2040 (long-term)
	326	1,940	2,500	3,000
Methodologies, assumptions and scientific data used	Future forecasts of the target are based on the projections of climate scenarios in line with the WB2D trajectory, on projections of energy market developments, consistent with Italian and European legislation on energy efficiency (EU Directive 2023/1791) and with the 2030 national integrated energy and climate plan (PNIEC)			
2025 Results	The results are in line with expectations			
SDGs				

Store network				
Main scope	customer care/ own operations/downstream value chain			
Stakeholders engaged	customers and users			
Target/Results (no. - absolute)	Base year 2020	2025 Results	2030 (medium-term)	2040 (long-term)
	82	208	304	304
Methodologies, assumptions and scientific data used	The medium- and long-term target takes into account the needs identified by stakeholders and forecasts of scope extension and is consistent with the strategies defined in the Business Plan			
2025 Results	The results are in line with expectations			
SDGs				

All objectives are monitored on an interim and annual basis to check progress in relation to the annual targets of the Business Plan and to define, if necessary, corrective actions or take into account changes in the scenario that may require a revision of the objective. In addition, the Group directly engages with consumers by continuously monitoring the feedback they provide, in order to identify their needs and expectations with a view to improving the services offered.

In addition, the achievement of targets is supported by the investment plan for quality and digitisation of services.

Ethical governance

2

2.2.4

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Business conduct

Governance for sustainable growth is achieved through a coherent system of direction, policies, integration of ESG factors in company strategy, and management of risks and opportunities.

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

IMPACTS	
✗	• Potential negative external impacts arising from regulatory violations and/or breaches of company ethics, and failure to manage risks
✓	• Value creation fostered by ethical management, stable corporate governance, proper risk management and stakeholder engagement on integrity principles in business activities with particular regard to corruption • Information transparency on strategies and activities and systematic listening to stakeholders through Iren's Local Committees and structured and secure reporting channels • Support for issues related to sustainable development within institutions, including through active participation in associations and collaborative networks • Reduction of environmental and social impacts generated by the supply chain through supplier selection, involvement and monitoring activities

RISKS	OPPORTUNITIES
• Disputes with public authorities, customers, consumer associations/class actions (e.g. following prolonged inefficiencies/claims for reimbursement)	• Improved reputation/stakeholder loyalty and attractiveness driven by corporate strategy (including investments) and effective ESG risk management that produces value creation for the Group, stakeholders and the local area • Adherence to the Cooperative Compliance regime in the tax field • Access to sustainable finance instruments

Impacts, risks and opportunities material to business conduct were identified through the process described in the paragraph "Double materiality assessment" in the chapter Sustainable development strategy.

Policies on culture and business conduct

[G1.GOV-1_01, G1.GOV-1_02, G1.MDR-P_01-06, G1.MDR-A_01-12, G1-1_01, G1-1_02, G1-3_03, G1-5_11]

Iren Group is committed to pursuing the Sustainable Development Goals of Agenda 2030 (SDGs), operating in compliance with the principles defined in its Sustainability Policy and Code of Ethics, which translates the Company's mission, vision and values into standards of conduct for all those who work for and with the Group. These are key documents in which the Group expresses concrete commitments to ensure responsible business management, ensuring ethical and transparent operations. Both documents, approved by the Board of Directors, represent the pillars of the sustainable governance model adopted by the Group. For more details on the Sustainability Policy, the Code of Ethics and the role of the Board of Directors[12] on ethical conduct, see the paragraph "Governance policies and tools" in the chapter Iren Group governance.

In addition to the Sustainability Policy and the Code of Ethics, the Group's ethical governance is guided by the 231 Model (discussed in more detail below) and is also communicated to all employees via the company intranet "Noi Iren", which **can also be accessed by staff working on the move**, via tablet or company smartphone. This tool facilitates the development of processes, supports organisational changes, growth strategies and **encourages the dissemination of a shared corporate culture**, also through video storytelling and dedicated formats such as "Il tempo di un caffè" ("time for a coffee") (speeches by managers to engage on values, sustainable development strategies and targets). 2025 saw the creation of a group of Iren Ambassadors, employees engaged in dedicated programmes to represent Iren on digital channels, authentically sharing

[12] It should be noted that some members of Iren's Board of Directors and Board of Statutory Auditors held comparable positions in the government sphere between 2023 and 2025: Patrizia Paglia, a Director of Iren, is a member of the Executive Board of the Turin Chamber of Commerce; Ugo Ballerini, a Standing Auditor of Iren, has served as Deputy Commissioner for the reconstruction of the Polcevera Viaduct at the Presidency of the Council of Ministers.

information about the Group's values, their own work, and the company's contribution to sustainable development, thereby fostering an active contribution to the corporate culture.

The **dissemination of culture also passes through training and skills development**: the Group invests in continuous training to enhance, increase and renew the skills of its employees and to share values, policies and strategies. This approach helps to create a sense of belonging and improve the quality of the working environment. Moreover, Iren Group constantly assesses the effectiveness of its policies and initiatives through the collection of internal feedback and the annual performance analysis (see paragraph "Performance enhancement and evaluation" in the chapter Iren people). These combined elements contribute to a strong corporate culture geared towards sustainability, inclusion and continuous growth.

Policy for dialogue with shareholders and investors

Iren Group considers it essential to maintain an open, fair, transparent relationship, based on a mutual understanding of roles, with shareholders and investors.

To this end the Group has adopted the **Policy for Managing Dialogue with Shareholders and Investors** (published on the Group's website), approved by the Board of Directors, which regulates dialogue between the Board of Directors and the representatives of shareholders and investors beyond shareholders' meeting on issues within the Board's competence and defines the principles, rules and methods for conducting this dialogue, identifying the recipients, the interlocutors, the topics of discussion, the timing and channels of interaction. The Policy is based on the principles of transparency, correctness, punctuality and timeliness of information, equal treatment of shareholders, effectiveness, compliance with regulations - including those on market abuse -, internal governance rules and procedures, always ensuring cooperation and transparency to supervisory authorities, regulators and competent administrations. The Investor Relations function is responsible for managing relations with shareholders and the financial market, and among other things discloses important information related to the Group. The Director of Administration, Finance and Control (CFO), who is in charge, among other things, of the Investor Relations function, was identified as the point of contact for the purposes of the Policy for Managing Dialogue with Shareholders and Investors. Moreover, pursuant to the Consolidated Law on Finance, shareholders can ask questions on the items on the agenda of the Shareholders' Meeting, even before the meeting itself.

With regard to the methods of dialogue with the other categories of stakeholders, the Policy refers to Iren's Local Committees (see paragraph "Iren Local Committees: dialogue, exchange of ideas and community participation" in the chapter Sustainable development of local communities).

Organisation and Management Model Legislative Decree No. 231/01

Iren and the Group's main Companies have adopted Organisation, Management and Control Models pursuant to Legislative Decree No. 231/2001 (Model 231), which configure **a structured and organic system of control activities and procedures to prevent, where possible, conduct that could constitute the commission of the crimes** covered under the Decree.

The provisions contained in Model 231 must be complied with by all those who perform, even de facto, management, administration, direction or control functions in the Company, by employees, as well as by those acting on behalf of the Group. The adoption of Model 231, in addition to representing grounds for exemption from the Company's liability with regard to the commission of the offences referred to in Legislative Decree no. 231/2001, is an act of **social responsibility towards its shareholders, employees, customers, suppliers as well as the community and represents a fundamental tool for spreading the culture of sustainability**. In 2025, the process of revising and updating the Model 231 of some Group Companies continued, in order to ensure its ongoing consistency with organisational and/or regulatory changes, so that it maintains the effective ability to prevent the commission of predicate 231 offences over time.

Predicate offences (Legislative Decree No. 231/2001)	Applicability to Iren
Offences in relations with the Public Administration (e.g. corruption, incitement to corruption, undue induction to give or promise benefits, extortion, embezzlement of public funds, undue receipt of public funds, fraud against the State or other public body, aggravated fraud to obtain public funds and computer fraud)	✓
Forgery of money, public credit cards, revenue stamps and identification instruments or signs	✗
Corporate offences such as false corporate communications, obstruction of control, unlawful distribution of profits and reserves, unlawful transactions on shares or quotas of the company or of the parent company, transactions to the detriment of creditors, failure to communicate conflicts of interest, unlawful influence on the shareholders' meeting, market rigging, obstructing the exercise of the functions of public supervisory authorities	✓
Crimes for the purpose of terrorism and subversion of democratic order provided for by the Penal Code and special laws	✗
Offences of market abuse (insider dealing or unlawful disclosure of inside information, recommending or inducing others to engage in insider dealing, and market manipulation)	✓
Offence of female genital mutilation practices	✗
Crimes relating to health and safety in the workplace (manslaughter and grievous bodily harm)	✓

Predicate offences (Legislative Decree No. 231/2001)	Applicability to Iren
Crimes of receiving stolen goods, money laundering, utilisation of money, good or benefits of unlawful origin, self-laundering	✓
Computer crimes and unlawful processing of data	✓
Copyright infringement crimes	✓
Crimes of employing third country citizens staying illegally	✓
Offences of organised crime, both on a transnational and national scale (for example, criminal association, Mafia-type association, also foreign, kidnapping for the purpose of extortion, induction to not make statements or to make false statements to the judicial authorities, personal aiding and abetting)	✓
Crimes of induction to not make statements or to make false statements to the judicial authorities	✓
Crimes against the individual person (such as human trafficking, reduction and maintenance in slavery and illicit intermediation and exploitation of labour) and **crimes of racism and xenophobia**	✓
Environmental offences (e.g. environmental pollution, environmental disasters, crimes against the environment, trafficking and abandoning highly radioactive material, crimes against protected animal or plant species and habitats, crimes relating to atmospheric emissions, management of industrial wastewater discharges, waste management, organised activities for the illegal trafficking of waste)	✓
Corruption and incitement to corruption between private individuals	✓
Crimes against industry and commerce (disruption of industrial or commercial freedom and fraud in the exercise of trade)	✓
Fraud in sports competitions, abusive exercise of gambling or betting and games of chance exercised by means of prohibited devices	✗
Tax offences such as fraudulent declaration through the use of invoices or other documents for non-existent transactions	✓
Smuggling	✗
Offences relating to non-cash payment instruments	✗
Crimes against cultural heritage and laundering of cultural goods and devastation and looting of cultural and landscape heritage	✗
Crimes against animals	✗

The control over the adequacy, effectiveness and suitability of Model 231, of which the Code of Ethics is an integral part, is ensured by the Supervisory Body appointed in the Group Companies by specific resolution of their respective Boards of Directors, with the aim of meeting the requirements of autonomy, independence, professionalism and continuity of action. The Supervisory Body is vested with the powers of initiative and control necessary to ensure effective and efficient supervision of the operation of and compliance with the Model under the law. The Supervisory Body, with the support of the competent Company departments, performs checks on the areas of activity found to be at risk pursuant to Model 231 and reports every six months to the Board of Directors on the activities carried out and the results obtained. If it is considered necessary, the Supervisory Body expresses suggestions aimed at improving the system for controlling the activities and monitors its implementation. The assignment of these responsibilities to a body equipped with autonomous powers of initiative and control, together with the correct and effective performance of the same therefore represent fundamental prerequisites for the exemption from liability provided for by law.

Each recipient of Model 231 is required to report any violations or suspected violations of the Code of Ethics or the principles of control provided for in the Model itself (whistleblowing), using the "Iren Integrity Line" application (see paragraph "Reporting channels" in this chapter).

The Supervisory Body's six-monthly report to the Board of Directors includes any reports received from internal and external parties during the period. In 2025, 25 reports were received by Iren Group's Supervisory Bodies, which were taken into account in accordance with the procedures in force. On the basis of the investigations carried out and, for some cases still in progress, initiatives were taken in line with the reported cases, such as, for example, the initiation of specific audits. Seventeen reports were closed as they were either not relevant or did not require specific action to be taken.

Prevention of corruption and other offences under Model 231

[G1-1_10, G1-1_11, G1-3_01, G1-3_05, G1-3_06, G1-3_07, G1-3_08, G1-3_09, G1-4_01, G1-4_03]

In carrying out its activities, Iren Group frequently liaises with Public Administration and third parties. Relations must take place in compliance with the principles laid down in the Code of Ethics and in Model 231, which express guidelines and rules of conduct aimed at preventing, as far as possible, the commission of offences pursuant to Legislative Decree No. 231/2001, including corruption. Company processes are also regulated by specific procedures defining roles, responsibilities and methods of control, establishing the traceability of processes and the clarity of authorisations to ensure transparency and honesty in the company's activities.

The Model 231 of the Group companies identifies, within the activities carried out, the corporate processes and areas "sensitive" to the potential risk of committing the offences indicated by the Decree. Furthermore, activities sensitive to the risk of corruption are identified – for which suitable internal rules are provided to supplement the Code of Ethics (general principles of control and specific protocols of behaviour and control). By way of example, the Iren Model 231 identifies the following activities:

- support to Group companies in developing strategic projects and in participating in tenders for the award of works, supplies and services;
- management of relations with third parties for the establishment of agreements, joint ventures and partnerships;
- management of industrial patents;
- definition of purchasing requirements and preparation of technical specifications;
- selection and formation of contractual relations with suppliers of goods, works and services (including consultancy services);
- managing the execution of contracts with suppliers;
- management of real estate assets (administrative/urban planning/land registry matters, global services/facility management, etc.);
- management of tax aspects and cash flows, including in relation to financing and centralised treasury operations;
- management of public grants, payments and contributions;
- management of active and passive claims; management of intercompany relationships;
- HR selection, recruitment and management, management of the bonus system, industrial relations, social security contributions and funded training;
- management of the reimbursement of employees' expenses and entertainment allowances;
- management of expense reimbursements for Directors, Statutory Auditors and members of the Supervisory Body;
- management of relations with certification bodies;
- management of sponsorships, gifts and donations;
- management of promotion and publicity activities for the Group's image;
- management of projects for the environmental and social sustainability of the local area through Local Committees;
- management of national and international institutional relations;
- management of institutional relations and relations with trade and consumer Associations;
- management of dispute resolutions and activities related to the ARERA consumer help desk;
- support in the management of relationships with public bodies to attain or renew authorisations, licences and concessions for carrying out corporate activities;
- management of relations with and coordination of compliance with information and reporting obligations towards national and local authorities, system operators and the Public Administration;
- management of inspections carried out by the Public Administration / Supervisory Authorities;
- management of judicial and out-of-court litigation.

During the revision of Model 231, the mapping of processes and the risk assessment are updated, identifying the relevant potential 231 crimes. The process mapping, risk assessment, preparation of Model 231, examination and approval of the document by the Board of Directors, its dissemination and training initiatives on the same, also constitute training on anti-corruption issues for each of the parties involved in these activities.

With regard to internal communication and training on the offences pursuant to Legislative Decree No. 231, which also includes policies and procedures for the prevention of corruption, the activity is diversified according to the roles and responsibilities of the recipients, with the aim of conveying knowledge and instructions on specific aspects of the Model 231 such to ensure the awareness and full understanding of the internal provisions to be complied with and the ethical standards that inspire our conduct. The frequency and content of the training activities are designed to provide a full understanding of the Decree and awareness of Model 231. Training is mandatory and controls are in place to verify participation and learning.

In 2025, training on Model 231 and the Code of Ethics was particularly extensive and covered a large proportion of the corporate population, with the aim of updating knowledge on the subject and aligning it with new regulatory developments. In particular, based on the policy adopted, training activities on anti-corruption policies and procedures in 2025 saw more than 16,000 hours of training provided to 7,666 employees (52.4% white collars, 42.1% blue collars, 4.4% junior managers, 1.1% executives), via an e-learning training module that incorporates the most recent regulatory updates. Specifically, the training programme was disseminated to Group companies and to the various organisational levels, with the express aim of reaching all departments deemed to be at risk of active and passive corruption or bribery (100% of employees in departments at risk of corruption are covered by the training programmes).

In 2024, a dedicated induction session on Model 231 was held for the members of the Board of Directors and the Board of Statutory Auditors, as well as for Iren's first-level executives, who also took part in an additional e-learning training session in 2025. Further initiatives will also be planned following the update of the Company's Model 231.

All employees are required to consult Model 231, available in its entirety in a dedicated area of the Company intranet and its General Part is published on the website of the relevant company.

In 2025, there were no convictions or proven cases of corruption within the Group Companies.

Reporting channels

[G1-1_02, G1-1_05, G1-1_08, G1-1_12, G1-3_02, G1-3_03]

The Group is strongly committed to preventing offences in the performance of its activities, adopting the necessary organisational and disciplinary measures to counter any possible occurrence thereof. For this reason, the Group considers it essential that employees, collaborators and third parties report alleged violations of which they have become aware in the

context of their work, also in order to ensure compliance with the provisions of Model 231 and the Code of Ethics. Reports may concern violations, conduct, acts or omissions likely to harm the public interest or the integrity of the Group, of which whistleblowers have become aware.

The Group has adopted specific regulatory instruments to define the governance of the reporting process and the operating procedures in which it is articulated, implementing the provisions introduced by Legislative Decree No. 24/2023[13] on the protection of whistleblowers (so-called "whistleblowing"). Specifically, a **whistleblowing procedure** has been adopted that regulates the subject matter of the report, who can present it, how and through which channels it can be submitted, who manages the reports, the preliminary investigation phase, applicable sanctions, and how the reports are filed and stored. In 2025, the procedure was updated to bring it even more closely into line with the best practices and application guidelines that have been established since the entry into force of Italian Legislative Decree 24/2023 on whistleblowing.

Reports can be submitted through the dedicated **whistleblowing channel "Integrity Line"**, which guarantees, through the use of encryption tools, the confidentiality of the identity of the person making the report, the person involved and the person mentioned in the report, as well as the content of the report and the related documentation.

The application is accessible from the Company intranet and the Group Companies' website and all reports received are automatically coded and recorded.

For the purpose of verifying the validity of the circumstances described in the reports, they are handled by the **Whistleblowing Committee**, which, following the update carried out by the Board of Directors in November 2025, is composed of the Director of Internal Audit and Compliance, the Director of Legal Affairs, the Director of Personnel and Organisation, the Director of Corporate Social Responsibility and Local Committees, and the Head of Compliance with System 231 and Privacy. The Committee verifies the reported facts in compliance with the principles of objectivity and confidentiality, including the possible hearing of the whistleblower and any other persons who may provide information on the facts reported. To this end, the Committee may avail itself of the support and cooperation of external consultants or the competent corporate departments. The Whistleblowing Committee is responsible for:

- issuing the whistleblower with an acknowledgement of receipt of the report within a specified time;
- liaising with the whistleblower and requesting additions if necessary;
- diligently following up on reports received;
- providing feedback on the report within a specified time-frame.

The Committee guarantees the confidentiality not only of the identity of the whistleblower, but also of any other information or element of the report from which the identity of the whistleblower may be inferred directly or indirectly.

At the end of the investigation, the Committee draws up a report indicating the results of the investigation carried out and informs the reporting party of the action taken or intended to be taken on the report. If the report turns out to be well-founded, the Committee informs the whistleblower of the conclusion of the investigation through the Iren Integrity Line channel and shares the results of the investigation with the competent department for the adoption of any consequent disciplinary measures and improvement actions. If, during the preliminary investigation, relevant aspects emerge in relation to Model 231, the Committee shares the results with the Supervisory Body. In the event of an unfounded report, it is archived. The Committee shall also inform the competent corporate bodies of the closure of the preliminary investigation and the outcome of the verification activities carried out, while respecting the confidentiality of the identity of the reporting person, the person concerned and any other persons mentioned in the report. With regard, in particular, to reports concerning the commission of predicate offences under Legislative Decree no. 231/01 or the failure to comply with the control measures set out in the procedures, protocols and provisions of the Model, as well as in the event that the person concerned is a member of the Whistleblowing Committee, reports may, at the reporting party's discretion – as an alternative to the Iren Integrity Line platform – be submitted by standard post, addressed to the Supervisory Body or to one or more members of the Whistleblowing Committee who are not involved in the report.

In addition, alternative reporting channels to the Iren Integrity Line platform are available for violations of the Code of Ethics. In particular, reports can be submitted via a dedicated email inbox to the Internal Audit and Compliance Department or to the whistleblower's superiors, if the whistleblower is an employee of the Group. The procedures for handling reports are set out in detail in the Code of Ethics itself. Even in these cases, the confidentiality of the whistleblower's identity is ensured in the management of the report, and measures to protect the whistleblower are provided, where applicable, pursuant to Legislative Decree no. 24/2023.

Iren Group ensures that all employees and individuals collaborating with the Group are kept fully informed, not only regarding the reporting procedures in place, but also with regard to the knowledge, understanding and dissemination of the objectives and the spirit in which reports should be made.

[13] Legislative Decree No. 24/2023 provides for the prohibition of retaliation against the whistleblower, which translates into rules to prevent or nullify measures aimed at punishing the whistleblower for disclosing information. By way of example, the following may constitute forms of retaliation against the whistleblower: dismissal, suspension, non-promotion, change of function, adoption of disciplinary measures, early termination or cancellation of a contract for the supply of goods or services, etc. The Decree provides that the protection from retaliation applies to other persons who, although not having directly submitted the report, are nevertheless deemed worthy of protection, such as those who assist a whistleblower in the reporting process or other persons who are connected to the reporting person (e.g. colleagues who have a habitual or recurring relationship with the person).

Fiscal strategy

[G1.MDR-P_01-06]

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

To this end, the Board of Directors approved the document Fiscal Strategy (made available to all stakeholders on the Group's website), also referred to in the Code of Ethics, which defines the objectives and approach adopted in the management of the tax variable, setting out the principles of conduct, in order to contain the risk of incurring tax violations or the abuse of the principles and purposes of the tax system, as well as to ensure the correct and timely determination and settlement of taxes.

Consistently with these principles, Iren refrains from implementing tax practices or strategies aimed at abusively eroding the tax base and commits itself not to undertake operations and conduct and not to establish commercial relations or implement company structures that are devoid of economic substance and aimed at obtaining undue tax advantages and that are not justified by valid economic reasons, including organisational or managerial reasons, or in any case consistent with social and business ethics objectives.

Iren also undertakes to actively pursue prior certainty of its tax positions and to prevent the start of unnecessary tax disputes or disputes that, in any case, based on a prognostic assessment, could have an unfavourable outcome (principle of "more likely than not"). Where the tax obligations or cases are considered, based on an objective assessment by management, to be unclear or subject to interpretation or, in any case, have margins of uncertainty, Iren acts with full transparency towards the tax authorities, according to the instruments made available by the legal system, to achieve the application of the correct level of taxation.

This approach includes the adoption of a **tax risk management and control** framework in order to ensure the submission of accurate tax returns, the correct application of all tax rules and, when deemed appropriate, the involvement of the Tax Authority in the face of transactions that may generate interpretative uncertainties. To oversee the processes provided for in the Tax Control Framework, the Board of Directors has set up the Tax Risk Management Committee, made up of 4 permanent members – the Risk Management Director, the Tax Risk Manager, the CFO of Administration, Ordinary Finance and Control and the Financial statements and Accounting Manager – which carries out supervision and control tasks, as well as providing guidance in the context of monitoring activities, supporting the various actors involved, including the CEO and the Tax Risk Manager, in the performance of their respective duties with non-binding advisory and proactive functions. The **Tax Risk Manager** is responsible for monitoring, aimed at verifying the effectiveness and efficiency of the controls in place to protect against tax risks and periodically reports to the Tax Committee on the activities carried out, their results, and the adequacy of the Tax Control Framework.

Consistent with the broader system of internal control and risk management, the Tax Control Framework requires that tax risk be managed through the assignment of responsibilities and roles according to three levels of control. First level control is represented by the individual operational lines that implement so-called line controls, as defined by Company policies and procedures. The second level of control is entrusted to the Tax Risk Manager who prepares the annual monitoring plan on tax controls and risks and ensures its execution, identifying any areas for improvement and supporting the control owners in identifying the related corrective actions. The third level control, assigned to Internal Audit, has the objective of verifying the operation and suitability of the internal control and risk management system and identifying irregular trends and violations of procedures and regulations.

The management of tax issues has been identified as a sensitive activity concerning the tax offences referred to in the Legislative Decree No. 231/2001 that Iren considers potentially applicable in the conduct of business activities.

In order to improve communication and collaboration with the Revenue Agency Iren Group decided to adhere to the "Collaborative Compliance Regime" (Italian Legislative Decree 128/2015), which provides a new scheme of relations between the Revenue Agency and taxpayers inspired by the principles of cooperative compliance. The main benefits of risk management derive from the possibility of joint assessment of any tax risks with the Revenue Agency before the tax return and access to forms of advance tax ruling under an expedited procedure. The Group Companies that meet the requirements of the Revenue Agency and are admitted to the "Collaborative Compliance Regime" are Iren and Iren Energia.

Privacy management model

[G1.MDR-P_01-06]

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

The Group's Privacy Management Model, approved by the Board of Directors, not only formalises the approach adopted, but also ensures that the **corporate management of privacy issues in accordance with regulatory principles and promotes a culture of personal data protection** within the Group. The Model defines the roles, tasks and responsibilities of the persons involved in the management of privacy compliance and the main processes prepared and adopted, including keeping the

processing register, risk assessment, management of the exercise of data subjects' rights, management of data breaches, management of third parties and dissemination of privacy culture.

The procedure for the management of data subjects' rights, in particular, defines the set of rules of conduct for the collection and timely processing of requests from data subjects concerning the exercise of their rights under the GDPR, as well as requests for the revocation of consent given under the European Data Protection Regulation. For this purpose, dedicated e-mail inboxes have been set up for the Group Companies entitled to receive requests from interested parties. These channels are carefully monitored and, at least once a year, specific analyses are carried out in order to verify the most significant aspects such as, for example, the number of requests, the type of rights most exercised, and the timeliness of processing. These analyses are shared within the Privacy Committee, in which the Data Controllers of the companies and the Directors of the functions of Iren most involved in relation to privacy issues participate.

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

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

Supplier relations management

[G1-2_02, G1-2_03]

Iren Group attaches particular value and importance to the management of environmental, social and economic aspects along its supply chain, in line with national, European and international guidelines to promote a sustainable economy. Therefore, the focus on identifying and managing the impacts of business activities and the supply chain is central to the Group.

The commitments set out in the Group's policies for managing relations with suppliers (see paragraph "Policies for sustainable supply chain management" in the chapter Suppliers and partners) find concrete expression in structured monitoring and improvement activities. These include the project for the sustainable management of the supply chain (ESG Supply Chain Project - for which see paragraph "ESG Supply Chain Project" in the chapter Suppliers and partners), promoted by the Group to take an increasingly leading role in its supply chain with a view to sustainable and resilient development, accompanying its suppliers along the way and enhancing the capacity of the local area and local companies. The project led to the adjustment of the supply chain assessment with respect to ESG parameters and principles, the upgrading of the Supplier Register by expanding, in the qualification process, the information required from suppliers on their sustainability profiles - which can, depending on the type of operator, reach up to 57 points out of a total of 100 - and subscription to the Open-Es platform for the direct involvement of suppliers.

Through sustainability questionnaires administered to suppliers, the Group is able to assess the sustainability performance of the supply chain, both in aggregate and in detail.

In 2025, the ESG Supply Chain project continued the internal training programme to ensure that everyone was on the same page, along with supplier-focused workshops to help suppliers along their sustainability journey.

The supplier qualification system of the Group aims to guarantee that products, services and works are able to ensure quality and reliability, and that the supplier selection and management process is based on the principles of transparency, clarity, integrity and non-discrimination. The Group's approach to relations with its suppliers is explained in detail in the chapter Suppliers and partners in the section Focused on people.

As defined in the Rules for Qualification in the Supplier Register, in order to improve the access of micro, small and medium-sized enterprises (SMEs) to specific product categories, the Group may adopt the good practice of reserving invitations to negotiation events for them for small sums. Additionally, to promote social cohesion and local development, the Group reserves a 50% share for local economic operators who meet the necessary qualifications in the Register when choosing which qualified suppliers to invite for instrumental contracts that are not covered by the Procurement Code.

Supplier payment practices

[G1-2_01, G1-6_01, G1-6_02, G1-6_03, G1-6_04, G1-6_05]

Iren Group's policy on payments to suppliers is based on setting clear and transparent terms in contracts, specifying deadlines and payment methods, and on continuous and open dialogue with suppliers.

The Group's payment methods are set out in the terms and conditions of contracts with suppliers and may vary from 30, 60, 90 to 120 days. Invoices paid within 30 days account for about 29% of annual invoices, within 60 days for about 26%, within 90 days for about 25% and the remainder, about 20%, within 120 days.

The average time taken by the Group in 2025 to pay an invoice from the date on which the contractual or legal payment deadline starts to be calculated is four days (no change compared with 2024). With the exception of any delays due to the supplier's failure to meet contractual deadlines, 100% of payments are on schedule.

In 2025, Group Companies received seventeen injunctions for late payments. In fifteen cases the Group filed an objection, reaching an agreement between the parties, while in the remaining two, the opposition is still pending before the competent judicial Authority.

Political influence and lobbying

[G1-5_01, G1-5_02, G1-5_03, G1-5_05, G1-5_06, G1-5_07, G1-5_08, G1-5_09, G1-5_10]

The Group Code of Ethics expressly establishes in paragraph 7.3, that "Iren does not make contributions, either directly or indirectly and in any form, to parties, movements, committees and political and trade unions organisations, or to their representatives and candidates, except for those due under specific regulations". Consistent with this principle, in 2025, the Group made no contributions or expenditures to political campaigns or lobbying organisations whose role is to influence voting initiatives, policies and public laws.

The structures appointed to handle the Group's Institutional Relations - which report to the Executive Chairperson - are responsible for monitoring regulatory-institutional developments and for mapping and monitoring institutional arrangements (at parliamentary and governmental level) in relation to the Group's business and interests.

Iren Group has chosen the path of associative participation, which aims to put experience and knowledge at the service of companies and organisations that share a common path of sustainability and responsibility. Participation in networks and associations is focused on continuous updating, on the dissemination of publications, studies and research, on information and comparison meetings, on the involvement of institutions and social forces to promote strategic issues, stimulating targeted and incisive intervention proposals and policies. The monitoring, analysis and comparison of emerging trends and regulatory issues are of great importance for the most correct and up-to-date understanding of the reference framework in which the Group operates. In 2025, the Group invested approximately 2 million Euro in association activities.

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

Association/network	Description
Anfida	National association of private water works companies that belong to Confindustria, which promotes solidarity and collaboration between its member companies, organises studies on topics of interest and acts as their representative with private and public authorities, organisations and administrations
Assoambiente	At national and EU level represents mainly private companies managing environmental services and circular economy companies
Italian Urban Heating Association (AIRU)	Represents sector operators with the aim of promoting and disseminating plant engineering innovation and its application
Assonime (Association of Italian joint-stock companies)	Works to improve industrial, commercial, administrative and tax legislation in Italy and represents the views of the companies within Italian, European and international institutions
Italian gas committee (CIG)	Promotes the study of scientific and technical problems and the publication of technical regulatory documents for the combustible gas sector. Participates, on behalf of UNI, in the work of standardisation bodies (CEN and ISO), collaborates with national and international bodies and associations, and carries out training activities
Confindustria (GE, PR, PC, RE, SP, TO and VC)	The leading organisation representing manufacturing and service companies within Italy that is tasked with contributing to the economic growth and social advancement of the country, alongside political institutions and economic, social and cultural organisations
Confservizi (at national and regional level)	A trade union that represents, promotes and protects companies and bodies that manage public utility services such as water, gas, electricity, environmental health and local transport
Corporate Forum for Sustainable Finance	An international network of companies committed to supporting and developing sustainable finance as a tool to combat climate change and promote a more sustainable and responsible society
EHP – EuroHeat and Power	An international association that represents the district heating and cooling sector and cogeneration sector in Europe
Elettricità futura	The main association of the Italian electricity industry that represents and protects companies, both small and large, operating in the electricity sector in Italy and has over 700 operators with plants throughout the country
ESG governance LAB	A platform, promoted by ET.Group, highly specialised in ESG that brings together national and multinational companies committed to sustainable transition together with specialised advisors and other relevant stakeholders
Italian federation for the rational use of energy (FIRE)	Association active in the energy and environmental sector, in particular for the promotion of good practices for energy efficiency, use of renewables and sustainability, participation in international projects, qualification of energy managers and ESCOs

Association/network	Description
Global Compact Network Italia Foundation	Created with the aim of contributing to the development in Italy of the UN Global Compact, of promoting its 10 principles, together with the United Nations Sustainable Development Goals (SDGs), of delving into sustainability issues, alongside and supporting companies and organisations
Sustainable development foundation	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
Kyoto Club	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
Open-Es	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
Sustainability Makers	Brings together the professionals who are dedicated to the definition and implementation of strategies and sustainability projects in business and other organisations: it works to qualify and promote these professionals with the aim of increasing their competence and authority
UN Global Compact	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 initiative to principles that promote sustainability values and a commitment to contribute to globalisation characterised by sustainability, cooperation and multi-stakeholder partnerships
Utilitalia	Federation that brings together public service companies that operate in the water, environment, electricity and gas sectors, acting as their representative at European and national Institutions. It offers support and refresher and training courses, as well as consultancy on contractual, legislative, operational, tax and legal aspects
Valore D	The first association of companies in Italy (over 390), for more than two million employees and an aggregate turnover of over 500 billion Euro – that has been committed to gender balance and inclusive culture in organisations and our country for sixteen years

In addition, the Group collaborates with institutions, including financially, for specific projects that are attributable to its mission and, in particular, for projects that contribute to the economic, social and environmental sustainability of the local areas. These partnerships, however, are always implemented on the basis of clear documentation of the use of resources (see the chapter Sustainable development of local communities in the section Focused on people).

Within the Iren Group, dedicated Departments manage relations with Associations (Communication and External Relations, Regulatory Affairs); the Directors responsible for these departments report to the Executive Chairperson. In order to ensure the transparency of its activities, Iren Group is registered in the EU transparency register under ID 771031452198-40.

Statement of Sustainability Reporting pursuant to Article 81-*ter*(1) of Consob Regulation No. 11971 of 14 May 1999 as amended and supplemented

The undersigned Moris Ferretti and Selina Xerra in their capacities as Executive Deputy Chairperson of Iren S.p.A. and The Manager in Charge of Certifying the Iren Group's Sustainability Statement respectively attest, pursuant to Article 154-*bis*(5-*ter*), of Legislative Decree No. 58 of 24 February 1998, that the Sustainability Statement included in the Directors' Report has been prepared:

a) in accordance with the reporting standards applied pursuant to Directive 2013/34/EU of the European Parliament and of the Council of 26 June 2013 and Legislative Decree No. 125 of 06 September 2024;

b) with the specifications adopted pursuant to Article 8, paragraph 4 of Regulation (EU) 2020/852 of the European Parliament and of the Council of 18 June 2020.

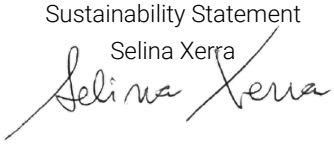
Reggio Emilia, 23 March 2026

Executive Deputy Chairperson of Iren

Moris Ferretti

The Manager in Charge of Certifying the Sustainability Statement

Selina Xerra



Report of the Independent Auditors on the Sustainability Report

KPMG S.p.A.
Revisione e organizzazione contabile
Corso Vittorio Emanuele II, 48
10123 TORINO TO
Telefono +39 011 8395144
Email it-fmauditaly@kpmg.it
PEC kpmgspa@pec.kpmg.it

(This independent auditors' report has been translated into English solely for the convenience of international readers. Accordingly, only the original Italian version is authoritative.)

Independent auditors' limited assurance report on the consolidated sustainability statement pursuant to article 14-bis of Legislative decree no. 39 of 27 January 2010

To the shareholders of
Iren S.p.A.

Conclusion

Pursuant to articles 8 and 18.1 of Legislative decree no. 125 of 6 September 2025 (the "decree"), we have been engaged to perform a limited assurance engagement on the 2025 consolidated sustainability statement of the Iren Group (the "group") prepared in accordance with article 4 of the decree, presented in the specific section of the report on operations (the "consolidated sustainability statement").

Based on the procedures performed, nothing has come to our attention that causes us to believe that:

- the group's 2025 consolidated sustainability statement has not been prepared, in all material respects, in accordance with the reporting standards endorsed by the European Commission pursuant to Directive 2013/34/EU (the European Sustainability Reporting Standards, "ESRS");
- the information presented in the "European Taxonomy" section of the consolidated sustainability statement has not been prepared, in all material respects, in accordance with article 8 of Regulation (EU) 852 of 18 June 2020 (the "taxonomy regulation").

Basis for conclusion

We have performed the limited assurance engagement in accordance with the Standard on Sustainability Assurance Engagements - SSAE (Italia). The procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed. Our responsibilities under that standard are further described in the "*Auditors' responsibilities for the sustainability assurance engagement*" section of our report.

We are independent in accordance with the ethics and independence rules and standards applicable in Italy to sustainability assurance engagements.

KPMG S.p.A.
è una società per azioni
di diritto italiano
e fa parte del network KPMG
di entità indipendenti affiliate a
KPMG International Limited,
società di diritto inglese.

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Lecce Milano Napoli Novara
Padova Palermo Parma Perugia
Pescara Roma Torino Treviso
Trieste Varese Verona

Società per azioni
Capitale sociale
Euro 10.415.500,00 i.v.
Registro Imprese Milano Monza Brianza Lodi
e Codice Fiscale N. 00709600159
R.E.A. Milano N. 512867
Partita IVA 00709600159
VAT number IT00709600159
Sede legale: Via Giovanni Battista Pirelli, 38
20124 Milano MI ITALIA

Our company applies International Standard on Quality Management 1 (ISQM Italia 1) and, accordingly, is required to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

We believe that the evidence we have acquired is sufficient and appropriate to provide a basis for our conclusion.

Responsibilities of the directors and board of statutory auditors ("Collegio Sindacale") of Iren S.p.A (the "parent") for the consolidated sustainability statement

The directors are responsible for designing and implementing the procedures to identify the information included in the consolidated sustainability statement in accordance with the ESRS (the "materiality assessment process") and for the description of these procedures in the "Double materiality assessment" section of the consolidated sustainability statement.

The directors are also responsible for the preparation of a consolidated sustainability statement in accordance with article 4 of the decree, which contains the information identified through the materiality assessment process, including:

- compliance with the ESRS;
- compliance of the information presented in the "European Taxonomy" section with article 8 of the taxonomy regulation.

Moreover, the directors are responsible, within the terms established by the Italian law, for designing, implementing and maintaining such internal controls as they determine is necessary to enable the preparation of a consolidated sustainability statement in accordance with article 4 of the decree that is free from material misstatement, whether due to fraud or error. They are also responsible for selecting and applying appropriate methods to produce disclosures and formulating assumptions and estimates about specific information on sustainability matters that are reasonable in the circumstances.

The *Collegio Sindacale* is responsible for overseeing, within the terms established by the Italian law, compliance with the decree's provisions.

Inherent limitations in preparing the consolidated sustainability statement

For the purpose of disclosing forward-looking information in accordance with the ESRS, the directors are required to prepare such information based on assumptions, described in the consolidated sustainability statement, regarding future events and the group's actions that are not necessarily expected to occur. Actual results are likely to be different from the forecast sustainability information since anticipated events frequently do not occur as expected and the variation could be material.

The disclosures provided by the group about Scope 3 emissions are subject to more inherent limitations than those on Scope 1 and Scope 2 emissions, given the lack of availability and relative precision of information used for determining both qualitative and quantitative value chain Scope 3 emissions information.

Auditors' responsibilities for the sustainability assurance engagement

Our objectives are to plan and perform procedures in order to obtain limited assurance about whether the consolidated sustainability statement is free from material misstatement, whether due to fraud or error, and to issue an assurance report that includes our conclusion. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence decisions of intended users taken on the basis of the consolidated sustainability statement.

As part of a limited assurance engagement in accordance with SSAE (Italia), we exercise professional judgement and maintain professional scepticism throughout the engagement.

Our responsibilities include:

- considering risks to identify disclosures where a material misstatement is likely to occur, whether due to fraud or error;
- designing and performing procedures to address disclosures where a material misstatement is likely to occur. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- directing, supervising and performing the sustainability limited assurance engagement and assuming full responsibility for the conclusion on the consolidated sustainability statement.

Summary of the work performed

A limited assurance engagement involves carrying out procedures to obtain evidence as a basis for our conclusion.

The procedures performed are based on our professional judgement and include inquiries, primarily of the parent's personnel responsible for the preparation of the information presented in the consolidated sustainability statement, documental analyses, recalculations and other evidence gathering procedures, as appropriate.

We have performed the following main procedures:

- we gained an understanding of the group's business model, strategies and operating environment with regard to sustainability matters;
- we gained an understanding of the process adopted by the group to identify and assess material sustainability-related impacts, risks and opportunities (IROs), based on the double materiality principle. Moreover, on the basis of the information acquired, we evaluated any emerging inconsistencies that may indicate the presence of sustainability matters not addressed by the group in its materiality assessment process; Specifically, mostly through inquiries, observations and inspections, we gained an understanding of how the group:
  - considered the interests and opinions of the stakeholders involved;
  - identified its sustainability-related IROs, assessing their consistency with our knowledge of the group and its sector;
  - defined and assessed material IROs by analysing the qualitative and quantitative materiality thresholds it determined, assessing their consistency with the outcomes of the ERM process;
- we gained an understanding of the processes underlying the generation, recording and management of the qualitative and quantitative information disclosed in the consolidated sustainability statement, including of the reporting boundary, through interviews and discussions with the group's personnel and selected procedures on documentation;
- we identified the disclosures associated with a risk of material misstatement, whether due to fraud or error. Based on our risk assessment procedures, we identified the most significant risks of material misstatement in relation to the following sustainability matters: climate change, water and marine resources, resource use and circular economy;

- we designed and performed procedures, based on our professional judgement, to respond to identified risks of material misstatement, including:
  - for information gathered at group level:
    - with reference to qualitative information and, in particular, the sustainability-related policies, actions and objectives, we held inquiries and performed limited procedures;
    - with reference to quantitative information, we carried out analytical procedures, inspections, observations and recalculations on a sample basis;
  - for information gathered at site level, we visited the thermoelectric cogeneration plant in Moncalieri (Turin), the organic waste anaerobic digestion plant in Gavassa (Reggio Emilia) and the thermoelectric plant in Turbigo (Milano), which we selected on the basis of their business and contribution to the metrics of the consolidated sustainability statement. During these visits, we interviewed group personnel and obtained documentary evidence supporting the calculation of the metrics;
- we gained an understanding of the process adopted by the group to determine taxonomy-eligible economic activities and whether they were aligned under the taxonomy regulation and checked the related disclosures presented in the consolidated sustainability statement;
- we checked the consistency of the disclosures contained in the consolidated sustainability statement with those included in the group's consolidated financial statements pursuant to the applicable financial reporting framework, the underlying accounting records or management accounts;
- we checked the compliance of the structure and presentation of disclosures included in the consolidated sustainability statement with the ESRS;
- we obtained the representation letter.

Turin, 21 April 2026

KPMG S.p.A.

(signed on the original)

Fabio Monti
Director of Audit

Proposal for approval and allocation of the profit for the year ended 31 December 2025 and dividend distribution

Dear Shareholders,

The Iren S.p.A. Annual Financial Statements at 31 December 2025 show a profit of 218,475,126.39 euro.

We invite you to approve the proposed allocation of the profit for the year, 218,475,126.39 euro, as follows:

- 10,923,756.32 euro, 5% of the profit for the year, to the legal reserve;
- a maximum of 180,309,088.85 euro as dividend to Shareholders, corresponding to 0.1386 euro for each of the maximum no. of 1,300,931,377 ordinary shares constituting the Parent's share capital, noting that treasury shares, if any, will not benefit from the dividend; the dividend will be paid starting from 24 June 2026, validity date for registration for the dividend 22 June 2026, and record date 23 June 2026;
- to a specific retained earnings reserve, the remaining amount of at least 27,242,281.22 euro.

Reggio Emilia, 23 March 2026

On behalf of the Board of Directors
Chairperson
Luca Dal Fabbro

(signed on the original)

Consolidated Financial Statements

3

Statement of Financial Position

thousands of euro

	Notes	31/12/2025	of which related parties	31/12/2024	of which related parties
ASSETS					
Property, plant and equipment	(1)	4,613,575		4,516,355	
Investment property	(2)	2,885		1,974	
Intangible assets with a finite useful life	(3)	3,715,489		3,357,523	
Goodwill	(4)	272,464		247,273	
Equity-accounted investments	(5)	204,951		282,462	
Other equity investments	(6)	9,395		8,723	
Non-current contract assets	(7)	353,313		300,238	
Non-current trade receivables	(8)	34,430	29,125	33,840	28,876
Non-current financial assets	(9)	148,395	36,610	124,756	37,998
Other non-current assets	(10)	107,003	1,086	131,668	1,081
Deferred tax assets	(11)	386,352		389,533	
Total non-current assets		**9,848,252**	**66,821**	**9,394,345**	**67,955**
Inventories	(12)	68,215		84,033	
Current contract assets	(13)	40,719		69,291	
Trade receivables	(14)	1,363,596	101,379	1,442,454	147,689
Current tax assets	(15)	8,045		14,474	
Sundry assets and other current assets	(16)	429,612	150	298,717	155
Current financial assets	(17)	59,513	9,292	580,646	6,682
Cash and cash equivalents	(18)	205,765		326,568	
Assets held for sale	(19)	103,746		790	
Total current assets		**2,279,211**	**110,821**	**2,816,973**	**154,526**
TOTAL ASSETS		**12,127,463**	**177,642**	**12,211,318**	**222,481**

thousands of euro

	Notes	31/12/2025	of which related parties	31/12/2024	of which related parties
EQUITY					
Equity attributable to the owners of the parent					
Share capital		1,300,931		1,300,931	
Reserves and Retained Earnings		1,857,573		1,306,622	
Profit for the year		300,546		268,471	
Total equity attributable to the owners of the parent		3,459,050		2,876,024	
Equity attributable to non-controlling interests		251,517		467,673	
TOTAL EQUITY	(20)	3,710,567		3,343,697	
LIABILITIES					
Non-current financial liabilities	(21)	4,490,987		4,460,916	
Employee benefits	(22)	80,467		81,495	
Provisions for risks and charges	(23)	338,120		276,258	
Deferred tax liabilities	(24)	93,104		116,857	
Sundry liabilities and other non-current liabilities	(25)	872,210	125	751,559	1
Total non-current liabilities		5,874,888	125	5,687,085	1
Current financial liabilities	(26)	126,382	5,207	656,530	7,060
Trade payables	(27)	1,655,446	32,757	1,787,198	42,841
Current contract liabilities	(28)	28,541		88,983	
Sundry liabilities and other current liabilities	(29)	364,770	251	353,693	107
Current tax liabilities	(30)	18,025		12,743	
Provisions for risks and charges - current portion	(31)	330,495		281,389	
Liabilities associated with assets held for sale	(32)	18,349		-	
Total current liabilities		2,542,008	38,215	3,180,536	50,008
TOTAL LIABILITIES		8,416,896	38,340	8,867,621	50,009
TOTAL EQUITY AND LIABILITIES		12,127,463	38,340	12,211,318	50,009

Income statement

thousands of euro

	Notes	FY 2025	of which related parties	FY 2024	of which related parties
Revenue					
Revenue from goods and services	(33)	6,333,392	395,455	5,903,454	452,150
Other income	(34)	240,665	15,019	139,671	11,758
Total revenue		**6,574,057**	**410,474**	**6,043,125**	**463,908**
Operating expenses					
Raw materials, consumables, supplies and goods	(35)	(2,380,325)	(1,774)	(2,224,054)	(1,875)
Services and use of third-party assets	(36)	(2,115,665)	(43,798)	(1,860,883)	(34,742)
Other operating expenses	(37)	(117,117)	(12,107)	(102,657)	(11,238)
Capitalised costs for internal work	(38)	60,537		60,193	
Personnel expense	(39)	(668,532)		(641,605)	
Total operating expenses		**(5,221,102)**	**(57,679)**	**(4,769,006)**	**(47,855)**
GROSS OPERATING PROFIT		**1,352,955**		**1,274,119**	
Depreciation, amortisation, provisions and impairment losses					
Amortisation and Depreciation	(40)	(716,266)		(655,475)	
Impairment losses on loans and receivables	(41)	(86,231)		(74,482)	
Other provisions and impairment losses	(41)	(20,486)		(24,462)	
Total depreciation, amortisation, provisions and impairment losses		**(822,983)**		**(754,419)**	
OPERATING PROFIT		**529,972**		**519,700**	
Financial management	(42)				
Financial income		38,336	948	45,701	611
Financial expense		(146,138)	(4)	(136,333)	(213)
Net financial expense		**(107,802)**	**944**	**(90,632)**	**398**
Gains (losses) on equity-accounted investments	(43)	2,359		(1,260)	
Share of profit or loss of equity-accounted investees, net of tax effects	(44)	13,895		7,471	
Pre-tax profit		**438,424**		**435,279**	
Income taxes	(45)	(122,164)		(131,697)	
Profit from continuing operations		**316,260**		**303,582**	
Profit (loss) from discontinued operations	(46)	-		-	
Profit for the year		**316,260**		**303,582**	
attributable to:				-	
- Profit for the year attributable to the owners of the parent		300,546		268,471	
- Profit for the year attributable to non-controlling interests	(47)	15,714		35,111	
Earnings per share	(48)			-	
- basis (euro)		0.23		0.21	
- diluted (euro)		0.23		0.21	

Statement of Comprehensive Income

thousands of euro

		FY 2025	FY 2024
Profit/(loss) for the year - owners of the parent and non-controlling interests (A)		**316,260**	**303,582**
Other comprehensive income that will be subsequently reclassified to profit or loss			-
- effective portion of fair value gains/(losses) on cash flow hedges		48,450	(60,167)
- fair value gains/(losses) on financial assets		-	-
- share of other gains/(losses) of equity-accounted investees		(192)	(804)
- change in translation reserve		(4,797)	922
Tax effect of other comprehensive income		(13,001)	15,311
Other comprehensive income (expense) that will be subsequently reclassified to profit or loss net of tax effect (B1)	**(49)**	**30,460**	**(44,738)**
Other comprehensive income that will not be subsequently reclassified to profit or loss			
- actuarial gains/(losses) on employee defined benefit plans (IAS19)		1,767	(159)
- share of other actuarial gains/(losses) of equity-accounted investees related to employee defined benefit plans (IAS 19)		147	(161)
Tax effect of other comprehensive income		(191)	(25)
Other comprehensive income (expense) that will not be subsequently reclassified to profit or loss net of tax effect (B2)	**(49)**	**1,723**	**(345)**
Comprehensive income (A)+(B1)+(B2)		**348,443**	**258,499**
attributable to:			
- Profit for the year attributable to the owners of the parent		333,311	224,121
- Profit for the year attributable to non-controlling interests		15,132	34,378

Statement of changes in equity

	Share capital	Share premium reserve	Legal reserve	Hedging reserve	Equity instruments reserve	Other reserves and retained earnings
31/12/2023 Restated	1,300,931	133,019	111,093	12,758	-	993,655
Owner transactions						
Dividends to shareholders						
Retained earnings			8,614			93,709
Repurchase of treasury shares						-
Changes in consolidation scope						-
Change in equity interests						(594)
Other changes						(1,153)
Total owner transactions	-	-	**8,614**	-	-	**91,962**
Comprehensive income for the year						
Profit for the year						
Other comprehensive expense				(45,059)		580
Total comprehensive income for the year	-	-	-	**(45,059)**	-	**580**
31/12/2024	1,300,931	133,019	119,707	(32,301)	-	1,086,197

	Share capital	Share premium reserve	Legal reserve	Hedging reserve	Equity instruments reserve	Other reserves and retained earnings
31/12/2024	1,300,931	133,019	119,707	(32,301)	-	1,086,197
Owner transactions						
Dividends to shareholders						
Retained earnings			10,625			93,227
Repurchase of treasury shares						-
Perpetual hybrid bonds					495,282	
Hybrid perpetual bond coupons						(4,218)
Changes in consolidation scope						
Change in equity interests						(76,252)
Other changes						(475)
Total owner transactions	-	-	**10,625**	-	**495,282**	**12,282**
Comprehensive income for the year						
Profit for the year						
Other comprehensive income				35,998		(3,236)
Total comprehensive income for the year	-	-	-	**35,998**	-	**(3,236)**
31/12/2025	1,300,931	133,019	130,332	3,697	495,282	1,095,243

thousands of euro

	Total reserves and Retained earnings	Profit for the year	Total equity attributable to the owners of the parent	Equity attributable to non-controlling interests	Total equity
31/12/2023 Restated	1,250,525	254,752	2,806,208	438,086	3,244,294
Owner transactions					
Dividends to shareholders	-	(152,429)	(152,429)	(26,255)	(178,684)
Retained earnings	102,323	(102,323)	-		-
Repurchase of treasury shares	-		-		-
Changes in consolidation scope	-		-	32,612	32,612
Change in equity interests	(594)		(594)	(16,065)	(16,659)
Other changes	(1,153)		(1,153)	4,788	3,635
Total owner transactions	100,576	(254,752)	(154,176)	(4,920)	(159,096)
Comprehensive income for the year					
Profit for the year		268,471	268,471	35,111	303,582
Other comprehensive expense	(44,479)		(44,479)	(604)	(45,083)
Total comprehensive income for the year	(44,479)	268,471	223,992	34,507	258,499
31/12/2024	1,306,622	268,471	2,876,024	467,673	3,343,697

thousands of euro

	Total reserves and Retained earnings	Profit for the year	Total equity attributable to the owners of the parent	Equity attributable to non-controlling interests	Total equity
31/12/2024	1,306,622	268,471	2,876,024	467,673	3,343,697
Owner transactions					
Dividends to shareholders		(164,619)	(164,619)	(12,122)	(176,741)
Retained earnings	103,852	(103,852)	-		-
Repurchase of treasury shares	-		-		-
Perpetual hybrid bonds	495,282		495,282		495,282
Hybrid perpetual bond coupons	(4,218)		(4,218)		(4,218)
Changes in consolidation scope	-		-	72,444	72,444
Change in equity interests	(76,252)		(76,252)	(292,003)	(368,255)
Other changes	(475)		(475)	390	(85)
Total owner transactions	518,189	(268,471)	249,718	(231,291)	18,427
Comprehensive income for the year					
Profit for the year		300,546	300,546	15,714	316,260
Other comprehensive income	32,762		32,762	(579)	32,183
Total comprehensive income for the year	32,762	300,546	333,308	15,135	348,443
31/12/2025	1,857,573	300,546	3,459,050	251,517	3,710,567

Statement of cash flows

thousands of euro

	FY 2025	FY 2024
A. Opening cash and cash equivalents	326,568	436,134
Cash flows from operating activities		
Profit for the year	316,260	303,582
Adjustments:		
Income taxes for the year	122,164	131,697
Share of profit (loss) of associates and joint ventures	(13,895)	(7,471)
Net financial expense (income)	107,802	90,632
Amortisation and depreciation	716,266	655,475
Net impairment losses (reversals of impairment losses) on assets	6,730	13,541
Impairment losses on loans and receivables	86,231	74,482
Net provisions for risks and other charges	255,501	237,226
Capital (gains) losses	4,499	5,389
Payment of employee benefits	(7,741)	(9,876)
Utilisations of provisions for risks and other charges	(224,296)	(298,068)
Change in other non-current assets	48,315	32,813
Change in sundry liabilities and other non-current liabilities	60,569	33,665
Taxes paid	(115,202)	(174,775)
Other changes in equity	88	93
Change in inventories	17,599	(12,610)
Change in contract assets	(22,489)	(107,714)
Change in trade receivables	95,863	(224,289)
Change in current tax assets and other current assets	(99,360)	252,534
Change in trade payables	(211,536)	126,162
Change in contract liabilities	(60,442)	9,341
Change in current tax liabilities and other current liabilities	(42,492)	7,529
Change in market exposure for commodity derivatives	37,430	(56,183)
B. Net cash and cash equivalents generated by operating activities	1,077,864	1,083,175
Cash flows from/(used in) investing activities		
Investments in property, plant and equipment and intangible assets	(925,414)	(830,217)
Investments in financial assets	(1,552)	(87,911)
Investment realisation	4,286	7,044
Acquisition of subsidiaries net of cash acquired	20,456	8,089
Sale of subsidiaries and business units net of cash sold	10,981	(85)
Dividends collected	3,958	2,039
C. Net cash and cash equivalents used in investing activities	(887,285)	(901,041)
Cash flows from/(used in) financing activities		
Repurchase of treasury shares	-	-
Dividends paid	(178,215)	(189,779)
Issuance of hybrid bonds	493,792	-
Coupons paid to holders of hybrid bonds	(5,550)	-
Purchase of interests in consolidated companies	(169,739)	-
Non-controlling investors' payments into consolidated companies	-	3,353
New non-current loans	270,000	1,000,000
Repayment of non-current loans	(1,079,741)	(623,249)
Repayment of lease liabilities	(31,650)	(17,852)
Change in other financial liabilities	(13,604)	(35,533)
Change in loan assets	501,725	(325,881)
Interest paid	(131,814)	(125,314)
Interest received	33,414	22,555
D. Net cash and cash equivalents used in financing activities	(311,382)	(291,700)
E. Cash flow for the year (B+C+D)	(120,803)	(109,566)
F. Closing cash and cash equivalents (A+E)	205,765	326,568

Notes

Foreword

Iren S.p.A. is an Italian multi-utility company, listed on the Italian Stock Exchange (Borsa Italiana) and established on 1 July 2010 through the merger of IRIDE and ENÌA. The Company's registered office is in Italy, in Reggio Emilia, Via Nubi di Magellano 30. There were no changes in the company name during 2025.

The Group is structured according to a model which provides for an industrial holding company and four companies responsible for the single business lines operating in the main operating bases in Alba, Genoa, La Spezia, Parma, Piacenza, Reggio Emilia, Turin and Vercelli.

The operating segments in which the Group operates are:
- Networks (Electricity distribution networks, Gas distribution networks, Integrated Water Service)
- Waste Management (Waste collection and disposal)
- Energy (Hydroelectric Production and production from other renewable sources, Combined Heat and Power, District Heating Networks, Thermoelectric Production, Public Street Lighting, Global services, Energy efficiency services)
- Market (Sale of electricity, gas, heat)
- Other services (Laboratories, Telecommunications and other minor services).

Paragraph XIII, Segment reporting, includes the information required by IFRS 8.

The company's consolidated financial statements as at and for the year ended 31 December 2025 include the financial statements of the Parent and of its subsidiaries, (collectively referred to as the "Group" and, individually, as "Group companies") and the Group's equity interest in jointly-controlled companies and in associates, measured using the equity method.

I. Basis of presentation

The Consolidated Financial Statements of Iren Group at 31 December 2025 have been prepared in accordance with the International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board and endorsed by the European Union, as well as the measures issued in implementation of Article 9 of Legislative Decree No. 38/2005. The IFRS refer to all the revised international accounting standards (IAS/IFRS), all the interpretations of the International Financial Reporting Interpretations Committee (IFRIC), previously referred to as the Standing Interpretations Committee (SIC).

In preparing these consolidated financial statements, the same accounting standards adopted in preparing the financial statements of the previous year were applied, with the exception of as reported in the paragraph "Accounting standards, amendments and interpretations applied from 1 January 2025".

The consolidated financial statements for assets and liabilities are drawn up on the basis of the historical cost principle, with the exception of certain financial instruments measured at fair value and potential fees deriving from a business combination (i.e. put options to non-controlling investors) for the assets held for sale, which are measured at fair value, as well as on the going concern assumption. The Group did not detect any particular risks connected with its business and/or any uncertainties that might cast doubt on its ability to continue as a going concern.

These consolidated financial statements are stated in euro, the parent's functional currency. All amounts expressed in euro are rounded to the nearest thousand in these consolidated financial statements. Due to rounding, there could be cases in which the detailed tables contained in this document show a difference of around one thousand euro. It is believed that these cases do not alter the reliability and informative value of these consolidated financial statements.

Financial statement formats

The financial statement formats adopted by Iren Group in preparing these consolidated financial statements are the same as those applied in preparing the consolidated financial statements at 31 December 2024.
In line with what was previously published, in the statement of financial position, assets and liabilities are classified as "current/non-current". Assets and liabilities classified as discontinued or held for sale are shown separately. Current assets, which include cash and cash equivalents, are those that will be realised, transferred or consumed during the Group's ordinary operating cycle or during the twelve months following year end. Current liabilities are those for which settlement is envisaged during the Group's ordinary operating cycle or during the twelve months following year end.
The Income Statement is classified on the basis of the nature of the costs. In addition to the Operating Profit, the Income Statement also shows the interim total of Gross Operating Profit obtained by deducting total operating expenses from total revenue.

The indirect method is used in the Statement of Cash Flows. The cash configuration analysed in the Statement of Cash Flows includes cash on hand and cash in current accounts.

Publication of the Consolidated Financial Statements

The Consolidated Financial Statements were approved for publication by Iren S.p.A.'s Board of Directors at its meeting of 23 March 2026. The Board of Directors authorised the Chair, and the Chief Executive Officer to make such changes to the consolidated financial statements as necessary or adequate to improve them until the date of approval by the Shareholders. The Shareholders' Meeting to be called to approve the separate financial statements of the Parent has the right to request amendments to the aforementioned consolidated financial statements.

Use of estimates and assumptions by management

Estimates

Preparation of the Consolidated Financial Statements entails making estimates, opinions and assumptions that have an effect on the amounts of revenue, costs, assets and liabilities, including contingent liabilities, and on the information provided. These estimates and assumptions are based on past experience and other factors considered reasonable in the case in question, particularly when the value of assets and liabilities is not readily apparent from comparable sources.
Estimates and assumptions were used in applying the accounting standards, in particular to measure the following items of the financial statements:

- revenue from contracts with customers: revenue from the sale of electricity, gas and heat to end customers is recognised at the time the electricity or gas is supplied and includes, in addition to the amounts invoiced on the basis of periodic readings (and pertaining to the financial year) or on the basis of the volumes communicated by distributors and transporters, an estimate of the electricity and gas supplied during the financial year but not yet invoiced, as the difference between the electricity and gas injected into the distribution network and those invoiced during the financial year, calculated taking account of any network losses. Revenue between the date of the last reading and the end of the year is based on estimates of the customer's daily consumption, primarily based on the customer's historical profile, adjusted to reflect weather conditions or other factors that may affect the estimated consumption. As regards payments from the Capacity Market framework, the Group recognises as revenue for the year amounts that are highly likely not to be returned in the future. This probability is based on the progress of the measures that the Group is required to complete by 15 December 2028.
- impairment of non-financial assets: assets such as property, plant and equipment, investment property, intangible assets, right-of-use assets, goodwill and equity investments in associates/joint ventures are impaired when their carrying amount exceeds their recoverable amount, represented by the higher of fair value, net of costs to sell, and value in use. The recoverable amount is sensitive to the estimates and assumptions used to determine the amount of cash flows and the discount rates applied. However, possible variations in the basic assumptions on which these calculations are based could produce different recoverable amounts. Information on the main assumptions used to estimate the recoverable amount of assets with reference to impacts related to climate change as well as information on changes in these assumptions is provided in Note 4 "Goodwill".
- Expected losses on financial assets: at the end of each reporting date, the Group recognises a loss allowance for trade receivables and other financial assets measured at amortised cost, debt instruments measured at fair value through other comprehensive income, contract assets and all other assets within the scope of impairment. Loss allowances for financial assets are based on assumptions regarding the risk of default and the measurement of expected losses. In making these assumptions and selecting the inputs to calculate the expected credit loss, management uses its professional judgement, based on the Group's past experience, current market conditions, as well as forward-looking estimates at the end of each reporting period.
- Determining the useful life of non-financial assets. In determining the useful life of property, plant and equipment and intangible assets with a finite useful life, the Group considers not only the future economic benefits - contained in the assets - enjoyed through their use, but also many other factors, such as physical deterioration, obsolescence of the product or service provided by the asset (e.g. technical, technological or commercial), legal restrictions or other similar constraints (e.g. safety, environmental, etc.) on the use of the asset, if the useful life of the asset depends on the useful life of other assets. For further details on this aspect, see Note 1 "Property, plant and equipment".
- the useful life of transferable assets related to hydroelectric concessions. Said assets are depreciated according to the expiry term of the related concession decrees. Decree-Law No. 135 of 14 December 2018 (Urgent provisions on support and simplification for businesses and public administration - "Decree-Law Semplificazioni") converted, with amendments, by Law No. 12 of 11 February 2019, regulates the new regime of remuneration of the so-called "Wet Works" concerning concessions for large-scale diversions of water for hydroelectric power plants; the new regulations establish that "Wet Works" are to be transferred without compensation to the Regions. If the Operator has made new investments during the useful life and provided that these investments have been authorised or permitted by the competent Public Administration, the Operator will have the right to a remuneration limited to the non-depreciated value. As regards the so-called "dry works" (property, plant and equipment included in the business unit of the outgoing operator and not included under the "wet works" category, the so-called non-transferable assets), the new law did not introduce changes and, therefore, the outgoing operator has the right to a consideration determined on the basis of the value of reconstruction as new, less normal wear. Consequently, for purposes of legal consistency, the depreciation schedule of the Wet works

concerning the expired concessions was redetermined, considering the possible reassignment dates thereof, which, on the basis of the previous law, was interrupted starting from the 2012 financial statements.
While acknowledging that the new regulations introduce significant changes regarding the transfer of ownership of the business unit required for the operation of the hydroelectric concession, the difficulties associated with the practical application of the aforementioned principles are evident owing to their uncertainties, which do not allow a reliable estimate to be formulated of the amount that can be recovered at the end of the existing concession (residual value).
Accordingly, management has decided that it is not able to arrive at a reasonable and reliable estimate of residual value. Given that the law in question nevertheless requires the incoming concessionaire to award a consideration to the outgoing concessionaire, management reconsidered the depreciation schedules of assets to be relinquished free of charge prior to Law 134/2012 (until the year ended on 31 December 2011, as the assets were to be relinquished free of charge, the depreciation schedule corresponded to the closest period between that of the concession or the useful life of the individual asset), no longer as proportional to the duration of the concession but, if longer, to the useful life of the individual asset: for this reason, in 2021, the management started a valuation process aimed at assessing the plants held by the Group in order to identify their residual life, which concerned the plants of San Mauro and Valle Orco. This path was continued in the years 2022 and 2023 with regard to the other hydroelectric plants, and the carrying amounts of the assets involved were changed prospectively.

- the determination of the fair value of derivative instruments and certain financial assets. The fair value of financial instruments is determined on the basis of prices directly observable on the market, where available, or, for unlisted financial instruments, using specific valuation techniques (mainly based on present value) that maximise the use of inputs observable on the market. In the rare circumstances where this is not possible, the inputs are estimated by management taking into account the characteristics of the instruments being valued. For further details on financial instruments measured at fair value, please refer to chapter VI Group Financial Risk Management. Changes in the assumptions made in estimating input data could affect the fair value recognised for these instruments, especially in the current context in which markets are volatile and the economic outlook highly uncertain and subject to rapid changes. When valuations are subject to significant measurement uncertainty due to the current environment and there is a wide range of possible fair value estimates, the Group is required to apply judgement in determining the point within that range that is most representative of fair value under the circumstances.
- Hedge accounting. Hedge accounting is applied to derivatives in order to reflect the effects of risk management strategies in the financial statements. To this end, the Group documents at the inception of the transaction, the relationship between the hedging instrument and the hedged item, as well as the risk management objectives and strategy. In addition, the Group assesses, both at the inception of the relationship and on a systematic basis, whether hedging instruments are highly effective in offsetting changes in the fair value or cash flows of hedged items. Based on the opinion of the Directors, the assessment of effectiveness based on the existence of an economic relationship between hedging instruments and hedged items, the dominance of credit risk in changes in value and the hedge ratio, as well as the measurement of ineffectiveness, are evaluated by means of a qualitative assessment or a quantitative calculation, depending on the specific facts and circumstances and the characteristics of the hedging instruments and hedged items. With respect to cash flow hedges of future transactions, management assesses and documents that they are highly probable and present an exposure to changes in cash flows that impacts profit or loss. For more details about the key assumptions on assessing effectiveness and measuring ineffectiveness, please refer to Section VI Group Financial Risk Management.
- The determination of the amount of provisions for future risks and charges. The Group is a party to various civil, administrative and tax proceedings connected with the normal course of its business, which could give rise to liabilities of a significant amount, for which it is not always objectively possible to predict the final outcome. The assessment of the risks connected with the above proceedings is based on complex elements that by their nature entail recourse to the judgement of the Directors, also taking account of elements acquired from external consultants assisting the Group, with reference to their classification among contingent liabilities or among liabilities. Provisions have been established to cover all significant liabilities for cases where attorneys have noted the likelihood of an adverse outcome and a reasonable estimate of the amount of the expense. The Group determines whether to consider each uncertain tax treatment separately or jointly with one or more uncertain tax treatments, as well as whether to report the effect of uncertainty using the most probable amount method or the expected value method, choosing the one that, according to its projections, best provides for the resolution of the uncertainty, taking into account tax regulations. The Group makes significant use of professional judgement in identifying uncertainties about income tax treatments and reviews opinions and estimates made when there is a change in facts and circumstances that could change the conclusion about the acceptability of a particular tax treatment or the estimated effects of the uncertainty, or both. Refer to Note 45 Income Taxes for further details regarding income taxes.
- Onerous Contracts. In order to identify an onerous contract, the Group estimates the non-discretionary costs required to perform the obligations assumed (including any penalties) under the contract and the economic benefits expected to be obtained from the same contract.
- Evaluation of the existence of significant influence over an associate. Associates are companies in which the Group exercises significant influence, i.e., the power to participate in determining decisions about the financial and operating policies of the investee without exercising control or joint control over those policies. As a general rule, the Group is presumed to have significant influence when it holds an interest of at least 20%. In order to determine the existence of significant influence, management's judgement is required to evaluate all facts and circumstances. The Group reviews the existence of significant influence when facts and circumstances indicate that there has been a change in one or more of the elements considered for the test of the existence of significant influence. For further details of the Group's equity investments in associates, reference should be made to Note 5 "Equity-accounted investments".
- Application of IFRIC 12 "Service Concession Arrangements" to concessions. IFRIC 12 applies to "public-to-private" service concession arrangements, which can be defined as contracts that oblige a concessionaire to provide public services, i.e.,

to provide access to key economic and social services, for a specified period of time on behalf of the public authority (i.e. the grantor). In these contracts, the grantor transfers to the concessionaire the right to operate the infrastructure used to provide these public services.

The estimates and assumptions are regularly revised. Any changes deriving from the revision of accounting estimates are recognised in the period in which they are revised, if the revision refers only to the period under evaluation. Should the revision involve both current and future periods, the variation is recognised in both the year in which the revision occurs and in the related future periods.
The criticality inherent in these valuations refers to the use of assumptions and judgements relating to issues that are by their very nature uncertain, and is amplified by the peculiarity and variety of the businesses in which the Group operates. In addition, any changes in the conditions underlying the assumptions and judgements could have a significant impact on the results of subsequent years.

II. Basis of consolidation

The consolidation scope includes subsidiaries, joint ventures and associates.

Subsidiaries
Entities controlled by the Group are considered subsidiaries, as defined by IFRS 10 – *Consolidated Financial Statements*. Control exists when the Parent has all of the following:

- power over the investee, i.e. the current ability to direct the relevant activities of the investee that significantly affect the investee's returns;
- exposure, or rights, to variable returns from its involvement with the investee;
- the ability to use its power over the investee to affect the amount of the investor's returns.

The financial statements of subsidiaries are included in the consolidated financial statements beginning on the date when control is acquired until the time when control ceases.
Equity and the profit/loss attributable to non-controlling interests are identified separately in the consolidated statement of financial position and income statement.
Subsidiaries are consolidated on a line-by-line basis, where intra-group balances, transactions, unrealised income and expenses are eliminated in full.
Furthermore: a) all changes in the equity interest that do not constitute a loss of control are treated as equity transactions and, therefore, have a balancing entry in equity; b) when a parent transfers control to an investee, but retains an interest in the company, it measures the retained equity investment at fair value and recognises any gains or losses deriving from loss of control in profit or loss.

Joint ventures
These are companies over which the Group has joint control, in virtue of contractual agreements. Joint control, as defined by IFRS 11 – *Joint Arrangements, is the "contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require the unanimous consent of the parties sharing control"*.
With reference to entities jointly owned by mixed public and private companies, given the objective possibility for the public shareholder to influence the company not only by means of governance agreements, but also because of its nature as public entity, the existence of joint control is ascertained on the basis of contractual agreements, assessing the actual possibility for the private partner to jointly control strategic decisions regarding the joint venture.
Joint arrangements are divided into 2 types:

- a Joint Venture (JV) is an arrangement whereby the parties have rights to the net assets of the arrangement. Joint Ventures are measured using the equity method;
- a Joint Operation (JO) is an arrangement whereby the parties are not limited exclusively to participating in the company's profit or loss, but have rights to its assets and obligations for its liabilities. In this case the assets/revenue on which the joint operator exercises such rights and the liabilities/costs of which the joint operator assumes the obligations are fully consolidated.

Associates (accounted for using the equity method)
An associate is a company over which the Group has significant influence, but not control or joint control over its financial and operating policies. The consolidated financial statements include the Group's share of the associates' profit or loss recognised using the equity method from the date that significant influence commences until the date that significant influence ceases.
Equity investments measured at equity are accounted for an amount equal to the corresponding portion of equity resulting from the latest available financial statements, adjusted to take into account the differences between the price paid and equity at the date of purchase and for any intra-group transactions, if significant.
The investor's share of profit or loss arising from application of the equity method is recognised as a "Share of profit or loss of equity-accounted associates and joint ventures", while the share of other comprehensive income is recognised in the statement of comprehensive income.

The difference between the purchase cost and the present value, attributable to the owners of the Parent, of the identifiable current and contingent assets and liabilities of the associate or joint venture at the acquisition date, is recognised as goodwill, included in the carrying amount of the investment, and tested for impairment using the same procedures described in the section above.
The risk deriving from losses which exceed the investor's share of equity is provided for in provisions for risks to the extent that the company has a legal or constructive obligation with the investee or is committed to covering its losses.

Dividends on equity investments are recognised when the right to receive payment is established. This usually coincides with the resolution passed by the Shareholders' Meeting.

Business combinations
The Group accounts for business combinations by applying the acquisition method when the group of assets and property acquired meets the definition of a business and the Group obtains control. In determining whether a particular group of activities and assets constitutes a business, the Group assesses whether that group includes, at a minimum, a substantial input and process and whether it has the capacity to create output.
The Group has the option to carry out a 'concentration test', which enables it to ascertain through a simplified procedure that the acquired group of activities and assets is not a business. The optional concentration test is positive if almost all of the fair value of the gross assets acquired is concentrated in a single identifiable asset or a group of identifiable assets with similar characteristics.
The consideration transferred and the net identifiable assets acquired are usually recognised at fair value. The carrying amount of any goodwill that arises is tested annually for impairment. Any gain from a bargain purchase is recognised immediately in the Income Statement under gains or losses on equity Investments, while costs related to the combination, other than those related to the issuance of debt or equity instruments, are recognised as an expense in profit/(loss) for the year when incurred.

The consideration transferred does not include amounts related to the settlement of pre-existing relationships. Normally, these amounts are recognised in profit/(loss) for the year.

The contingent consideration is booked at fair value on the acquisition date. If an obligation to pay contingent consideration that meets the definition of a financial instrument is classified as equity, then it is not remeasured and settlement is accounted for within equity. Otherwise, other contingent consideration is remeasured at fair value at each reporting date and subsequent changes in the fair value of the contingent consideration are recognised in profit or loss.

If share-based payment awards (replacement awards) are required to be exchanged for awards held by the acquiree's employees (acquiree's awards), then all or a portion of the amount of the acquirer's replacement awards is included in measuring the consideration transferred in the business combination. This determination is based on the market-based measure of the replacement awards compared with the market-based measure of the acquiree's awards and the extent to which the replacement awards relate to pre-combination service.

Loss of control
When the Group loses control over a subsidiary, it derecognises the assets and liabilities of the subsidiary, and any related non-controlling interests and other components of equity related to the subsidiary. Any profit or loss deriving from the loss of control is recognised in profit/(loss) for the year. Any interest retained in the former subsidiary is measured at fair value when control has been lost.

Transactions eliminated on consolidation
Intra-group balances and significant transactions and any unrealised gains and losses arising from intra-group transactions are all eliminated in preparing the consolidated financial statements. Unrealised gains and losses arising from transactions with jointly controlled entities are eliminated to the extent of the Group's interest in the entity. The related tax effect is calculated for all consolidation adjustments.

III. Consolidation scope

The consolidation scope includes companies directly or indirectly controlled by the Parent, in addition to joint ventures and associates.

Parent:
Iren S.p.A.

Companies consolidated on a line-by-line basis
The four companies responsible for the individual business lines and their direct and indirect subsidiaries, in addition to EGEA Holding, whose subsidiaries operate in the same business sectors as the Group, are fully consolidated.

1) Iren Ambiente and subsidiaries:
   - ACAM Ambiente
   - AMIAT V and subsidiary:
     - AMIAT
   - Bonifiche Servizi Ambientali
   - Bonifica Autocisterne
   - I.Blu
   - Iren Ambiente Parma
   - Iren Ambiente Piacenza
   - Iren Ambiente Toscana and subsidiaries:
     - Centro Servizi Ambiente – Impianti (CSAI) and subsidiary:
       - Agricola Riofi
     - Futura
     - Scarlino Energia
     - SEI Toscana and subsidiary:
       - Ekovision
     - Semia Green
     - Siena Ambiente
     - Valdarno Ambiente and subsidiary:
       - CRCM
   - Manduriambiente
   - ReCos
   - ReMat
   - Rigenera Materiali
   - San Germano
   - Territorio e Risorse
   - TRM
   - Uniproject

2) Iren Energia and subsidiaries:
   - Asti Energia e Calore
   - Dogliani Energia
   - Iren Smart Solutions and subsidiary:
     - Alfa Solutions and subsidiary:
       - Cierre
   - Maira and subsidiary:
     - Formaira
   - Iren Green Generation and subsidiaries:
     - Agrovoltaica
     - Capo dell'Acqua
     - Iren Green Generation Tech
     - Limes 1
     - Limes 2
     - Limes 20
   - Valle Dora Energia

3) Iren Mercato and subsidiaries:
- Alegas
- Atena Trading
- Salerno Energia Vendite

4) IRETI and subsidiaries:
- ACAM Acque
- Acquaenna
- ASM Vercelli
- Consorzio GPO
- Iren Laboratori
- Iren Acqua Piacenza
- Iren Acqua Reggio
- Iren Acqua Tigullio
- IRETI Gas
- Nord Ovest Servizi

5) EGEA Holding and subsidiaries:
- EGEA Ambiente and subsidiaries.
  - Olmo Bruno
  - Sisea
- Ardea
- Edis
- EGEA New Energy
- TLRNet and subsidiaries:
  - Acqui Energia
  - Alessandria Calore
  - Bra Energia
  - Carmagnola Energia
  - Monferrato Energia
  - SEP
  - Telenergia
  - Valbormida Energia
- EGEA Energie
- EGEA Acque and subsidiary:
  - Tecnoedil Lavori
- Reti Metano Territorio

Changes in consolidation scope for 2025 are due to the acquisition of control of EGEA Holding, along with its direct and indirect subsidiaries, Cierre, CSAI and its subsidiary Agricola Riofi. Further details on these transactions are provided in Chapter IV. Business combinations, below.

From the point of view of the change in ownership structures of subsidiaries, it should be noted that the following interests have changed:
- in 20 February 2025, IRETI finalised the acquisition of the remaining 40% investment in Iren Acqua, previously held by F2i SGR. The price paid was a total of 282,500 thousand Euros, of which 100,000 thousand were paid at closing and 182,500 thousand Euros deferred over 4 years and three months with the application of interest at the annual compound rate of 4.5%. The book value of Iren Acqua's net assets in the consolidated financial statements at the acquisition date was equal to 548,015 thousand Euros. A comparison between the consideration transferred, including ancillary charges, amounting to 283,156 thousand Euros and the book value of the minority interests acquired amounting to 219,206 thousand Euros, revealed a difference of 63,950 thousand Euros recorded as a reduction in shareholders' equity attributable to the shareholders of the parent company under item "Other accumulated reserves and gains (losses);
- in December 2025, CSAI was fully consolidated by Iren Group and as a result of this consolidation, the percentages of equity interest within the Group changed with reference to the companies Sei Toscana (from 59.295% to 62.229%), Valdarno Ambiente (from 56.016% to 73.749%), CRCM (from 50.838% to 66.026%), Ekovision (from 59.295% to 62.229%), and Futura (from 91.859% to 92.446%) in which CSAI holds, directly or indirectly, investments;
- in November 2025, the share capital of the subsidiary ReMat was reduced to zero and reconstituted, with a consequent increase in the investment from 94.77% to 100%.

During the year, additional corporate transactions became effective, which, although they did not change the consolidation scope, resulted in a restructuring of the Group's ownership structure. In particular, as of 1 January 2025, the mergers of AMTER and TB into their respective direct parents, IRETI and Valdarno Ambiente, became effective, while as of 1 July 2025, the merger of Iren Acqua into IRETI became effective.
For details of the subsidiaries, joint ventures and associates, please see the lists included in the Annexes.

IV. Business combinations

The business combinations carried out by the Group in 2025 involved the acquisition of control of the companies:

- EGEA Holding and its direct and indirect subsidiaries;
- Cierre;
- Centro Servizi Ambiente – Impianti (CSAI) and subsidiary Agricola Riofi.

Business combinations definitively accounted for

EGEA Holding Group

EGEA Holding S.p.A. is a new company (NewCo) established at the beginning of 2024, into which the operating branches – including their equity investments – of EGEA S.p.A. and EGEA Produzioni e Teleriscaldamento S.r.l. were transferred, as part of the negotiated crisis resolution procedure pursuant to Legislative Decree no. 14/2019 ("Crisis Code") of the same companies. Moreover, within the same negotiated settlement procedure, within the subsidiary Egea Energie S.r.l. - also established at the beginning of 2024 - the operational branch of Egea Commerciale S.r.l. was transferred. The main assets included in the scope of the acquisition concern:

- a portfolio of about 200 thousand between gas and electricity customers;
- the district heating networks located in the municipalities of Alba, Canale, Bra, Cortemilia and Narzole (Province of Cuneo), Alessandria and Acqui Terme in the same province, Piossasco and Carmagnola (Province of Turin), Nizza Monferrato (Asti) and Cairo Montenotte (Savona);
- the public lighting service in some municipalities in the province of Cuneo;
- the waste collection service in approximately 290 municipalities in the regions of Piedmont, Liguria, Tuscany, Lazio and Sardinia (a total of 1.2 million inhabitants served);
- the Integrated Water Service for 300,000 inhabitants in the ATO 4 of Cuneo in particular;
- gas distribution with more than 50 thousand Redelivery Points in Piedmont and Lombardy;
- electricity generation through renewable sources such as photovoltaic plants, biogas and biomethane.

On 1 August 2024, Iren acquired an investment in Egea Holding through a non-separable capital increase of 85,000 thousand euro, reaching a 50% stake in the share capital. The remaining 50% share was, as of that date, held by a single shareholder, MidCo 2024 S.r.l., whose reference shareholder is EGEA S.p.A..

According to the agreements that governed the governance of Egea Holding (articles of association and investment agreement, entered into between EGEA S.p.A. and Iren S.p.A. subject to homologation by the court), the investment made by Iren qualified as of 31 December 2024 as a joint venture. In fact, the governance agreements did not give Iren control of Egea Holding, pursuant to IFRS 10. The same investment agreement also provided for two further transactions:

a) a pre-resolved divisible capital increase in the amount of 42,500 thousand euro that Iren could subscribe from 1 January 2025 until 30 June 2025, with the possibility of extension until 31 December 2025;
b) the granting to Iren of a call option exercisable from 31 March 2025 until 31 March 2029 to purchase the share held by the other shareholder in Egea Holding.

Following the receipt of Antitrust and Golden Power clearances, on 10 January 2025, Iren S.p.A. subscribed and paid a capital increase of 10 million euro in EGEA Holding (2,941 euro in share capital and 9,997,059 euro in share premium), increasing its investment from 50% to 52.77%.

Iren subscription of the pre-resolved capital increase resulted in a substantial change in governance rights, as provided for by Egea Holding articles of association and the investment agreement signed with the other shareholder MidCo 2024. In particular, Iren:

– owns the majority of voting rights exercisable at the shareholders' meeting (52.77% of voting rights for Iren, 47.23% of voting rights for the other shareholder);
– appoints the majority of the members of the board of directors (4 directors appointed by Iren, 3 directors appointed by the other shareholder), including the CEO and the Chair, who is vested with the power over Egea Holding significant decisions;
– has unilateral power to distribute dividends.

The residual veto rights assigned to MidCo 2024 partly qualify as protective rights and partly as non-substantive.

On the basis of what has been described above, as of January 2025, Iren controls the Egea Holding Group because it holds valid rights that give it the current ability to direct its relevant activities, it is exposed to the variable returns arising from its relationship with EGEA Holding and it has the ability to exercise its power to affect the amount of its returns.

Furthermore, with regard to the same transaction, on 31 March 2025, Iren S.p.A. notified the other shareholder, MidCo 2024, of the exercise of its call option for the acquisition of the remaining investment in EGEA Holding (47.23%). The consideration for exercising the option, determined on the basis of the provisions of the investment agreement, is equal to 74.8 million euro. According to the terms of the agreement, the payment of a portion of the price (68.9 million euro) took place at the closing (22 May 2025), while the payment of the remaining portion of 6.7 million euro, including financial expenses, is deferred until 31 March 2029.

In the 12-month period ended 31 December 2025, EGEA Holding and its subsidiaries generated revenue of 373,684 thousand euro and a profit of 14,743 thousand euro.
The following table shows the value of identifiable assets acquired and liabilities assumed.

thousands of euro

	Nominal values	FV Adjustment	Fair value
Property, plant and equipment	68,745	-	68,745
Intangible assets with a finite useful life	217,574	68,239	285,813
Equity-accounted investees	3,382	-	3,382
Other equity investments	5	-	5
Non-current trade receivables	1,250	-	1,250
Non-current financial assets	21,025	-	21,025
Other non-current assets	15,574	-	15,574
Deferred tax assets (liabilities)	34,869	(16,858)	18,011
Inventories	3,251	-	3,251
Current contract assets from	83	-	83
Trade receivables	119,964	-	119,964
Current tax assets	2,381	-	2,381
Sundry assets and other current assets	44,713	-	44,713
Current financial assets	1,352	-	1,352
Cash and cash equivalents	23,112	-	23,112
Non-current financial liabilities	(88,033)	-	(88,033)
Employee benefits	(4,073)	-	(4,073)
Provisions for risks and charges	(20,781)	(11,050)	(31,831)
Sundry liabilities and other non-current liabilities	(77,674)	-	(77,674)
Current financial liabilities	(108,505)	-	(108,505)
Trade payables	(103,085)	-	(103,085)
Sundry liabilities and other current liabilities	(55,877)	-	(55,877)
Current tax liabilities	(3,803)	-	(3,803)
Non-controlling interests held in Group companies	(3,076)	-	(3,076)
Total net identifiable assets	**92,373**	**40,331**	**132,704**

Trade receivables include gross contractual amounts of 154,408 thousand euro, of which 35,359 thousand euro considered non-collectable at the date of acquisition.

The analysis carried out for the purpose of purchase price allocation identified intangible assets related to customer relations for the sale of electricity and gas and district heating concessions that do not fall within the scope of IFRIC 12. In addition, the nominal value of concessions related to district heating falling within the scope of IFRIC 12, the gas distribution service and the integrated water service was adjusted to fair value. Lastly, a provision was recognised for a contingent liability in connection with litigation and tax assets deemed recoverable related to past losses accrued by EGEA Holding Group companies.

The fair value measurement of the customer relationship for the sale of electricity and gas and of the assets relating to district heating was conducted on the basis of the incremental economic flow method (Multi Period Excess Earning method - MEEM), which is based on the principle that a company's entire current income must be allocated to the assets identified when allocating the purchase price. The income attributable to the identified intangible asset can then be derived by difference by deducting the normal remuneration of all other assets (property, plant and equipment and intangible assets) from total income. The fair value of the intangible asset is thus obtained by discounting the expected residual income over the years of the useful life of the asset identified.

Specifically, the relationship with customers for the sale of electricity and gas was valued at 34,887 thousand euro using forecast data for the period 2025-2033 and applying an average churn rate for the last four years that determined a residual life of 6 years for the portion representing 'electricity' customers and 8 years for the portion representing 'gas' customers. The discount rate used was 7.3%.

District heating concessions were valued at 8,142 thousand euro using forecast data over the entire remaining life of the individual concessions and a discount rate of 5.9%.

The value of the assets of the integrated water service infrastructure was increased by 7,762 thousand euro in order to adjust it to the Residual Value (VR) prepared on the basis of an appraisal by an independent external technician, in line with the regulations and tools defined by ARERA. Assets are depreciated on the basis of the regulatory useful life of each category of non-current asset defined using the above method.

The value of the gas distribution infrastructure assets was increased by 17,448 thousand euro in order to adjust it to the Residual Industrial Value (RIR) and the RAB. The VIR is the commercial value of natural gas distribution plants calculated according to the methodology indicated in the MiSE Guidelines. The RAB represents the value of assets for regulatory purposes, calculated on the basis of the rules defined by the Regulatory Authority for Energy Networks and the Environment (ARERA) in order to determine the reference revenue for regulated businesses. Assets are depreciated on the basis of the regulatory useful life of each category of non-current asset defined using the above method.

The analysis performed to allocate the purchase price resulted in the recognition of a provision for risks of 11,050 thousand euro for a contingent liability in connection with a dispute related to the purchase of shares in an associate operating in the waste management sector. At the date of acquisition, the liability was deemed not probable, but as indicated by IFRS 3 Business Combinations, the best estimate was made of the possible expense that the Group might incur as a result of the pending litigation.

Tax assets deemed recoverable related to past losses accrued by EGEA Holding Group companies amount to 2,384 thousand euro. Deferred tax assets (liabilities) in the table above, in addition to the above-mentioned tax *assets*, includes 19,242 thousand Euros of deferred tax liabilities relating to the fair value adjustments described above.

The fair value at the acquisition date of the consideration transferred amounted to 95,000 thousand euro and is detailed in the table below:

	thousands of euro
Cash and cash equivalents	10,000
Carrying amount of interest held before acquisition of control	85,319
Restatement of interests at fair value through profit or loss	(319)
Total fee transferred	**95,000**

For this acquisition, the positive difference between the fair value of the consideration and the fair value of the identifiable assets acquired and liabilities assumed was allocated to goodwill.

	thousands of euro
Consideration transferred	95,000
Fair value of net identifiable assets	132,704
Non-controlling interests in net identifiable assets	(62,676)
Goodwill	**24,972**

The goodwill arising from the acquisition mainly refers to the skills and technical knowledge of the EGEA Holding Group's personnel and the synergies expected to be achieved from the integration of the acquired EGEA Holding Group companies with Iren Group. The goodwill recognised in the financial statements will be deductible for income tax purposes for 16,466 thousand euro as it relates to the acquisition of tax-relevant business units. The remaining 8,506 thousand euro will not be deductible for income tax purposes as it relates to the acquisition of fiscally irrelevant investments.
Goodwill arising from the business combination is allocated to cash-flow-generating units or groups (CGUs) that are expected to benefit from the synergies of the business combination in which the goodwill arose, as shown in the table below, regardless of the CDUs in which the acquiree's other assets or liabilities have been accounted for.

	thousands of euro
Waste management	6,321
Gas distribution	1,265
Power and Heat Generation	2,203
Photovoltaic and Wind Generation	2,385
Market	12,798
Total	**24,972**

The allocation of goodwill was predominantly determined on the basis of the difference between the fair value of the CGUs before and after the acquisition. In particular, goodwill was distributed among the CGUs on the basis of the relative increase in their fair value resulting from the acquisition.

The differential between the consideration paid to MidCo for the acquisition of the residual investment in EGEA Holding (47.23%) in May 2025 and the carrying amount of the non-controlling interests acquired was deducted from Group equity in the amount of 12,327 thousand euro.

Cierre

On 10 July 2025, the subsidiary Alfa Solutions finalised the acquisition of 80% of the quotas of Cierre S.r.l., an Arezzo-based company operating in the sectors of chemical and microbiological analysis and consultancy and services for the industrial sector, with a focus on the precious metals, fashion, environmental, agricultural and food sectors. The acquisition enables the Group to expand its presence in Tuscany and to integrate specialist expertise, thereby expanding its portfolio of services.

In the 6-month period ended 31 December 2025, Cierre generated revenue of 1,098 thousand euro and a profit of 56 thousand euro.
The following table shows the value of identifiable assets acquired and liabilities assumed.

thousands of euro

	Fair value
Property, plant and equipment	715
Intangible assets with a finite useful life	8
Other non-current assets	9
Inventories	123
Trade receivables	529
Sundry assets and other current assets	4
Cash and cash equivalents	515
Non-current financial liabilities	(326)
Employee benefits	(375)
Deferred tax liabilities	(9)
Current financial liabilities	(10)
Trade payables	(237)
Sundry liabilities and other current liabilities	(236)
Current tax liabilities	(42)
Total net identifiable assets	**668**

Trade receivables include gross contractual amounts of 540 thousand euro, of which 11 thousand euro considered non-collectable at the date of acquisition.

The analysis conducted for the purpose of allocating the purchase price did not identify any adjustments to be made to the carrying amounts of the identifiable assets acquired and liabilities assumed in order to bring them into line with their fair value.

The consideration transferred in the form of cash and cash equivalents, subject to price adjustment, amounted to 802 thousand euro.

Goodwill arising from the acquisition has been recognised as shown in the table below and has been allocated to the Power and Heat Generation cash-generating unit.

thousands of euro

Consideration transferred	802
Fair value of net identifiable assets	668
Non-controlling interests in net identifiable assets	(96)
Goodwill	**230**

The goodwill arising from the acquisition mainly refers to the skills and technical knowledge of Cierre personnel and the synergies expected to be achieved from the integration of the company acquired with Iren Group. Said goodwill is not tax deductible.

Lastly, it is noted that the fair value of the put option exercisable by the non-controlling investor on its shares in Cierre was recorded for 236 thousand euro under non-current financial liabilities.

Business combinations provisionally accounted for

Centro Servizi Ambiente – Impianti (CSAI)

In December 2025, Shareholders' Agreements were signed between Iren Ambiente Toscana S.p.A. and the Municipality of Terranuova Bracciolini (Province of Arezzo) relating to the governance of the company Centro Servizi Ambiente – Impianti (CSAI). Said Shareholders' Agreements, by virtue of the amendments to the Articles of Association approved by the Shareholders' Meeting in extraordinary session on 3 December 2025, allow Iren Group to exercise control over the company and its subsidiary Agricola Riofi as of December 2025. The Iren Ambiente Toscana S.p.A. 40.32% investment already held in Centro Servizi Ambiente – Impianti (CSAI) remains unchanged.
The company operates a landfill for municipal and special waste located in the Municipality of Terranuova Bracciolini (AR) and an additional landfill in the 'post-closure' phase located in the Municipality of Castiglion Fibocchi (AR). CSAI is also building:

- a liquid waste treatment plant with a capacity of 30,000 tonnes, for liquid waste from both the landfill sites it manages and from third-party suppliers;
- a photovoltaic electricity generation plant with a capacity of approximately 1 MW;
- a biomethane production plant to replace the current biogas-fuelled electricity generation engines.

The following table shows the provisional fair value of identifiable assets acquired and liabilities assumed.

thousands of euro

	Fair value
Property, plant and equipment	8,410
Investment property	940
Intangible assets with a finite useful life	36
Non-current financial assets	22,379
Other non-current assets	204
Deferred tax assets	32
Inventories	632
Trade receivables	561
Current tax assets	163
Sundry assets and other current assets	1,021
Cash and cash equivalents	7,631
Non-current financial liabilities	(195)
Employee benefits	(492)
Provisions for risks and charges	(35,065)
Deferred tax liabilities	(2,135)
Sundry liabilities and other non-current liabilities	(1,251)
Trade payables	(1,049)
Sundry liabilities and other current liabilities	(336)
Provisions for risks and charges - current portion	(542)
Non-controlling interests held in Group companies	10,096
Total net identifiable assets	**11,040**

Trade receivables include gross contractual amounts of 610 thousand euro, of which 49 thousand euro considered non-collectable at the date of acquisition.

For the purpose of measuring goodwill or a gain from a bargain purchase, since this was a business combination achieved without the transfer of consideration, the fair value at the acquisition date of the consideration transferred was considered to be the fair value at the date of acquisition of the prior interest in CSAI. The latter was determined using the company's discounted cash flow (DCF) prospective method.
Provisional goodwill arising from the acquisition has been recognised as shown in the table below.

	thousands of euro
Fair value at the date of acquisition of the prior interest	4,569
Carrying amount of interest held before acquisition of control	1,965
Restatement of interests at fair value through profit or loss	2,604
Fair value of net identifiable assets	11,040
Non-controlling interests in net identifiable assets	(6,594)
Interim goodwill	**123**

The provisional goodwill deriving from the acquisition mainly refers to the synergies that are expected to be obtained from the integration of the acquired company in the waste treatment sector. Provisional goodwill recognised in the financial statements will not be deductible for income tax purposes.

V. Accounting policies

The accounting policies adopted in drawing up these Consolidated Financial Statements of Iren Group at 31 December 2025 are indicated below; the accounting policies described were applied consistently by all the Group entities and have not changed with respect to those adopted as at 31 December 2024 with the exception of the amendments to IAS 21 which, however, did not have any consequences.

Property, plant and equipment

- Property, plant and equipment owned

Property, plant and equipment are recognised at contribution, purchase or internal construction cost. This cost includes all directly attributable costs necessary to make the asset available for use (including, when relevant and where a real obligation exists, the present value of the estimated costs of dismantling and removing the asset and reclaiming the site on which it is located), net of trade discounts and rebates.

Financial expense related to the purchase or internal construction of items of property, plant and equipment is capitalised for the part of the cost of the asset until it becomes operative.

If significant items of property, plant and equipment have different useful lives, these components are accounted for separately.

In particular, under this policy, land and buildings located on the land are to be recognised separately; only the buildings are depreciated, while the carrying amount of land is subject to impairment, as described in the section "Impairment losses on non-financial assets" below.

Ordinary maintenance expenses are fully recognised in profit or loss. Other costs of an incremental nature are allocated to the assets to which they refer, in accordance with IAS 16, and depreciated in relation to the residual useful life of the assets to which they refer. Costs that reasonably expect an increase in future economic benefits, such as an increase in useful life, an increase in production capacity, an improvement in product quality or the adoption of production processes that result in a substantial reduction in production costs, are considered to be incremental.

Assets under construction include costs related to the construction of plants incurred until the reporting date. These investments are depreciated once the asset becomes operative.

Property, plant and equipment are depreciated systematically on a straight-line basis annually using economic-technical rates determined in line with their residual useful lives. Landfills are depreciated based on the filling percentage.

The rates applied are provided for in the following table:

	Min. rate	Max. rate
Buildings	1.11%	40.40%
Light constructions	1.75%	25.00%
Vehicles	3.26%	33.33%
Sundry equipment	1.95%	50.00%
Furniture and office machines	5.00%	50.00%
Hardware	6.00%	50.00%
Plants	0.50%	50.00%

The changes in rates compared to 2024 are due to the new companies that came into the full consolidation scope, the updating of the economic and technical useful lives of individual assets and the outcome of the inspections carried out on them by the technicians responsible for the plants.

The table below shows the residual term of the lease contracts on the basis of which the rights of use recognised among property, plant and equipment are depreciated:

	Years	
	from	to
Land	2	93
Buildings	2	33
Plant and machinery	2	14
Industrial and commercial equipment	2	27
Other assets (motor vehicles)	2	10

Grants related to assets are recognised as deferred revenue and taken to profit or loss over the depreciation period of the related item of property, plant and equipment.

- Leased assets

Lessee
IFRS 16 establishes a criterion based on the control (right of use) of an asset to distinguish leases from contracts for services, regardless of the contractual form adopted (lease, rental or hire). The discriminants are: the identification of the asset, the right to replace the same, the right to obtain substantially all the economic benefits deriving from use of the asset and the right to direct the use of the asset underlying the contract.
As lessee, the Group applies the practical expedient of IFRS 16, which requires the recognition of financial assets and related liabilities in the statement of financial position for all lease contracts with a term of more than 12 months, unless the underlying asset has a unit replacement value of less than five thousand euro.
The lease liability is initially measured at the present value of the payments due for the lease, primarily the fixed and/or variable payments contractually provided for and the price to exercise the option if there is a reasonable certainty of exercising it; with regard to the rate used for discounting, reference is made to the marginal financing rate inferred from the market value of the listed debt instruments issued by Iren. Subsequently, the liability is reduced by the principal repaid and, if necessary, restated to take account of new valuations or changes. The residual debt must be accounted for by separating the current portion (within 12 months) from the non-current portion.
The right of use of the asset underlying the lease contract is recognised under property, plant and equipment at cost, consisting of the initial measurement of the financial liability increased by any initial costs incurred. The asset is depreciated over the duration of the lease or, if the transfer of ownership at the end of the lease is provided for, over the expected useful life of the underlying asset. The asset may also be reduced as the result of any impairment losses, and adjusted to take into account any redetermination of the lease liability.

In the statement of financial position, the Group shows right-of-use assets that do not meet the definition of investment property under 'property, plant and equipment' and lease liabilities under 'financial liabilities'.

In the income statement interest on the debt and depreciation are recognised separately, as is any impairment loss on the right-of-use asset.

Lessor
At the inception of a contract or upon amendment of a contract that contains a lease component, the Group allocates the contract consideration to each lease component based on its stand-alone price.
At the inception of the lease, the Group, in its role as lessor, classifies each of its leases as either a finance lease or an operating lease.
For this purpose, the Group generally assesses whether the lease transfers substantially all the risks and rewards associated with ownership of the underlying asset. In this case, the lease is classified as a finance lease, otherwise as an operating lease. As part of this assessment, the Group considers, among other indicators, whether the lease term covers most of the economic life of the underlying asset.
With respect to sub-leases, the Group, as an intermediate lessor, classifies its share in the head lease separately from the sub-lease. For this purpose, it classifies the sub-lease by reference to the right-of-use asset arising from the head lease, rather than by reference to the underlying asset. If the head lease is a short-term lease that the Group has accounted for by applying the above exemption, the sub-lease is classified as an operating lease.
For contracts containing a lease component and one or more lease and non-lease components, the Group allocates the contract consideration by applying IFRS 15.
The Group applies the derecognition and impairment provisions of IFRS 9 to the net investment in leases. The Group periodically reviews estimates of non-guaranteed residual values used in the calculation of gross investment in leases.
The Group recognises payments received for operating leases as income on a straight-line basis over the lease term in 'other income'.

Investment property

Investment property is initially measured at purchase or construction cost. This cost includes the purchase price and any directly attributable costs. The related transaction costs are recognised among the property costs, when purchase is recognised. Investment property is subsequently measured at cost.
Costs incurred subsequent to the purchase or completion of an investment property are charged to the initial cost of the asset if it is probable that, as a result of such costs, the company will obtain future economic benefits greater than those previously estimated. Otherwise, these costs are charged to profit or loss.
Investment property is systematically depreciated each year on a straight-line basis at rates deemed representative of the residual useful life of the asset.

Intangible assets

Intangible assets are recognised as assets in the statement of financial position when it is probable that the use of the asset will generate future economic benefits and when the cost of the asset can be measured reliably. They are recognised at contribution, acquisition or production cost, including any directly attributable costs.
Development costs are capitalised if all of the following features can be demonstrated:

- the technical feasibility of completing the asset so that it will be available for use or sale;
- the intention to complete the intangible asset and use or sell it;
- the ability to use or sell the intangible asset;
- the ability to reliably measure the expenditure attributable to the asset during its development;
- the availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset;
- it is clear how the asset will generate future economic benefits.

If only one of these requirements is not met, the costs in question are fully expensed in the period in which they are incurred.

Intangible assets with a finite useful life are amortised systematically over their expected future useful life, such that their carrying amount at the end of the reporting period corresponds to their residual useful life or the amount that can be recovered based on the company's business plans. Amortisation begins when the asset is available for use.
Amortisation of intangible assets is calculated on a straight-line basis over the following useful lives:

	Years	
	from	to
Industrial patents and intellectual property rights	3	20
Concessions, licences, trademarks and similar rights	2	80
Software	2	20
Other intangible assets with a finite useful life	2	50

Amortisation begins when the asset is available for use, in other words, when it is able to operate as intended by the company's management. Amortisation ceases at the later of the effective date the asset is classified as held for sale (or included in a disposal group classified as held for sale) in accordance with IFRS 5 and the date when the asset derecognised.

Assets under development and payments on account relate to internal and external costs associated with intangible assets for which ownership of the right has not yet been acquired and have not started to be used in production. These investments are amortised from the date they begin to be used in production.
In accordance with IAS 36, at each reporting date or whenever there is evidence that an intangible asset is impaired, assets under development undergo an impairment test to verify the correspondence between their carrying amount and recoverable amount.

Goodwill

Goodwill is initially recognised at cost. It represents the difference between the cost of the acquisition and the value of non-controlling interests and the net fair value referred to the identifiable assets, and current and contingent liabilities related to the complex acquired. If, after this restatement, the fair value of current and contingent assets and liabilities exceeds the purchase cost, the excess is immediately recognised in profit or loss.
Any goodwill deriving from the acquisition of an associate or joint venture is included in the carrying amount of the investment.
Goodwill is allocated to one or more cash-generating units and is not amortised, but is annually tested for impairment or more frequently if specific events or changes in circumstances indicate that impairment may have taken place (see section on "Impairment losses on non-financial assets").

Non-current assets held for sale - Discontinued operations

A non-current asset (or group of assets and liabilities held for disposal) is classified as available for sale if its carrying amount will be recovered mainly through a sale transaction rather than through its continued use. Immediately prior to initial classification of the asset (or disposal group) as available for sale, the carrying amounts of the assets are measured in accordance with Group accounting policies. The asset (or disposal group) is then recognised at the lower between its carrying amount and its fair value less costs to sell. Impairment loss on a disposal group is initially taken to goodwill, then to the residual assets and liabilities on a proportional basis, except for inventories, financial assets, deferred tax assets, employee benefits, investment property and biological assets, which continue to be measured in accordance with Group accounting policies. Impairment losses on the initial classification of an asset as held for sale compared to subsequent measurements are recognised in the income statement. Reversals of impairment losses are recognised only to the extent of any accumulated impairment loss.

Discontinued operations represent a part of the group that has been discontinued or classified as held for sale, and:

a. represents an important business unit or geographical segment;
b. is part of a single coordinated disposal plan or an important autonomous business unit or geographical segment;
c. is a subsidiary acquired solely with a view to resale.

If a single non-current asset is involved (e.g. a property or an investment in an associate), the recognition of profit or loss from the disposal or valuation depends on the nature of the asset.
If it is a discontinued operation and is a material component of the item "Profit/loss from discontinued operations", a single amount is recorded represented by the total of:

i. profit or loss on the discontinued operation, net of tax effects; and
ii. the capital gain or loss, net of tax effects, recognised after the fair value measurement, net of costs to sell or actual disposal of the asset.

The income statement of the comparative period is restated in order to guarantee consistent comparison.
If the asset is immaterial, revenue and costs from the discontinued operation continue to be recognised on a line-by-line basis under the related income statement items, whilst the profit/loss from discontinued operations includes only the capital gain or loss referred to under point ii) above.

Service concession arrangements

IREN Group is subject to application of IFRIC 12, which defines the recognition and measurement criteria to be adopted in agreements between public and private sectors related to development, financing, management and maintenance of concession-based infrastructures. In particular, should the grantor control the infrastructure by regulating and controlling the characteristics of the services supplied and the applicable prices, as well as by maintaining a residual interest in the activity, the operator will acquire either the right to use said infrastructure, or the financial asset, or both, based on the agreements made. Therefore, the operators that are included in the above cases cannot recognise the assets assigned as property, plant and equipment in the statement of financial position, regardless of the acknowledgement of ownership in favour of the same operators included in the service concession arrangements.
In particular, the operator purchases a financial asset to the extent that it has an unconditioned contractual right to payment or another financial asset from, or upon instruction of, the grantor with reference to the building services. The financial asset recognised is subject to the provisions of IAS 32, IFRS 9 and IFRS 7.
The operator purchases an intangible asset to the extent that it has a right (licence) to receive payment from users of the public utility. The right to receive payments from users is not an unconditional right to receive payments since the amounts depend on the extent to which the public uses the service. The intangible asset recognised is subject to the provisions of IAS 38.
If the operator is paid for the construction services partly with a financial asset and partly with an intangible asset, the two amounts composing the payment to the operator shall be recognised separately. The payment received or to be received for both items is initially recognised at the fair value of the amount received or to be received and disclosed in the relevant revenue item.
With reference to the grants received on non-current assets, included in the application of IFRIC 12, these grants are classified under Other liabilities, divided between current and non-current, while the related disbursement is included in Other revenue.

Impairment losses on non-financial assets

The IFRS require a company to assess whether there are any specific indications of impairment. An impairment test is performed, which consists of estimating the recoverable amount of the asset and comparing it to its carrying amount.
The recoverable amount is the higher of fair value less costs to sell (if an active market exists) and the value in use of the asset. Value in use is the present value of the future cash flows expected to be derived from an asset or Cash-Generating Unit or Grups of Cash-Generating Unit, inclusive of taxes, by applying a discount rate, before taxes, which reflects the current market assessments of the time value of money and risks specific to the asset. If the recoverable amount of an asset is less than its carrying amount, an impairment loss is recognised. If the impairment loss recognised in prior periods no longer exists or has decreased, the carrying amount of the asset or cash-generating unit is increased, with a balancing item in profit or loss, up to the estimated new recoverable amount. The latter amount shall not exceed the carrying amount that would have been determined if no impairment loss had been recognised. The reversal of an impairment loss is not applicable to goodwill.

The value in use is generally defined by discounting the cash flows expected from use of the asset or Cash Generating Units and from the value expected from its disposal at the end of its useful life.
The Cash Generating Units were identified in keeping with the Group's organisational and business structure, as assets that generate independent incoming cash flows deriving from continuous use of the same.
Assets that are not subject to amortisation (goodwill and other intangible assets with an indefinite useful life) and intangible assets that are not yet available for use are tested for impairment annually, even if no indication of impairment exists.

Financial instruments

All financial instruments, including derivatives, are recognised in the statement of financial position when the group becomes a party to the agreement and therefore acquires a right to receive cash flows or an obligation to pay.

- Financial assets and liabilities

At the moment of initial recognition the financial asset or liability is measured at fair value plus or minus, in the case of a financial asset or liability not measured at fair value recognised in the income statement, the transaction costs directly attributable to the acquisition or issue of the financial asset or liability. After initial recognition the financial asset or liability is measured as described below.

Financial assets are classified in three categories: a) financial assets measured at amortised cost; b) financial assets measured at fair value through other comprehensive income (FVOCI); c) financial assets measured at fair value through profit or loss (FVTPL).
The classification under the categories indicated above is made on the basis of the entity's business model and in relation to the characteristics of the cash flows generated by the said assets:

a. a financial asset is measured at amortised cost if the entity's business model envisages that the financial asset is held to collect the related cash flows (therefore, substantially, not to make a profit also from sale of the instrument) and the characteristics of the cash flows of the asset correspond only to payment of principal and interest;
b. a financial asset is measured at Fair Value with a balancing item in Other Comprehensive Income if it is held with the objective both of collecting the contractual cash flows, and of being sold (Hold to Collect and Sell model);
c. finally if it is a financial asset held for trading and in any case does not come within the cases indicated in points a) and b) it is measured at fair value through profit or loss.

At each reporting date all financial assets, with the exception of those measured at fair value recognised in profit (loss) for the year, are subjected to an impairment test to determine whether there is objective evidence that can lead to the belief that the value of the asset is not fully recoverable. In accordance with what is provided for in IFRS 9, the impairment model adopted by Iren Group is based on expected credit losses, where "loss" means the present value of cash shortfalls considering forward-looking information. According to the general approach concerning all financial assets, the expected credit loss is a function of probability of default (PD) of the loss given default (LGD) and exposure at default (EAD): the PD represents the probability that an asset will not be repaid and will go into default; the LGD is the amount of money lost when a borrower defaults on a loan; the EAD represents the exposure claimed against the counterparty, including any guarantees, collateral, etc. The estimate is made initially on the expected credit losses in the subsequent 12 months; in view of any gradual deterioration of the receivable, the estimate is adjusted to cover the expected credit losses along the entire life of the financial asset.

Financial liabilities are generally classified as measured at amortised cost, with the exception of derivatives which are measured at fair value recognised through profit or loss. Changes in the fair value of a financial liability designated as measured at fair value through profit or loss, if these are due to a change in the creditworthiness of the liability itself are recognised under other comprehensive income.

- Other equity investments

Other equity investments, consisting of non-controlling interests in unlisted companies that the Group intends to keep in its portfolio in the near future, are measured at FVTPL – fair value through profit and loss.

Hedging instruments
The Group holds hedging instruments, acquired for non-speculative purposes, solely to hedge its exposure to currency, interest rate and commodity risks.

A hedging relationship qualifies for hedge accounting if all of the following conditions are met:

- at the inception of the hedge there is formal designation and documentation of the hedging relationship and the group's risk management objective and strategy for undertaking the hedge;
- the hedge is expected to be highly effective in offsetting changes in fair value (fair value hedges) or cash flows (cash flow hedges) attributable to the hedged risk;
- for cash flow hedges, an expected future transaction that is hedged must be highly probable and must present an exposure to changes in cash flows that might ultimately affect profit or loss;
- the effectiveness of the hedge can be reliably measured, i.e. the fair value or cash flows of the hedged item and the fair value of the hedging instrument can be reliably measured;
- the hedge is assessed on an ongoing basis and is considered highly effective throughout the entire life of the derivative.

Hedging instruments are recognised at fair value, determined with measurement models appropriate to each type of financial instrument using, where available, the forward curves of both regulated and unregulated markets (intrinsic value); for options, the fair value is supplemented with the time value component, which is based on their residual life and the volatility of the hedged item.
At each reporting date, hedging instruments are tested for effectiveness to check whether the hedge still meets the requirements for designation as effective and can be recognised using hedge accounting. A hedging relationship is effective if:

- there is an economic relationship between the hedged instrument and hedging instrument;
- the credit risk effect does not dominate the change in value that results from the economic relationship;
- the ratio between the quantity of the hedging instrument and the quantity of the hedged instrument in terms of relative weight does not determine an imbalance in terms of the hedge ratio.

If the requirements for the application of hedge accounting are met:

- for a cash flow hedge, changes in the fair value of the hedging instrument are recognised in equity for the effective portion of the hedge (intrinsic value), and in profit or loss for the time-value component and any ineffective portion (over-hedging);
- for fair value hedges, changes in the fair value of both the hedging instrument and the hedged item are recognised in profit or loss.

If the hedge does not meet the criteria for hedge accounting, the gains or losses deriving from measurement at fair value of only the hedging instrument are fully recognised in profit or loss.

Considering the provisions of IFRS 7 on the fair value hierarchy, as extended by IFRS 13, for each category of financial instrument measured at fair value the fair value hierarchy is as follows:

- Level 1: Quoted prices (unadjusted) on active markets for identical assets or liabilities;
- Level 2: Inputs other than Level 1 quoted prices which are observable for the asset or liability, either directly (as in the case of prices), or indirectly (i.e. derived from prices);
- Level 3: Inputs for the asset or liability which are not based on observable market data.

- Trade receivables and payables

Trade receivables and payables, with repayment dates that are in line with normal commercial practices, are not discounted as the time value of money is not material for their measurement, and are recognised at fair value (equal to their nominal value). After initial recognition they are measured at amortised cost.
Trade receivables are shown net of loss allowances determined, in accordance with IFRS 9, by applying, instead of the general approach, valid for all financial assets with the exception of those measured at fair value through profit or loss, the simplified approach and, more specifically, the provision matrix model, which is based on identifying the default rates by maturity bands observed on a historical basis, applied for the entire expected life of the receivable and updated on the basis of significant future scenario elements.

- Cash and cash equivalents

Cash and cash equivalents include cash on hand, demand deposits and short-term, highly liquid investments (maturities of three months or less from the date of acquisition) that are readily convertible into known amounts of cash and that are subject to an insignificant risk of changes in value.
Cash and cash equivalents, including ancillary charges, are measured at fair value.
Cash on hand and equivalents in hand are measured at their nominal value.

- Derecognition of financial assets and liabilities

Financial assets are derecognised whenever one of the following conditions occurs:

- the contractual right to receive the cash flows associated with the asset has expired;
- the Group has substantially transferred all the risks and rewards associated with the asset, either by transferring its rights to receive the cash flows from the asset or assuming a contractual obligation to remit the cash flows to one or more beneficiaries under a contract that meets the requirements under IFRS 9 (pass through test);
- the Group has transferred the control of the financial asset but has neither transferred nor retained the risks and rewards associated with the financial asset.

Financial liabilities are derecognised when they are settled, i.e. when the contractual obligation is fulfilled, cancelled or prescribed. When an existing financial liability is replaced by another to the same creditor on substantially different terms, or the terms of an existing liability are substantially modified, such replacement or modification is treated as derecognition of the original liability and recognition of a new liability.
The difference between the respective carrying amounts is taken to profit or loss.

- Contracts for the purchase or sale of non-financial items

Contracts for the purchase or sale of non-financial items, entered into and held on an ongoing basis for the purpose of collection or delivery in accordance with the Group's normal purchase, sale or usage requirements, do not fall within the scope of IFRS 9 and are accordingly recognised as executive contracts, with effect in profit or loss at the time of the physical exchange ('own use exemption').

Inventories

Inventories, mainly made up of materials and supplies for the maintenance and construction of plants, raw materials, i.e. fuel oil and diesel, and gas in relation to the marketing activity, are measured at the lower of cost (purchase cost, transformation and other costs incurred to bring the inventories to their current place and condition) and their expected net realisable or replacement value.
Cost is determined using the weighted average cost method.
If the cost of inventories cannot be recovered because they are damaged, have become entirely or partly obsolete or their sales prices have decreased, they are written down to their net realisable value. If the circumstances leading to the write-down no longer exist, the write-down is reversed.

Employee benefits

Post-employment benefits are defined according to plans which, based on their characteristics, are separated into "defined contribution" and "defined benefit" plans.
In defined contribution plans, the company obligation, limited to the payment of State contributions or to a separate fund, is calculated on the basis of contributions due. For the Group, this category includes the post-employment benefits accrued since 1 January 2007, payable to the INPS (the Italian Social Security Institution) fund and the share paid to the supplementary pension funds.
The liability relating to defined benefit plans, net of any plan assets, is calculated according to actuarial assumptions. For the Group, this category includes post-employment benefits accrued up to 31 December 2006 (or the date chosen by the employee if opting for allocation to supplementary funds), the tariff discounts for employees and former employees, additional monthly salary payments, the loyalty bonus paid to employees, and contributions paid to the Premungas fund.
The present value of the liability is calculated for each employee using the projected unit credit method. The total liability is calculated by estimating the amount payable on termination of the employment relations, considering economic, financial and demographic factors. This amount is recognised on a proportional basis over the period of service matured. For post-employment benefits accrued as at 31 December 2006 (or the date chosen by the employee if opting for allocation to supplementary funds), the proportional basis is not applied because at the reporting date the benefits can be considered accrued in full.
The demographic, economic and financial variables are validated annually by an independent actuary.
As regards presentation in the financial statements, the changes in liabilities connected with the obligation related to a defined benefit plan are broken down into three components:
1) operating (service costs), personnel expense;
2) financial (financial expense), net interest income/expense;
3) measurement (remeasurement costs), actuarial gains/losses.

Gains and losses resulting from actuarial calculations for post-employment benefits are immediately recognised in Other comprehensive income, except for the loyalty bonus which is entirely recognised in profit or loss.
With regard to disclosures, information is provided on the characteristics of the plans and the amounts recognised in the financial statements, as well as on the risk resulting from the plans and including a sensitivity analysis of fluctuations in demographic risk.

Provisions for risks and charges

Provisions for risks and charges are set aside to cover liabilities of uncertain amount or maturity that must be recognised when, and only when, the following conditions are met:

– the group has a present obligation (legal or constructive) as a result of a past event at the reporting date;
– it is likely that an outflow of resources embodying economic benefits will be required to settle the obligation;
– a reliable estimate can be made of the amount of the obligation.

Risks for which the related liability is only potential are disclosed in the notes to the financial statements, and no provision is made.
No additional information is provided for events that are remote, i.e. where it is very unlikely they will arise, and no provision is made.
The provisions are recognised at the amount representing the best estimate of the total that the group would pay to settle the obligation, or transfer it to third parties at year end. If the discounting effect on the value of money is significant, the provisions are calculated by discounting expected future cash flows at a pre-tax discount rate that reflects the current market assessment of the time value of money.
On discounting, the time-related increase in the provision is recognised as financial expense.
The post-closure provisions are discounted according to the cash flows indicated in the report prepared by an independent expert.

Hybrid bond instruments

The non-convertible hybrid perpetual bonds issued are classified as equity instruments. These are, in fact, instruments for which Iren is permitted to defer the payment of interest over time, the early repurchase of which is permitted upon the occurrence of certain events or at the reset date. They are instruments that cannot be converted into shares and, in the event of liquidation, dissolution or insolvency of the company, coupon payments will be subordinate to all other payment obligations of the issuer. The proceeds received from the sale of the instruments and subsequent principal repayments are recognised as increases and decreases in equity, respectively.
Costs directly attributable to the issuance transactions are recognised as a decrease in equity, in accordance with the provisions of IAS 32 for equity instruments.
Interest expense, when an obligation to pay arises, is recognised as a reduction of equity.

Treasury shares

Treasury shares are recognised at cost and deducted from equity. The effects of any subsequent sales are also recognised in equity.

Dividends

Dividends payable to the shareholders of the Parent and to non-controlling interests are recognised as a decrease in equity and recorded as financial liabilities on the date they are approved by the Shareholders' Meeting.
Dividends from investees are recognised when the shareholders' right to receive payment is established.

Revenue from goods and services

Revenue is measured at fair value with respect to the amount received or due, taking account of any trade discounts and reductions connected with quantity. A distinction is made between revenue from operating activities and any financial income accruing up to the date of collection.
For correct recognition of revenue from contracts with customers, reference is made to IFRS 15 which provides for a revenue recognition model based on 5 steps:

1. identify the contract with the customer. Contract means a commercial agreement approved by two or more parties that creates enforceable rights and obligations. A contract is valid when the following conditions are jointly met: a) the parties have approved the contract (in writing or according to usual commercial practices); b) it is possible to identify the customer's rights as regards the goods or services that must be transferred; c) the payment terms are identifiable; d) the contract has commercial substance; e) it is probable that the price will be collected (only the customer's ability and intention to pay are considered);
2. identify the "Performance Obligations" contained in the contract. Where a contract provides for the supply/provision of multiple goods and services, it is assessed whether these should be recognised separately or together, considering their individual characteristics.
   Activities carried out to execute the contract, such as administrative formalities for preparing the contract itself, do not transfer separate goods and services to the customer, and therefore do not represent performance obligations. Non-refundable initial expenses charged to the customer are not revenue unless they refer to separate goods and services.
   If under a contract an entity grants the customer an option to purchase future goods or services, that option is a separate performance obligation only if it provides the customer with a benefit that it could not otherwise obtain, such as a greater discount than is typically given for those particular goods or services. An option to purchase goods or services at a price that reflects its stand-alone selling price, is not a separate performance obligation even if it can be obtained only by signing the contract in question.

In this context, it is determined whether the entity is acting as "principal" or "agent," depending on whether or not, respectively, it controls the promised good or service before control thereof is transferred to the customer. When the entity acts as an "agent," particularly with respect to gas and electric grid connection services, revenue is recognised on a net basis;

3. determine the "Transaction Price". The following elements must be considered in determining the transaction price: a) any amounts collected on behalf of third parties, which must be excluded from the price; b) variable components of the price (such as performance bonuses, penalties, discounts, refunds, incentives, etc.); c) financial component, if the payment terms grant the customer a significant extension;
4. allocate the price to the Performance Obligations on the basis of the "Relative Stand Alone Selling Price". For any bundled supplies, the selling price is generally allocated on the basis of the stand-alone price of each good or service, i.e., the price at which the Group would sell such good or service separately to the customer;
5. recognise revenue when the Performance Obligation is satisfied. The asset or service is transferred when the customer obtains control over the asset or service and that is when it has the ability to decide and/or direct its use and obtain substantially all its benefits. The transfer of control, and consequently the recognition of revenue may occur at a certain point in time or over time.

For each obligation fulfilled over time, revenue is recognised by evaluating progress toward complete fulfilment of the obligation. On the asset side, contract assets, specifically identified in the financial statements, represent the right to the price for goods and services transferred to the customer when said right is subject to a condition other than the passage of time.
When said right is unconditional, i.e. collection of the price depends solely on the passage of time, an asset is recognised.
If the customer pays the price before the transfer of goods or services occurs, a contract liability is recognised at the time payment is made (or payment is due); this liability is recognised as revenue when the obligation under the contract is fulfilled.

In the case of variable consideration with a multi-year scope, the Group recognises as operating revenue those amounts that are highly likely not to be returned in the future.

With reference to the Group's operating segments, it should also be noted that:

- revenue from the sale of electricity, gas and heat to customers is recognised at the time of supply and includes the estimated amount relating to supplies made but not yet invoiced. This estimate is based on the customer's historical consumption profile, adjusted to reflect weather conditions or other factors that may affect the estimated consumption;
- revenue from network businesses (electricity, gas and water distribution) is entered on the basis of the tariffs determined by the competent Authorities to reflect the remuneration paid for the investments made;
- revenue relating to contracts for the energy efficiency upgrading of buildings or plants is recognised on the basis of the stage of completion of the contract work, deduced from the total estimated costs incurred, by means of the recognition of a contract asset until the obligation has been fully met.
- revenue relating to collection and urban hygiene refer to obligations that are fulfilled continuously over time based on existing assignments and are recognised at the time of disbursement;
- revenues from the municipal and special waste treatment, including their disposal and recovery, are accounted for as services provided over time, with reference to the continuous disposal of homogeneous waste units, also within the framework of the agreements with the competent authorities;
- revenue from the provision of services is recognised to the stage of completion of the activities, the same criteria applied for work in progress contracts. When it is not possible to reliably determine the value of the revenues, the latter are recognised up to the amount of the costs incurred that are expected to be recovered.

In the event of contractual amendment, that is a change in the subject and/or the price of the contract approved by the parties, if the amendment introduces new separate goods and/or services and the increase in the contractual price is equal to the stand-alone selling price of the new goods and/or services, the contractual amendment is accounted for as a new contract. If the two aforementioned conditions are not met and the goods and/or services still to be delivered are separate with respect to what has already been transferred to the customer before the amendment, the change is treated as cancellation of the old contract and introduction of a new contract with prospective effect on revenue; otherwise the amendment is treated as continuation of the original contract with retrospective effect on revenue.

The costs of obtaining contracts with customers are capitalised in accordance with the provisions of IFRS 15 and are amortised over the duration of the relationship with the customer. In order to determine this expected period, reference is made to historical experience with churn rates.

Grants related to assets and grants related to income

Grants related to assets are recognised, when they become payable, as deferred revenue and systematically recognised as income over the useful life of the asset to which they refer. The deferred revenue relating to the grants themselves is reflected in the statement of financial position as other liabilities, with appropriate separation between the current portion and the non-current portion.
Grants related to income are recognised in profit or loss when the recognition criteria are met, i.e. when their recognition as a balancing entry of supply costs related to the grants is certain.
Connection grants invoiced by companies that provide the distribution service as reimbursement of the costs incurred for the connection/meter installation under the terms of IFRS 15 cannot be considered part of the price of the distribution service

because there is no transfer of control over the asset. They are therefore deferred and released along the life of the asset of reference in line with what is envisaged for tariff purposes.

Other income

Other income includes all kinds of revenue not included in the previous types and not of a financial nature.
Income is measured at the fair value of the consideration received or receivable and is recognised when the amount of revenue can be reliably estimated and it is probable that the economic benefits of the transaction will flow to the group.

Costs for the purchase of goods and services

Costs are measured at the fair value of the amount paid or to be paid. Costs for the acquisition of goods and services are recognised when their amount can be reliably determined. Costs for the purchase of assets are recognised upon delivery which, based on outstanding agreements, identifies the moment of transfer of the related risks and rewards. Costs for services are recognised on an accruals basis upon receipt.

Financial income and expense

Financial income and expense are recognised when they accrue on the basis of the interest earned on the net amount of the related financial assets and liabilities using the effective interest rate.
Borrowing costs that are directly attributable to the acquisition, construction or production of a plant are capitalised since it is probable that they will result in future economic benefits for the group and are reliably determined.

Income taxes

Income taxes include all the taxes calculated on the Group's taxable income.
Current and deferred taxes are recognised as income or expense and included in the profit or loss for the year, except to the extent that the tax arises from a transaction or event that is recognised, in the same or a different year, directly in equity.
Current tax is the expected tax payable on the taxable income for the year, applying the tax legislation enacted or substantially enacted at the reporting date. Deferred tax liabilities are calculated based on the temporary differences between the carrying amounts of assets and liabilities in the consolidated financial statements and the amounts used for taxation purposes.
Deferred tax assets are recognised only when their recovery is probable.
Deferred tax liabilities have been calculated considering the expected tax rate for the year in which the differences will reverse.

The Group also exercised the option for the tax consolidation scheme, pursuant to Art. 118 of the new Consolidated Law on Income Tax. This requires that the consolidated companies transfer their IRES debit/credit positions to the Parent IREN S.p.A. The latter then calculates IRES on the algebraic sum of taxable profits/losses of each company taking part in the tax consolidation scheme.
In return for the taxable income earned and transferred to the parent, the consolidated company commits to paying "tax settlements" to the parent equal to the amount of taxes owed on the income transferred, net of the transferred IRES assets.

Uncertainty of income tax treatment
The definition of uncertainty should consider whether a given tax treatment would be acceptable to the Tax Authority. If it is considered probable that the Tax Authority will accept the tax treatment (the term "probable" being understood as "more likely than not"), then the Group recognises and measures its current or deferred tax assets and liabilities by applying the provisions of IAS 12.
Conversely, if the Group believes that it is not likely that the Tax Authority will accept the tax treatment for income tax purposes, the Group reflects the effect of such uncertainty by using the method that best provides for the resolution of the uncertain tax treatment. The Group decides whether to consider each uncertain tax treatment separately or in conjunction with one or more uncertain tax treatments, choosing the approach that best provides for resolution of the uncertainty. In assessing whether and how uncertainty affects tax treatment, the Group assumes that the Tax Authority does or does not accept uncertain tax treatment on the assumption that the Tax Authority, on audit, will check the amounts it is entitled to examine and that it will be fully aware of all relevant information. The Group reflects the effect of uncertainty in determining current and deferred income taxes, using either the expected value method or the most probable amount method, depending on which method best provides for resolution of the uncertainty. Since uncertain tax positions relate to the definition of income taxes, the Group reports uncertain tax assets/liabilities as current taxes or deferred taxes.

Translation criteria for foreign currency items

The functional and reporting currency adopted by the Group is the Euro. When transactions in foreign currency are made, they are initially recognised at the exchange rate in effect on the transaction date. Except for non-current assets, assets and liabilities in foreign currency are recognised at the closing rate and related exchange rate gains and losses are recognised in the income statement. Any net gain that emerges is set aside in a special reserve unavailable until the date of realisation.

Emission Trading Scheme

The Emission Trading Scheme is part of the so-called 'flexible mechanisms' allowed under the Kyoto Protocol to reduce greenhouse gas emissions. In this context, the Group actively participates in the emissions trading scheme, contributing to the achievement of the reduction targets set by the national reduction plan.
The emission quotas purchased as part of the activities related to the achievement of these objectives in excess of the requirements, determined in relation to the obligations accrued at the end of the financial year (so-called "surplus"), are recorded under other intangible assets at cost incurred. Quotas received free of charge are not recognised. Since it is an asset with instantaneous use, this item is not subject to amortisation.
With regard to the obligations relating to the year, if the requirement exceeds the quotas in the portfolio at the reporting date (so-called "deficit"), the charge necessary to meet the residual obligation is allocated in the financial statements, estimated on the basis of any purchase contracts, including forward contracts, already entered into at the reporting date and, residually, market prices.
Any emission quotas held for trading which are still unsold at year end are recognised in the statement of financial position under Inventories. These quotas are measured at the lower of cost and market value.

Other energy certificates

Closely related to the activities carried out, the Group is interested in certain types of incentives or energy certificates strictly related to the performance of specific activities aimed at energy saving and the introduction into the electricity system of energy produced from renewable sources. In particular, the Group received:

- from the Energy Services Operator ("Gestore dei Servizi Energetici" - GSE) the ex-green certificate incentive, as established by the Ministerial Decree of 6 July 2012, valid for the production of plants that already benefited from green certificates;
- from the Energy Services Operator (GSE), tradable certificates that certify that energy-saving work has been carried out (Energy Efficiency Certificates – "EECs"- the so-called "white certificates").

For accounting purposes, these cases are treated as follows:

- the incentive tariff (formerly referred to as green certificates) deriving from the annual production of electricity from renewable sources is recognised on the basis of the accruals concept when the right matures;
- white certificates are accounted for in a slightly different way according to whether the entity is obliged or not obliged to return the EECs.

In fact, entities that are obliged to return EECs recognise among other income the grant received related to the obligation for the year and among cost for raw materials the cost of EECs purchased to meet this obligation in the year of accrual. If the EECs purchased exceed the compulsory amount, the cost of the exceeding purchased certificates is discounted; conversely, if the certificates purchased are not enough to meet obligations, the cost of certificates to be purchased will be allocated to meet the compulsory amount for the year.
Entities not obliged to return the EECs:

- if they operate in trading activities, recognise revenue and costs of the certificates bought and sold and suspend among Inventories any unsold certificates, measured at the weighted average cost and at the lower between cost and market;
- if white certificates mature in the context of energy efficiency and energy saving activities, the related revenue is recognised as it accrues.

Power Purchase Agreements

Power Purchase Agreements (PPAs), i.e. long-term contracts, at negotiated prices, between an energy producer/seller and a customer, which:

- involve the physical delivery of the commodity;
- do not meet the requirements of IFRS 10 for the existence of control or joint control over a company or asset and IFRS 16 for the recognition of a lease
- comply with the definition of a derivative in IFRS 9

are accounted for by applying the own use exemption when the relevant conditions are met.
With reference to Virtual PPAs (bilateral contracts without physical delivery, which provide for a consideration 'for difference' with respect to market prices against a strike price), which meet the definition of a derivative under IFRS 9, please refer to the section 'Recognition of derivatives' in the chapter 'Group Financial Risk Management'.

Earnings per share

- Basic earnings per share
The group calculates basic earnings per share on the basis of the profit or loss attributable to shareholders holding ordinary shares of the parent. Basic earnings per share is calculated by dividing the profit or loss for the year attributable to shareholders holding ordinary shares by the weighted average number of ordinary shares outstanding during the year.

- Diluted earnings per share
The group calculates diluted earnings per share based on the profit or loss attributable to shareholders of the parent.
For the purposes of calculating diluted earnings per share, the number of ordinary shares is the weighted average number of ordinary shares plus the weighted average number of ordinary shares that could be issued on conversion to shares of all potential ordinary shares with dilutive effects. This conversion takes place at the beginning of the year or at the date of issue of the potential ordinary shares.

ACCOUNTING STANDARDS, AMENDMENTS AND INTERPRETATIONS APPLIED FROM 1 JANUARY 2025

As of 1 January 2025, the following accounting standards and amendments to accounting standards, issued by the IASB and endorsed by the European Union, are obligatorily applicable:

Amendments to IAS 21 – Lack of exchangeability
Issued on 15 August 2023, it amends IAS 21, which did not contain explicit provisions for determining the exchange rate. The amendments introduce requirements for determining when a currency can be translated into another currency and when it is not. The amendment is applicable as of 1 January 2025.

The application of the amendments to the aforementioned IFRS did not have any consequences or, in any case, significant effects on the Group's financial position and performance.

ACCOUNTING STANDARDS, AMENDMENTS AND INTERPRETATIONS ENDORSED BUT NOT YET APPLICABLE AND NOT ADOPTED IN ADVANCE BY THE GROUP

Amendments to IFRS 9 and IFRS 7 – Amendments to the classification and measurement of financial instruments
Issued in May 2024, in response to questions on the derecognition *of* financial liabilities, the classification of financial assets and related disclosures. The amendments are applicable from 1 January 2026.

Amendments to IFRS 9 and IFRS 7 - Contracts referencing nature-dependent electricity
On 18 December 2024, the IASB issued amendments to improve the reporting by companies of the financial effects of contracts referencing nature-dependent electricity, often structured as power purchase agreements (PPA). The amendments are applicable from 1 January 2026.

IFRS 18 - Presentation and Disclosure of Financial Statements
Published by the IASB on 9 April 2024, it supersedes IAS 1 Presentation of Financial Statements and establishes significant new requirements for the presentation of financial statements, with the intention of improving the comparability and transparency of companies' performance reporting. It is effective for annual reporting periods beginning on or after 1 January 2027.

During 2025, the process of assessing the impacts of adopting IFRS 18 was initiated. This process involves a systematic analysis of the new accounting standard, the changes to the format of the financial statements, and any potential impact on the structure of the chart of accounts. At present, there is no need to make any significant changes to the chart of accounts, nor to undertake any structural changes to the accounting processes or the related information systems. Activities will continue throughout 2026 with a view to ensuring the timely implementation of the new standard.

ACCOUNTING STANDARDS, AMENDMENTS AND INTERPRETATIONS NOT YET ENDORSED BY THE EUROPEAN UNION

IFRS 19 Subsidiaries without Public Accountability: Disclosures
Issued on 9 May 2024, it allows eligible subsidiaries (i.e. reporting to a parent that prepares consolidated financial statements in accordance with the IFRS) to apply reduced disclosure requirements when complying with the recognition, measurement and presentation requirements of the IFRS. It is effective for annual reporting periods beginning on or after 1 January 2027.

VI. Group Financial Risk Management

A summary of the risk management and control methods is shown below with respect to financial instruments (liquidity risk, currency risk, interest rate risk, credit risk) and *commodity* price risk related to fluctuations in the prices of energy *commodities*.

1. FINANCIAL RISKS

Iren Group's business is exposed to various types of financial risks, including: liquidity risk, currency risk and interest rate risk. As part of its Risk Management activities, the Group uses non-speculative hedging contracts to limit currency risk and interest rate risk.

a) Liquidity risk

Liquidity risk is the risk that financial resources available to the group will be insufficient to cover financial and trade commitments in accordance with the agreed terms and deadlines. The procurement of financial resources has been centralised in order to optimise their use. In particular, centralised management of cash flows at Iren makes it possible to allocate the funds available at the Group level according to the needs that from time to time arise among the individual Companies. Cash movements are recognised in intra-group accounts along with intra-group interest income and expense. A number of investees have an independent financial management structure in compliance with the guidelines provided by the Parent.

The current and forecast financial position and the availability of adequate credit facilities are constantly monitored, and no critical points have emerged regarding the coverage of short-term financial commitments. At the end of the year, short-term bank credit facilities used by the Parent were nil.

In addition, having assessed the convenience and advisability from time to time in the context of optimising available financial resources, the Group carries out non-recourse factoring of trade receivables and tax assets, benefiting from the liquidity advance arising therefrom.

In this context, to support the Group's liquidity profile and rating level, in addition to current liquid assets, Iren has medium/long-term credit lines agreed and/or committed, available but not drawn down, totalling 450 million euro.

The table below illustrates the nominal cash flows required to settle financial liabilities:

Financial liabilities at 31 December 2025:

thousands of euro

	Carrying amount	Contractual cash flows	within 12 months	1-5 years	Over 5 years
Loan and bond liabilities (*)	4,483,994	(5,127,627)	(147,914)	(2,760,311)	(2,219,402)
Hedging of interest rate risk (**)	(11,309)	11,309	3,608	7,531	170
Lease liabilities	58,615	(66,271)	(17,493)	(38,482)	(10,296)

(*) The carrying amount of "Loan and bond liabilities" includes both current and non-current portions.

(**) The carrying amount of "Hedging of interest rate risk" includes the positive and negative fair value of the hedging contracts.

Financial liabilities at 31 December 2024:

thousands of euro

	Carrying amount	Contractual cash flows	within 12 months	1-5 years	Over 5 years
Loan and bond liabilities (*)	4,931,344	(5,552,053)	(664,097)	(2,382,942)	(2,505,014)
Hedging of interest rate risk (**)	(478)	478	2,727	(2,316)	67
Lease liabilities	69,542	(75,407)	(18,566)	(44,339)	(12,502)

(*) The carrying amount of "Loan and bond liabilities" includes both current and non-current portions.

(**) The carrying amount of "Hedging of interest rate risk" includes the positive and negative fair value of the hedging contracts.

Cash flows required to settle other financial liabilities, other than those to lenders and those related to the application of IFRS 16 on the subject of *leases*, do not differ significantly from the recognised carrying amount.

Among the factors that define the risk perceived by the market, the creditworthiness, assigned to Iren by the rating agencies, plays a decisive role since it influences its ability to access sources of financing and the related economic conditions. A substantial worsening of this credit rating could constitute a limitation to access to the capital market and/or an increase in the cost of financing sources, with possible negative effects on the Group's financial position and performance.
As detailed in the "Financial Management" section of the Directors' Report, Iren has "BBB" rating with "Stable" outlook for long-term creditworthiness with Standard & Poor's Global Ratings (S&P) agency and with the Fitch Ratings agency, confirmed on 27 November and 22 December 2025 respectively.

Iren has relations with the leading Italian and international banks, for the purpose of searching for the types of loans most suited to its needs, and the best market conditions.
Details of the activities performed in this area and of the individual transactions are shown in the "Financial Management" section of the Directors' Report.

Financial debt at the reporting date consisted of 34% loans and 66% bonds; it is also noted that:
- the fixed-rate portion accounts for 71%, the hedged portion for 24%, and the remaining floating-rate portion for 5%;
- 85% of total debt is financed by sustainable funds, consistent with the Iren Sustainable Finance Framework, such as Green Bonds and loans whose interest rate is linked to ESG Key Performance Indicators - see also Note 21 "Non-current financial liabilities" of these Notes.

With regard to the liquidity risk potentially deriving from contractual clauses allowing counterparties to withdraw financing should certain events occur (*default* risk and *covenants*), it is noted that the clauses in Iren's loan agreements are complied with. Specifically, for certain medium/long-term loan agreements Iren is committed to observing financial *covenants* (such as Debt/ gross operating profit, gross operating profit /borrowing costs) verified on a yearly basis. Moreover, other covenants have been provided for the Change of Control clause, which states that Iren Group should be kept under the direct and indirect control of public shareholders. In addition, Negative Pledge clauses exist whereby the group undertakes not to grant collateral beyond a specific limit, and the *Pari Passu* clause, which reserves an equal treatment for lending banks with respect to the treatment related to other unsecured creditors.

b) Currency risk
Except as indicated in the section on energy risk, the Group is not significantly exposed to currency risk.

c) Interest rate risk
Iren Group is exposed to interest rate fluctuations especially with regard to the measurement of borrowing costs. Iren Group's strategy is to limit exposure to the risk of interest rate volatility, maintaining at the same time a low cost of funding.
For non-speculative purposes, the risks associated with the increase in interest rates are monitored and, if necessary, reduced or eliminated by *swap* and *collar* contracts with financial high credit *standing* counterparties, for the sole purpose of hedging. At the end of the year, all contracts entered into meet the requirement to limit exposure to interest rate risk and also meet the formal requirements for hedge accounting.

The fair value of the aforementioned interest rate hedging contracts as at 31 December 2025 relates to the position of the parent (positive 10,597 thousand euro) and Siena Ambiente (positive 712 thousand euro).

The hedging contracts entered into, together with fixed-rate loans, hedge 95% of loans against interest rate risk, in line with Iren Group's target of maintaining adequate protection against significant increases in the interest rate.

For a more complete understanding of the interest rate risks to which the Group is subject, stress testing was performed on the sensitivity of net financial expense and evaluation portions in derivative financial contracts to changes in interest rates. With regard to financial expense, this analysis was performed based on reasonable assumptions, as follows:
- a theoretical increase and decrease of 100 basis points in the Euribor interest rates over the year was applied to net financial debt;
- if there was any existing hedge, interest rate shock was applied to both the debt position and related hedging derivative with an extremely limited net effect on the income statement;
- the change in interest rates is also applied to any portion of interest expense capitalised in the year.

With regard to hedging derivatives at year end, a 100 basis points theoretical increase and decrease was applied to the forward curve of interest rates used to measure the fair value of the hedges.

The table below illustrates the results of the above sensitivity analysis performed with reference to 31 December 2025.

thousands of euro

	increase of 100 bps	decrease of 100 bps
Increase (decrease) in net financial expense	(906)	826
Increase (decrease) in derivative fair value charges	354	(412)
Increase (decrease) in hedging reserve	32,983	(34,772)

2. CREDIT RISK

The Group's credit risk is mainly related to trade receivables deriving from the sale of electricity, district heating, gas and the provision of energy, water and waste management services. The receivables are spread across a large number of counterparties, belonging to non-uniform customer categories (retail and business customers and public bodies); some exposures are of a high amount and are constantly monitored. Iren Group's Credit Management units devoted to credit recovery are responsible for this activity.

In carrying on its business, the Group is exposed to the risk that assets may not be honoured on maturity with a consequent increase in their age and in insolvency up to an increase in assets subject to arrangement procedures or unenforceable. This risk reflects, among other factors, also the current economic and financial situation.
To limit exposure to credit risk, various tools are adopted. These include analysing the solvency of customers at the acquisition stage through careful assessment of their creditworthiness, transferring the receivables of discontinued and/or active customers to external credit recovery companies and introducing new recovery methods for managing legal disputes. In addition, numerous payment methods are offered to customers through channels, including digital channels, and appropriately monitored payment plans are proposed.

The credit management policy and creditworthiness assessment tools, as well as monitoring and recovery activities, are managed through automated processes and integrated with company applications and differ in relation to the various categories of customers and types of service provided.
Credit risk is hedged, for some types of business customers, with opportune forms of first-demand bank or insurance guarantees issued by subjects of leading credit standing.
An interest-bearing guarantee deposit is required for some types of services (water, natural gas, highly-protected electricity sectors) in compliance with regulations governing these activities. This deposit is reimbursed if the customer uses payment by direct debit from a current account.
The payment terms generally applied to customers are related to the legislation or regulations in force or in line with the standards of the free market; in the event of non-payment, default interest is charged for the amount indicated in the contracts or by the legislation.
The control of credit risks is also strengthened by the monitoring and reporting procedures, in order to identify promptly possible countermeasures. Furthermore, on a quarterly basis, the Credit Management Department provides the Risk Management Department and the Risk Commission with Group reporting on the evolution of the trade receivables of Group companies, in terms of customer type, contract status, business chain, and aging category. The assessment of credit risk is carried out both at consolidated level and at the level of Business Units and companies. Some of the above assessments are carried out at intervals of less than three months or when there is a specific need.

With reference to Trade Receivables and their breakdown by Business Unit and ageing bracket, please refer to the contents of Note 14 "Trade Receivables" in chapter X "Notes to the Statement of financial position".

Impairment losses on loans and receivables reflect, carefully and in accordance with the current legislation (applying the IFRS 9 method), the effective credit risks and are determined with reference to databases of trade receivables and, in general, assessing any changes in the said risk compared to the initial measurement and, estimating the related expected credit losses determined on a prospective basis, taking into due consideration the historical data.
In this regard, a breakdown by financial statements item of the estimated expected credit losses recognised in the year is provided.

thousands of euro

Trade receivables	85,976
Other non-current assets	255
Total to IS impairment losses on loans and receivables	**86,231**

Also with reference to "Trade Receivables", in the related Note to the Statement of Financial Position, the specific loss allowance is reported by segment, with evidence of the average loss percentages by ageing bracket.

There is credit concentration in the transactions between the subsidiaries Iren Smart Solutions and AMIAT and the municipality of Turin. For further details, see in particular Note "Non-current financial assets" of the Notes to the statement of financial position.

3. ENERGY RISK

Iren Group is exposed to price risk, on the energy commodities traded, these being electricity, natural gas, CO_2 emission quotas, etc., as both purchases and sales are impacted by fluctuations in the price of such commodities directly or through indexing formulae. Currently no exposure to currency risk, typical of oil-based commodities, is present, thanks to the development of the European organised markets that trade the gas commodity in the euro currency and no longer indexed to oil products.

The Group has a formal procedure that provides for the measurement of residual risk, the definition of a maximum acceptable risk limit and the implementation of hedging transactions through the use of derivative contracts on regulated markets (e.g. European Energy Exchange - EEX) and on Over The Counter (OTC) markets involved in bilateral exchanges. The commodity risk control process makes it possible to limit the impact of unforeseen changes in market prices on margins and, at the same time, provides an adequate margin of flexibility to seize opportunities in the short term.

In this context, the Group's policy is in fact oriented to a strategy of active management of the positions to stabilise the margin taking the opportunities offered by the markets; it is implemented by aligning the indexing of commodities purchased and sold, through vertical and horizontal use of the various business chains, and operating on the financial markets.

For this purpose, the Group plans the production of its plants and purchases and sales of energy and natural gas, in relation to both volumes and price formulae. The objective is to achieve sufficient margin stability through a policy of indexed purchases and sales that achieves a high degree of natural hedging, with adequate recourse to futures and spot markets.

In relation to the energy sold, the Group may use fixed-price contracts, through physical bilateral agreements (e.g. Power Purchase Agreements -PPA-, etc.) or financial contracts (e.g. Contracts for Difference, Virtual Power Purchase Agreements -VPP-, etc.).

In addition to normal activity with physical contracts, derivative transactions are in place to hedge the energy portfolio:

- Over the Counter (OTC) on commodities (commodity swaps on TTF, PSV and PUN indices) totalling 3.3 TWh. The fair value of these instruments as at 31 December 2025 was positive overall by 2,119 thousand euro (depending on the different positions, of which 10,071 thousand euro of positive fair value and 7,952 thousand euro of negative fair value);
- on the regulated platform European Energy Exchange - EEX, on PUN for a total net notional equal to 2.5 TWh. The Fair Value of these instruments (the so-called "Variation Margin") as at 31 December 2025 is positive overall for 1,267 thousand euro, with daily settlement on a specific current account: these instruments are not in fact specifically valued in the financial statements as they are already expressed in terms of "higher/lower" liquidity.

In the first half of 2025, there were two Block Deals for a volume of 15 MW each (maturing 31 December 2026) aimed at neutralising the position on EEX, with simultaneous reopening of the OTC position. This strategy made it possible, with a view to containing liquidity risk and for low fees, to eliminate the Initial Margin and to freeze the Variation Margin at the execution date for the neutralised EEX transaction.

In addition, under the Emission Trading Scheme, Iren Group purchases Emission Unit Allowances (EUA) to meet its obligations arising from CO2 emissions caused by the production of electricity and heat.

Purchases of EUA take place either Spot (with immediate payment and physical delivery) or forward via Future/Forward (with deferred payment and physical delivery); in addition, they may be concluded either on the OTC market (bilateral contracts with third parties) or directly on the regulated EEX market. The annual domestic requirement to be covered is approximately 2.8 million CO2 allowances/tonnes.

As at 31 December 2025, there were outstanding Future/Forward transactions:

- Over the Counter (OTC) for a total of 2,540 thousand tonnes. The Fair Value of these instruments totalled a positive 15,929 thousand euro;
- on the regulated platform European Energy Exchange - EEX for a total net notional equal to 556 thousand tonnes. The Fair Value of these instruments is positive overall for 2,372 thousand euro, with daily settlement on a specific current account: these instruments are not specifically valued in the financial statements as they are already expressed in terms of "higher/lower" liquidity.

As at 31 December 2025, there were 29 electricity sales contracts (Power Purchase Agreements) in place, with an average remaining term of three years and one month and a total remaining volume of 520 GWh.

RECOGNITION OF DERIVATIVES

Financial derivatives are measured at fair value, determined on the basis of market values or, if unavailable, according to an internal measurement technique.
In order to recognise derivatives, it is necessary to distinguish between transactions that meet all of the IFRS 9 requirements in order to account for them in compliance with the hedge accounting rules and transactions that do not fulfil all of the aforesaid requirements.

Transactions recognised in compliance with hedge accounting rules
These transactions may include:

- fair value hedges: the derivative and the hedged item are recognised at fair value in the statement of financial position and the change in their fair values is recognised directly in the income statement;
- cash flow hedges: the derivative is recognised at fair value with a balancing entry in a specific equity reserve for the effective portion of the hedge and in the income statement for the ineffective portion; when the hedged item arises, the amount suspended in equity is reversed to the income statement.

Classification in the income statement of the ineffective portion and the deferred amount transferred from equity is based on the nature of the underlying instrument; in the case of commodity derivatives, this amount is accounted for in the gross operating profit, while in the case of interest rate risk hedges it is recognised in financial income and expense.

Transactions not recognised in compliance with hedge accounting rules
The derivative is recognised at fair value in the statement of financial position. The change in the fair value of the derivative and the realised portion are recognised in the income statement according to the following classification:

- in the case of derivative instruments on commodities for which there is a relationship with a cost or revenue component, in the gross operating profit; in particular, the realised portion is accounted for as an adjustment to the cost or revenue component to which it refers;
- in the case of interest rate risk hedges, in financial income or expense.

Finally, in the case of derivative instruments for which there is no longer a relationship with a cost or revenue component, the change in the fair value of the derivative is recognised in financial income and expense, as they are considered instruments with purely financial characteristics and do not have the characteristics to manage exposures arising from particular risks that could affect the profit for the year.

With regard to the valuation of the derivative among statement of financial position items, it should be noted that the fair value of the derivative is recorded under non-current financial assets/liabilities if the underlying is a non-current item, vice versa it is recorded under current financial assets/liabilities if the underlying is settled within the reporting period.
In the case of derivative instruments for which there is no relationship to a cost or revenue component, the fair value of the derivative is recorded under current or non-current financial assets/liabilities depending on whether the portion is due within or beyond twelve months of the reporting date.

FAIR VALUE

The following table shows, for each financial asset and liability:
- the carrying amount, including the method of accounting;
- the fair value, including the Level in the relative hierarchy.

In this regard, the various levels were defined as shown below:
- Level 1: Quoted prices (unadjusted) on active markets for identical assets or liabilities;
- Level 2: Inputs other than Level 1 quoted prices which are observable for the asset or liability, either directly (as in the case of prices), or indirectly (i.e. derived from prices);
- Level 3: Inputs for the asset or liability which are not based on observable market data.

Loans and bonds

The fair value of loans, level 2, is determined as the sum of estimated future cash flows associated with assets or liabilities, including the related component of financial income or expense, discounted with reference to the reporting date. This present value is determined by applying the forward interest rate curve at the reporting date.
With regard to bonds, the relative fair value (level 1) is derived from the quotation on the regulated markets of the Irish Stock Exchange (Euronext Dublin) and on the ExtraMOT Pro market of Borsa Italiana.

Derivative hedging contracts (rate and commodities)

All the Group's hedging instruments have a fair value which can be classified at level 2, thus measured through valuation techniques, that take, as a reference, parameters that can be observed on the market (e.g. interest rates, commodity prices) and are different from the price of the financial instrument, or in any case that do not require a significant adjustment based on data which cannot be observed on the market. Their fair value is equal to the present value of estimated future cash flows. In particular:
- with regard to financial instruments hedging interest rate risk, estimates of variable-rate future cash flows are based on quoted swap rates, futures prices and interbank rates, from which the yield curve used to discount the estimated cash flows is also obtained. The fair value thus obtained is subject to Credit Risk Adjusted (CRA) to incorporate the Group's and counterparty's credit risk, with calculation parameters (probability of default and percentage of loss in the event of default) valued in accordance with best market practice;
- with regard to financial instruments hedging commodity risk, estimates of variable future cash flows are based on electricity, gas and EUA price quotations extracted from the main market platforms. Cash flows are discounted and adjusted for the credit risk component, similar to interest rate risk hedging instruments.

Put Options

Financial liabilities for put options relate to the fair value measurement of put options granted to non-controlling investors of I.Blu, Nord Ovest Servizi and Cierre.
With reference to I. Blu and Nord Ovest Servizi, their nominal value, contractually defined between the parties and discounted to take into account the time component with respect to the exercise date, is the directly observable input for the Level 2 fair value measurement.
With regard to Cierre, the fair value of the put option, which is also subject to discounting, is calculated according to the contractual terms based on the best estimate of the company's expected profitability in a given timeframe: the relative fair value is therefore hierarchically entered in level 3.

Finally, it should be noted that there have been no transfers between the various levels of the fair value hierarchy and that information on the fair value of financial assets and liabilities not measured at fair value is excluded when their carrying amount is reasonably representative of their fair value.

The following tables do not include assets and liabilities relating to derivatives on the EEX market (used for Cash Flow Hedges), which have a daily adjustment of their fair value on a specific current account: they are not specifically valued in the financial statements as they are already expressed in "higher/lower" cash balances.

In order to provide a disclosure as complete as possible, the corresponding figure from the previous year is also indicated.

thousands of euro

	Carrying amount				
31.12.2025	Fair value of hedging instruments	Fair Value Through Profit or Loss	Financial assets measured at amortised cost	Other financial liabilities	TOTAL
Financial assets measured at fair value					
Derivative hedging contracts (rate)	17,266				17,266
Derivative hedging contracts (commodities)	26,000				26,000
Assets for variable portion of transfer price OLT Offshore LNG Toscana		21,642			21,642
Other equity investments		9,395			9,395
Total Financial assets measured at fair value	**43,266**	**31,037**	-	-	**74,303**
Financial assets not measured at fair value					
Trade receivables			1,394,194		1,394,194
Loan assets			143,000		143,000
Sundry assets and other assets (*)			512,390		512,390
Cash and cash equivalents			205,765		205,765
Total Financial assets not measured at fair value	-	-	**2,255,349**	-	**2,255,349**
Financial liabilities measured at fair value					
Derivative hedging contracts (rate)	(5,957)				(5,957)
Derivative hedging contracts (commodities)	(7,952)				(7,952)
Put options		(7,294)			(7,294)
Total Financial liabilities measured at fair value	**(13,909)**	**(7,294)**	-	-	**(21,203)**
Financial liabilities not measured at fair value					
Bonds				(2,998,177)	(2,998,177)
Loans				(1,485,818)	(1,485,818)
Other financial liabilities (**)				(53,556)	(53,556)
Trade payables				(1,655,446)	(1,655,446)
Sundry liabilities and other liabilities (*)				(445,953)	(445,953)
Total Financial liabilities not measured at fair value	-	-	-	**(6,638,950)**	**(6,638,950)**
TOTAL	**29,357**	**23,743**	**2,255,349**	**(6,638,950)**	**(4,330,501)**

(*) Prepaid expenses and deferred income are excluded

(**) Lease liabilities recognised in accordance with IFRS 16 are excluded

thousands of euro

31.12.2025	Fair value Level 1	Level 2	Level 3	TOTAL
Financial assets measured at fair value				
Derivative hedging contracts (rate)		17,266		17,266
Derivative hedging contracts (commodities)		26,000		26,000
Assets for variable portion of transfer price OLT Offshore LNG Toscana			21,642	21,642
Other equity investments				-
Total Financial assets measured at fair value	-	**43,266**	**21,642**	**64,908**
Financial assets not measured at fair value				
Trade receivables				-
Loan assets				-
Sundry assets and other assets (*)				-
Cash and cash equivalents				-
Total Financial assets not measured at fair value	-	-	-	-
Financial liabilities measured at fair value				
Derivative hedging contracts (rate)		(5,957)		(5,957)
Derivative hedging contracts (commodities)		(7,952)		(7,952)
Put options		(7,053)	(241)	(7,294)
Total Financial liabilities measured at fair value	-	**(20,962)**	**(241)**	**(21,203)**
Financial liabilities not measured at fair value				
Bonds	(2,903,279)			(2,903,279)
Loans		(1,533,418)		(1,533,418)
Other financial liabilities (**)				-
Trade payables				-
Sundry liabilities and other liabilities (*)				-
Total Financial liabilities not measured at fair value	**(2,903,279)**	**(1,533,418)**	-	**(4,436,697)**
TOTAL	**(2,903,279)**	**(1,511,114)**	**21,401**	**(4,392,992)**

(*) Prepaid expenses and deferred income are excluded

(**) Lease liabilities recognised in accordance with IFRS 16 are excluded

The non-current portion of "Financial assets measured at fair value" includes at Level 3 the asset relating to the variable portion of the sale price of OLT Offshore LNG Toscana, amounting to 21,642 thousand euro as at 31 December 2025, the fair value of which is determined on the basis of the application of the price formula provided for in the contract, taking into account the expected profitability of the company and the discount rate inferred from its financial statements. In this regard, a sensitivity on the fair value of this item is reported, expressing the change in it when the expected profitability and discount rate increase/decrease by one percentage point.

thousands of euro

	+1%	-1%
Profitability (flows)	960	(960)
Discount rate	(308)	319

The fair value level of "Other equity investments" (which refer to companies not listed on regulated markets) is not reported, since the related carrying amount is a reasonable approximation.

thousands of euro

	Carrying amount				
31.12.2024	Fair value of hedging instruments	Fair Value Through Profit or Loss	Financial assets measured at amortised cost	Other financial liabilities	TOTAL
Financial assets measured at fair value					
Derivative hedging contracts (rate)	21,957				21,957
Derivative hedging contracts (commodities)	39,640				39,640
Assets for variable portion of transfer price OLT Offshore LNG Toscana		21,744			21,744
Other equity investments		8,723			8,723
Total Financial assets measured at fair value	**61,597**	**30,467**	-	-	**92,064**
Financial assets not measured at fair value					
Trade receivables			1,476,294		1,476,294
Loan assets			622,061		622,061
Sundry assets and other assets (*)			409,047		409,047
Cash and cash equivalents			326,568		326,568
Total Financial assets not measured at fair value	-	-	**2,833,970**	-	**2,833,970**
Financial liabilities measured at fair value					
Derivative hedging contracts (rate)	(21,479)				(21,479)
Derivative hedging contracts (commodities)	(42,373)				(42,373)
Put options		(7,192)			(7,192)
Total Financial liabilities measured at fair value	**(63,852)**	**(7,192)**	-	-	**(71,044)**
Financial liabilities not measured at fair value					
Bonds				(3,468,196)	(3,468,196)
Loans				(1,463,148)	(1,463,148)
Other financial liabilities (**)				(45,516)	(45,516)
Trade payables				(1,787,198)	(1,787,198)
Sundry liabilities and other liabilities (*)				(384,619)	(384,619)
Total Financial liabilities not measured at fair value	-	-	-	**(7,148,677)**	**(7,148,677)**
TOTAL	**(2,255)**	**23,275**	**2,833,970**	**(7,148,677)**	**(4,293,687)**

(*) Prepaid expenses and deferred income are excluded

(**) Lease liabilities recognised in accordance with IFRS 16 are excluded

thousands of euro

31.12.2024	Fair value Level 1	Level 2	Level 3	TOTAL
Financial assets measured at fair value				
Derivative hedging contracts (rate)		21,957		21,957
Derivative hedging contracts (commodities)		39,640		39,640
Assets for variable portion of transfer price OLT Offshore LNG Toscana			21,744	21,744
Other equity investments				-
Total Financial assets measured at fair value	**-**	**61,597**	**21,744**	**83,341**
Financial assets not measured at fair value				
Trade receivables				-
Loan assets				-
Sundry assets and other assets (*)				-
Cash and cash equivalents				-
Total Financial assets not measured at fair value	**-**	**-**	**-**	**-**
Financial liabilities measured at fair value				
Derivative hedging contracts (rate)		(21,479)		(21,479)
Derivative hedging contracts (commodities)		(42,373)		(42,373)
Put options		(6,909)	(283)	(7,192)
Total Financial liabilities measured at fair value	**-**	**(70,761)**	**(283)**	**(71,044)**
Financial liabilities not measured at fair value				
Bonds	(3,352,358)			(3,352,358)
Loans		(1,468,538)		(1,468,538)
Other financial liabilities (**)				-
Trade payables				-
Sundry liabilities and other liabilities (*)				-
Total Financial liabilities not measured at fair value	**(3,352,358)**	**(1,468,538)**	**-**	**(4,820,896)**
TOTAL	**(3,352,358)**	**(1,477,702)**	**21,461**	**(4,808,599)**

(*) Prepaid expenses and deferred income are excluded

(**) Lease liabilities recognised in accordance with IFRS 16 are excluded

VII. Information on transactions with related parties

As indicated in the Directors' Report, the information on transactions with related parties is provided below.

Transactions with owners

We present, for the Group's subsidiaries, the main transactions directly carried out with the owner Municipalities which have been classified as related parties (Municipality of Turin, Municipality of Reggio Emilia, Municipality of Parma, Municipality of Piacenza and Municipality of Genoa) where the Group operates.

Through Iren Smart Solutions, the Group operates services awarded by the municipality of Turin, i.e. public street lighting and traffic light services, management of heating and electrical systems of buildings used as administrative offices or to provide services to the community. The services rendered by Iren Smart Solutions are governed by specific long-term contracts. In this context, there is an agreement for the plant and building upgrading aimed at improving the energy efficiency of 800 buildings in the Municipality of Turin, which is added to the work carried out in recent years on the city's public lighting systems and the heating systems of numerous municipal-owned buildings.
In this regard, an onerous current account contract is in place between the City of Turin and Iren Smart Solutions for management of the past-due amounts related to the above activities.

The Group, through Iren Mercato, supplies district heating heat to the municipalities of Parma and Turin at conditions normally applied to the remaining customers.

IRETI (which will merge Iren Acqua from 1 July 2025) and Iren Acqua Piacenza provide water services to the municipalities of Genoa, Parma, and Piacenza, respectively, through supply contracts similar to those in place with their general customers.

Iren Ambiente, Iren Ambiente Parma and Iren Ambiente Piacenza are in charge of the waste collection and disposal service in the municipalities of Reggio Emilia, Parma and Piacenza, respectively, according to the conditions set out in the existing awards.

Again in the context of the sector, for the Municipality of Turin the waste management and snow clearing services, and post-operative management of the "Basse di Stura" landfill site are provided by AMIAT in accordance with the Service Contract in place.
In this regard, an onerous current account contract is in place between the Municipality of Turin and AMIAT for management of the past-due amounts related to the above activities.

Transactions with associates

Among the main transactions carried out by the Group with joint ventures and associates, the following are noted:

- the operational management services of the Integrated Water Service of the Province of Reggio Emilia provided by Iren Acqua Reggio to ARCA, holder of the relevant concession;
- sale of electricity and gas to Asti Servizi Pubblici and gas to GAIA;
- waste collection and disposal services, including special waste, for GAIA, SETA and Asti Servizi Pubblici, which operate in the waste management services sector;
- remediation work related to the Barricalla landfill;
- delivery of waste to the plants of GAIA and the purchase of sorted fractions from GAIA and SETA for treatment;
- maintenance services to ASA S.c.p.a. and the delivery of waste to its landfill;
- waste collection and transport services from Etambiente.

Transactions with other related parties

On the basis of the RPT Procedure, companies controlled, directly or indirectly, by one of the following Municipalities have been identified as related parties: Parma, Piacenza, Reggio Emilia, Turin and Genoa.
Transactions with these companies are mainly of a commercial nature and pertain to services provided to the generality of customers and concern gas, electricity and, in particular, district heating.
In addition, the Group provides waste treatment services to AMIU, a subsidiary of the Municipality of Genoa, and waste disposal services to SMAT, a subsidiary of the Municipality of Turin (the latter also supplies, for some companies of the Group, services relating to the water service).

Lastly, it should be noted that, in order to provide the integrated water service in the provinces of Parma and Piacenza and in the province of Reggio Emilia, IRETI, Iren Acqua Piacenza and Iren Acqua Reggio respectively, in exchange for the payment of an annual fee, use the assets owned by the companies Parma Infrastrutture, Piacenza Infrastrutture and AGAC Infrastrutture, controlled by the relevant Municipalities.
Quantitative information on financial transactions with related parties is provided in chapter "XIV. Annexes to the Consolidated Financial Statements", considered an integral part of these notes.

Lastly and as regards the Directors and Statutory Auditors of Iren, with the exception of payment of the fees envisaged for the performance of duties in the management or control bodies of the Parent or of other Group companies, it should be noted that there are no significant transactions between them and the Group itself.

Transactions that consist of assigning remunerations and economic benefits, in any form, to members of the management and control bodies of Iren and Executives with Strategic Responsibilities of the Group are also subject to the provisions of the RPT Procedure.
The remuneration of key management (members of the Board of Directors - including members that ceased to hold office in 2025 - and Executives with Strategic Responsibilities) totals 5,193 thousand euro, and refers to fixed remuneration (3.236thousand euro), remuneration for participation in committees (173 thousand euro), bonuses and other incentives (1,742 thousand euro) and non-cash benefits (42 thousand euro).

Disclosure pursuant to Art. 5.8 and 5.9 CONSOB Regulation

For ease of reading, this disclosure is provided considering the first and second half of 2025 separately.

As for the first half of 2025

To complete the information provided in the "2024 Integrated Annual Report", we first recall what was illustrated therein concerning the events that involved the following transactions with related parties, at the time, treated as "major" (hereinafter referred to as "Original Transactions"):

i. between AMIAT (which is indirectly controlled by Iren) and the Municipality of Turin (which indirectly participates in the share capital of AMIAT, in addition to being a shareholder, again indirectly, of Iren) with regard to the service contract governing their mutual relations. In the course of 2024, it should be recalled, the parties proceeded to adjust this contract with respect to the contents of Resolution No. 385/2023/r/rif of the Regulatory Authority for Energy, Networks and the Environment - ARERA of 3 August 2023, containing the *"Standard service contract outline for the regulation of relations between entrusting Entities and urban waste service managers"*;
ii. between Iren Smart Solutions (which is also indirectly controlled by Iren) and the Municipality of Turin with reference to the agreement, existing between them, for the award of a concession - by means of project financing pursuant to Article 183, paragraph 15, of the then applicable Legislative Decree 50/2016 - of plant and energy upgrading activities aimed at improving the efficiency of the City of Turin's buildings, including operation and maintenance. Also in the course of 2024, the parties identified the date to be considered for the calculation of the first annuity of adjustment, on an Istat basis, of the fee (so-called REMbaseMAN) provided for in the aforementioned convention.

For the reasons illustrated in the "2024 Integrated Annual Report", these events, as they relate to "major" transactions, have been subject to the same procedure, also in order to ensure wider disclosure to the market, most recently through the publication - on the Iren website (www.gruppoiren.it) and on the authorised storage mechanism "1Info Sdir Storage" - of updates to the disclosure documents relating to the Original Transactions (on 10 January 2025 for that under i. and on 8 April 2025 for that under ii.) to which reference is made for any further details.

Without prejudice to the foregoing, in the first half of 2025, no 'major' transactions with related parties were carried out by Iren (including through its subsidiaries).

Again with regard to the first half of 2025, a transaction with a related party, falling within the category of those of 'minor significance', was submitted to the RPTC, for the relevant profiles, between the aforementioned Iren Smart Solutions and the Municipality of Genoa (indirect shareholder of Iren) concerning the presentation of a public-private partnership proposal for the "*unified management of energy supply services and maintenance of municipal buildings and plants*" in the local area of the entity. This transaction was examined by the RPTC in the meeting of 3 February 2025, at the end of which - having completed the relevant preliminary investigation conducted on the basis of the documentation prepared by the competent corporate Structures and of the information provided by the same during the meeting - the Committee expressed a favourable opinion pursuant to Article 9 of the RPT Procedure on the interest of the Group (and, specifically, of Iren Smart Solutions) in the completion of the transaction in question, as well as on the "convenience" and substantive "fairness" of the related conditions. Remaining on the subject, it should be noted that, in the subsequent meeting of 11 April 2025, the RPTC received a report on the development of the transaction in question, confirming - also in this case on the basis of the documentation prepared by the competent corporate Structures and of what was illustrated by them - the positive opinion previously rendered.

For the sake of completeness, it should be noted that, at the meeting held on 13 March 2025, the RPTC took note of the information provided, by the competent corporate Structures, with respect to the developments concerning the "major" transaction between related parties, between Rigenera Materiali (Ri.Ma, indirectly controlled by Iren) and Amiu Genova (an in-house providing company of the Municipality of Genoa), illustrated in the "2024 Integrated Annual Report" to which reference should be made again for any further details.

As for the second half of 2025

During the second half of 2025, Iren (through its subsidiaries) entered into two "major" related-party transactions, as described below:

- between Iren Smart Solutions and the Municipality of Turin, as already mentioned, concerning the signing of an agreement (hereinafter, "Agreement") relating to the concession agreement awarded to the company for the plant and energy requalification activity aimed at improving the efficiency of the buildings owned by the City of Turin, including management and maintenance, which has been in place between the parties for some time (hereinafter "ISS–Mun.Tur. Transaction"). In this case, the Agreement served to settle the 'penalty' proceedings – ultimately bringing them to a definitive close – initiated, pursuant to the agreement, by the Municipality of Turin against Iren Smart Solutions, in relation to the latter's assumption of specific obligations. In this regard, it should be noted that the process leading to the finalisation of the concession (which was followed by the agreement) was, at the time, treated as a "major" related-party transaction, given that its equivalent value exceeded the significance threshold (5%) set out in the RPT Procedure. For this reason, and also in order to ensure broader disclosure to the market regarding a development of the original relationship, Iren deemed it appropriate to apply the same framework to the ISS-Mun.Tur. Transaction, irrespective of the fact that its value was below the aforementioned materiality threshold. Therefore, the ISS-Mun.Tur. Transaction was subjected to the preliminary review and approval process envisaged for 'major' related-party transactions, which took place:
  - at the RPTC meetings held on 21 July 2025 – during which, among other matters, it was positively ascertained that all members of the Committee met the 'independence' and 'no relation' requirements (pursuant to Article 7(3) of the RPT Procedure, which, on this point, incorporates the requirements of Article 8(1)(b) of the Consob Regulation) in respect of the ISS-Mun.Tur. Transaction – and, in continuation of the work on this specific matter, the meeting held on 28 July 2025;
  - in the favourable opinion, preparatory to the completion of the ISS-Mun.Tur. Transaction, unanimously expressed by the RPTC – pursuant to Article 10, letter (d), of the RPT Procedure – regarding the 'interest' for the Group (and, in particular, for Iren Smart Solutions) in completing the ISS-Mun.Tur. Transaction, as well as the 'appropriateness' and substantial 'fairness' of the related terms and conditions, on the basis of the documentation acquired in the files and the information provided by the competent corporate Structures – following the aforementioned meetings;
  - at the meeting of the Board of Directors of Iren on 30 July 2025, at which – taking into account, inter alia, the aforementioned favourable opinion of the RPTC – the Parent's management body approved, to the extent of its competence, the ISS-Mun.Tur. Transaction;
  - at the meeting of the Board of Directors of Iren Smart Solutions, also held on 30 July 2025, at which – in light of all the foregoing – the subsidiary's management body, in turn, approved, to the extent of its competence, the ISS-Mun.Tur. Transaction;
  - in the publication, in accordance with the procedures already described, of a specific information document on the ISS-Mun.Tur. Transaction on 18 August 2025 (i.e., as required by Article 14.5 of the RPT Procedure, which on this point refers to Article 5(3) of the Consob Regulation, within 7 days of the completion of the ISS-Mun.Tur. Transaction, which took place with the signing of the Agreement between the parties on 8 August 2025); reference is made to said information document for any further details;
- between TRM (indirectly controlled by Iren to the extent of 80% of the share capital) and Iren, concerning the integration of TRM into the Group's centralised management (and, in particular, treasury management), through the signing of the relevant contracts (special, gratuitous mandate, current account and intra-group financing – hereinafter "T.-I. Transaction"). It should be noted that the T.-I. Transaction formed part of a broader initiative – which did not involve related parties of the Parent – aimed at the early repayment by TRM of the project financing in place between TRM and a pool of lending banks, as well as the related hedging derivative, entered into with BNP Paribas S.A. (hereinafter, "Early Repayment"). With regard to the classification of the T.-I. Transaction – taking into account the impossibility of determining its exact countervalue (which could only have been based on future forecasts, founded on needs that can only be estimated, with reference to the funding that, within the framework of the centralised treasury system, may be granted to TRM) – it was deemed appropriate, if only as a precautionary measure, to apply the procedure set out for "major" transactions with related parties. In this regard, reference was made to Art. 5.2 of the RPT Procedure, pursuant to which "*for financing transactions or the provision of guarantees, the consideration shall be determined as the maximum amount payable*". The same paragraph also provides that, "*If the economic terms of the Transaction depend as a whole or in part on magnitudes not yet known, its Consideration shall be the maximum value receivable or payable under the agreement*". It is also noted that, with regard to the T.-I. Transaction – although it involved a company (indirectly) controlled by Iren – the exclusion provided for in relation to 'intra-group transactions' (pursuant to Art. 6(g) of the RPT Procedure) could not be applied, given the existence of interests that could be classified as 'significant' (pursuant to the Consob Communication of 24 September 2010) held by another related party of Iren (namely, the Municipality of Turin – a shareholder of the Parent – which holds a direct investment in the TRM share capital of 16.51%). In more detail, the aforementioned process was structured as follows:
  - in the meeting of the RPTC, then in office, held on 31 March 2025, during which, inter alia, it was positively ascertained that all its members met the "independence" and "no relation" requirements (pursuant to the aforementioned provisions of the RPT Procedure and the relevant Consob Regulation) in respect of the T.-I. Transaction;
  - in the favourable opinion, preparatory to the completion of the T.-I. Transaction, unanimously expressed by the Committee then in office – pursuant to Article 10(d) of the RPT Procedure – regarding the 'interest' for the Group (and, in particular, for TRM) in completing the T.-I. Transaction, as well as the 'appropriateness' and substantive

'fairness' of the related terms and conditions, based on the documentation on file and the information provided by the competent corporate Structures – following the meeting referred to in the preceding point;
- at the meeting of the Board of Directors of Iren, then in office, held on 1 April 2025, at which the Parent's governing body approved, to the extent of its competence, the T.-I. Transaction (taking into account, inter alia, the aforementioned favourable opinion of the RPTC) and the Early Repayment;
- at the meeting of the Board of Directors of TRM on 2 April 2025 and at the Shareholders' Meeting of TRM on 22 April 2025, at which – in light of all the foregoing – the T.-I. Transaction and the Early Repayment were approved, to the extent applicable;
- in the disclosures provided, by way of an update on the T.-I. Transaction and the Early Repayment, to the Boards of Directors of Iren and TRM, most recently on 18 December 2025 and 16 December 2025, respectively;
- in the publication, in accordance with the procedures already described, of a specific document describing the T.-I. Transaction on 29 December 2025 (i.e., pursuant to the aforementioned Article 14.5 of the RPT Procedure and Article 5, paragraph 3, of the Consob Regulation, within 7 days of the completion of the T.-I. Transaction and, more specifically, of the signing date of the first contract envisaged under the Transaction, the loan agreement between TRM and Iren mentioned above); reference is made to said information document for any further details.

Also with regard to the second half of 2025, the following related-party transactions, falling within the category of 'minor' transactions, were submitted to the RPTC for the profiles of competence:
- at the meeting of 21 July 2025, the transaction between the aforementioned Iren Smart Solutions and SPIM (wholly owned by the Municipality of Genoa, which, as already mentioned, is an indirect shareholder of Iren), concerning the execution of a private deed constituting an addendum and settlement to the agreement previously signed between the parties, namely the "*Public-Private Partnership Agreement concerning the design, construction and management of energy efficiency measures for buildings owned by the Municipality of Genoa and, utilising the tax benefits of the so-called Superbonus pursuant to Decree-Law 34/20, converted with amendments by Law 77/2020, as amended and supplemented, by S.P.IM S.p.A. in exchange for an invoice discount, with the possibility of simultaneously carrying out other related unscheduled maintenance work*";
- at the meeting of 6 November 2025, between Alfa Solutions (indirectly controlled by Iren, which holds 86% of its share capital) and STU Reggiane (70% of whose share capital is held by the Municipality of Reggio Emilia, a shareholder of Iren), concerning the early termination of the rent-to-buy agreement that has been in place between the three parties for some time;

Following these meetings, the RPTC, to the extent of its remit and on the basis of the documentation on file and the information provided by the competent corporate Structures, unanimously expressed favourable opinions – pursuant to Article 9 of the RPT Procedure – as to the 'interest' for the Group (and, respectively, for Iren Smart Solutions and Alfa Solutions) in carrying out the two transactions, as well as the 'convenience' and substantial 'fairness' of the related terms and conditions.

For the sake of completeness, it should be noted that at the same meeting on 6 November 2025, the RPTC received, from the relevant Structures, an overview of the developments that have taken place over time, as well as of the future progress of the concession agreement for the plant and energy requalification activity aimed at improving the efficiency of the buildings owned by the Municipality of Turin, including management and maintenance, which has been in place for some time (as described in previous reports) between Iren Smart Solutions and the Municipality of Turin.

It should be noted that, within the information flows provided for by the RPT Procedure, in the first half and second half of 2025, the RPTC received information regarding transactions falling within the exclusion categories pursuant to the RPT Procedure itself.

Lastly, with regard to the regulations in question, reference is made to the contents of Article 13, paragraph 1-bis, of Decree-Law No. 95/2025 (converted, with amendments, into Law No. 118/2025, in force as of 10 August 2025), which, on the subject of related-party transactions, stipulates the following: "*For the purposes of Article 2391-bis of the Italian Civil Code, no related-party relationships exist between public administrations that do not exercise management and coordination powers and companies that have shares listed on regulated markets and in which they hold an interest, including indirectly*." The actual impact of this provision on the relevant procedures within the Group is currently being examined in detail.

With regard to the Remuneration and Appointments Committee ("RAC"), it should be noted that:
- during the first half of 2025, the RAC reviewed the related-party transactions falling within its remit, as reported above;
- during the second half of 2025, the RAC met on 23 December 2025 to:
  (i) receive information on the changes that have occurred in the list of Iren Group Senior Executives with Strategic Responsibilities, with particular reference to the person who has taken on the role of Director of the Market Business Unit of Iren S.p.A. and Chief Executive Officer of Iren Mercato S.p.A. (as of 1 January 2026), and
  (ii) formulate the relevant proposal, with reference to the progressive remuneration adjustments envisaged for the aforementioned individual; given their consistency with the remuneration policy approved by the competent bodies, there is a case of exclusion from the application of the RPT Procedure, as set out in paragraph 6, letter (f) of the Procedure and Article 13, paragraph 3, letter b), nos. (i), (ii) and (iv) of the Consob Regulation on Related Party Transactions.

VIII. Significant events after the reporting date

EIB loan to support the circular economy and energy efficiency

In March 2026, Iren signed a 225 million euro financing agreement with the European Investment Bank (EIB) to support its investment programme for the period 2025–2028. The initiative aims to support a series of measures designed to promote the circular economy and energy efficiency by upgrading waste collection systems and implementing measures to reduce energy consumption in buildings.

The loan supports investments in municipal waste management, including new containers, collection vehicles, recycling centres and infrastructure to support the introduction of 'Pay-As-You-Throw' (PAYT) systems, which link charges to the quantity of waste actually generated and encourage improved waste separation at source. At the same time, funding is being provided for energy efficiency measures aimed at reducing consumption in buildings, with a particular focus on social care facilities, such as residential homes for the elderly and mental health centres, managed by non-profit organisations.

The investments will be made primarily in the three regions of Northwest Italy where the Group has historically operated (Piedmont, Emilia-Romagna, Liguria), as well as in Tuscany and other Italian regions, particularly by Iren Ambiente and Iren Smart Solutions.

"Decreto Bollette" – decree concerning utility bills

The 2026 "Decreto Bollette", published in the Gazzetta Ufficiale on 20 February 2026, introduces extraordinary measures to support the costs of purchasing electricity for households and businesses. The legislation aims at reducing the final cost of energy, eliminating system charges and the cost of CO2 (ETS) from price formation, strengthen social bonuses and introduce transitional concessions. In particular, the removal of system charges and the ETS cost from pricing is a particularly important element for energy operators, as it could have structural effects on prices, the generation mix between technologies and the dynamics of cross-border energy flows.

Conflict in the Middle East

Recent geopolitical tensions in the Middle East, resulting from the ongoing conflict between the United States, Israel and Iran, have caused the blockade of the Strait of Hormuz, hindering the transit of ships carrying oil, petroleum products and LNG to Asia and Europe. Attacks on energy infrastructure in the Gulf countries have also been recorded, resulting in significant damage to extraction, refining and transportation processes. These events led to a significant increase in oil and natural gas prices, with direct repercussions on European energy prices. The blockade of ship transit through the Strait of Hormuz could also generate delays and price increases on additional supply chains.

The effects of higher energy prices on the Group's profitability, as well as on macroeconomic scenarios related to inflation and interest rates, will be monitored and assessed in light of the duration of the conflict and the attacks on the region's energy infrastructure.

Despite these regulatory and macroeconomic uncertainties, which are potentially significant, the Group, thanks to the diversification of its activities, largely consisting of essential services for the population and their regulation, is therefore potentially enabled to face both the volatility of the macroeconomic scenario and its impacts, also benefiting from the resilience and management capacity gained over the years.

IX. Other information

CONSOB COMMUNICATION NO. DEM/6064293 OF 28 JULY 2006

Significant non-recurring events and transactions

During 2025, Iren Group was not affected by "non-recurring" events and did not carry out significant transactions identified as such on the basis of the definitions contained in the Communication. In particular, it was not affected by events which do not reoccur frequently during the normal performance of the business.

Positions or transactions deriving from atypical and/or unusual transactions

It is noted that during 2025, the Group did not engage in any atypical and/or unusual transactions, as defined in the Communication. Atypical and/or unusual transactions are transactions that, due to their significance/materiality, nature of the counterparties, the purpose of the transaction, the method by which the sales price is calculated and the timing of the event (proximity to the reporting date) may give rise to doubts as to the correctness/completeness of the information given in the financial statements, conflict of interest and safeguarding the group's assets or the protection of non-controlling investors.

DISCLOSURE ON PUBLIC DISBURSEMENTS

With reference to what is provided for on the subject of transparency in the system of public disbursements pursuant to article 35 of Decree Law no. 34/2019 (Decree "Crescita") we can specify what follows:

- the National State Aid Registry includes aid, in favour of Iren Group companies, which must be disclosed. For the related details please see the aforementioned Registry, under the terms of article 35, paragraph 125-quinquies;
- pursuant to Article 35, paragraphs 125 and 125-bis, subsidies, benefits, contributions or aids, in cash or in kind, of a general nature and which are of a consideration, retributive or compensatory nature, such as, for example, amounts deriving from former green certificates, white certificates, all-inclusive tariffs, energy account and, in general, all incentives connected to consideration for supplies and services rendered, are not considered in the disclosure;
- during 2025 grants were received that fall under the relevant legislation; these are listed in the table presented in paragraph "XIV. Annexes to the Consolidated Financial Statements", with the exclusion of those less than 10 thousand euro per disbursing Body.

X. Notes to the statement of financial position

Unless otherwise stated, the tables below are in thousands of euro.

Assets

NON-CURRENT ASSETS

NOTE 1_PROPERTY, PLANT AND EQUIPMENT

The breakdown of property, plant and equipment, including right-of-use assets and divided between historical cost, accumulated depreciation and carrying amount, is shown in the following table:

thousands of euro

	Cost as at 31/12/2025	Accumulated depreciation as at 31/12/2025	Carrying amount as at 31/12/2025	Cost as at 31/12/2024	Accumulated depreciation as at 31/12/2024	Carrying amount as at 31/12/2024
Land	185,953	(10,979)	174,974	174,213	(10,165)	164,048
Buildings	1,108,147	(450,271)	657,876	1,023,999	(413,814)	610,185
Plant and machinery	7,280,009	(4,023,724)	3,256,285	6,953,671	(3,729,896)	3,223,775
Industrial and commercial equipment	353,003	(211,717)	141,286	299,090	(185,184)	113,906
Other assets	526,736	(349,379)	177,357	484,884	(311,552)	173,332
Assets under construction and payments on account	205,797	-	205,797	231,109	-	231,109
Total	**9,659,645**	**(5,046,070)**	**4,613,575**	**9,166,966**	**(4,650,611)**	**4,516,355**

The variation in the historical cost of property, plant and equipment, including the right of use, is as follows:

thousands of euro

	31/12/2024	Increases	Decreases	Changes in consolidation scope	(Reversals of) impairment losses of the year	Reclassifica-tions	31/12/2025
Land	174,213	2,582	(708)	9,554	(56)	368	185,953
Buildings	1,023,999	30,792	(4,437)	15,057	(6,266)	49,002	1,108,147
Plant and machinery	6,953,671	198,274	(30,459)	92,814	(4,780)	70,489	7,280,009
Industrial and commercial equipment	299,090	44,648	(7,413)	10,607	-	6,071	353,003
Other assets	484,884	42,760	(22,004)	18,092	-	3,004	526,736
Assets under construction and payments on account	231,109	129,201	(746)	2,667	2,084	(158,518)	205,797
Total	**9,166,966**	**448,257**	**(65,767)**	**148,791**	**(9,018)**	**(29,584)**	**9,659,645**

The change in accumulated depreciation of property, plant and equipment, including the right of use, is as follows:

thousands of euro

	31/12/2024	Depreciation for the year	Decreases	Changes in consolidation scope	Reclassifica-tions	31/12/2025
Land	(10,165)	(1,107)	509	-	(216)	(10,979)
Buildings	(413,814)	(40,539)	2,376	(3,771)	5,477	(450,271)
Plant and machinery	(3,729,896)	(271,431)	26,892	(50,510)	1,221	(4,023,724)
Industrial and commercial equipment	(185,184)	(26,369)	6,480	(7,439)	795	(211,717)
Other assets	(311,552)	(50,177)	21,533	(9,201)	18	(349,379)
Total	**(4,650,611)**	**(389,623)**	**57,790**	**(70,921)**	**7,295**	**(5,046,070)**

The column "Changes in consolidation scope" refers to the balances acquired during the year relating to EGEA Holding Group companies, Cierre, CSAI and Agricola Riofi.

The balance of the "Reclassifications" column refers mainly to net transfers from property, plant and equipment to intangible assets of items that fall within the scope of application of IFRIC 12, and to the transfer to the item "Assets held for sale" of a property located in the Municipality of Genoa, which was used as the Group's head office until February 2025.

Land and buildings
This item primarily includes industrial buildings connected with Group plants and related land.

Plant and machinery
This item refers to costs for electricity production plants, heat production plants, electricity distribution networks, gas distribution networks, heat distribution networks and plants related to waste disposal services not operated under concessions as per IFRIC 12. Freely transferable assets are included in the assets of electricity production plants.

Industrial and commercial equipment
This item includes costs related to the purchase of supplementary or auxiliary assets for plants and machinery, such as rubbish bins, laboratory and other equipment.

Other assets
This item refers to costs for the purchase of office furniture and machines and vehicles.

Assets under construction and payments on account
The item Assets under construction includes all the charges incurred for investments in progress and not yet in operation. This mainly refers to photovoltaic parks (30,326 thousand euro), the extension of the district heating transport network (22,695 thousand euro), thermoelectric production plants (41,258 thousand euro), hydroelectric production plants (8,596 thousand euro), the electricity distribution and metering network (28,326 thousand euro), the gas distribution and metering network not under concession (1,104 thousand euro), energy efficiency (15,668 thousand euro) and waste collection and disposal (52,989 thousand euro).

Increases
The increases in the year, of 448,257 thousand euro, mainly refer to:
- investments in thermoelectric and hydroelectric plants and photovoltaic plants for 99,297 thousand euro;
- development of the district-heating network and new connections to the network, including heat exchange substations, meters and remote reading appliances, for 45,833 thousand euro;
- investments in the electricity distribution grids, including primary substations, of 95,930 thousand euro;
- investments in the gas networks not in a concession arrangement in accordance with the provisions of IFRIC 12 of 13,892 thousand euro;
- investments for collection and disposal in the waste management sector for 128,300 thousand euro;
- investments in corporate, e-mobility and energy efficiency activities for 52,865 thousand euro.

Depreciation
Ordinary depreciation for 2025, totalling 389,623 thousand euro, was calculated on the basis of the rates previously indicated in paragraph "IV. Accounting policies" and considered representative of the residual useful life of the assets.

Finally, no assets are pledged against liabilities.

Right-of-use assets - IFRS 16

IFRS 16 provides for recognition in the statement of financial position of the assets and related financial liabilities for all lease contracts with a term of more than 12 months unless the underlying asset is of low value. The contracts in which Iren Group plays the role of lessee refer mainly to property leases and long-term hires of cars and other motor vehicles.

The breakdown of right-of-use assets, divided between historical cost, accumulated depreciation and carrying amount, is as follows:

thousands of euro

	Cost as at 31/12/2025	Accumulated depreciation as at 31/12/2025	Carrying amount as at 31/12/2025	Cost as at 31/12/2024	Accumulated depreciation as at 31/12/2024	Carrying amount as at 31/12/2024
Land	12,260	(4,687)	7,573	12,502	(4,108)	8,394
Buildings	51,561	(20,863)	30,698	57,469	(19,366)	38,103
Plant and machinery	4,587	(2,519)	2,068	3,824	(1,569)	2,255
Industrial and commercial equipment	1,441	(486)	955	1,408	(245)	1,163
Other assets	32,369	(16,127)	16,242	36,567	(15,553)	21,014
Total	**102,218**	**(44,682)**	**57,536**	**111,770**	**(40,841)**	**70,929**

The variation in the historical cost of right-of-use assets, is as follows:

thousands of euro

	31/12/2024	Increases	Decreases	Changes in consolidation scope	Other changes	31/12/2025
Land	12,502	163	(698)	293	-	12,260
Buildings	57,469	6,445	(2,912)	1,372	(10,813)	51,561
Plant and machinery	3,824	480	(27)	7,556	(7,246)	4,587
Industrial and commercial equipment	1,408	11	(226)	248	-	1,441
Other assets	36,567	2,589	(8,221)	1,434	-	32,369
Total	**111,770**	**9,688**	**(12,084)**	**10,903**	**(18,059)**	**102,218**

The change in accumulated depreciation of the right-of-use assets is as follows:

thousands of euro

	31/12/2024	Depreciation for the year	Decreases	Other changes	31/12/2025
Land	(4,108)	(1,087)	508	-	(4,687)
Buildings	(19,366)	(7,902)	1,782	4,623	(20,863)
Plant and machinery	(1,569)	(2,063)	-	1,113	(2,519)
Industrial and commercial equipment	(245)	(446)	205	-	(486)
Other assets	(15,553)	(8,347)	7,773	-	(16,127)
Total	**(40,841)**	**(19,845)**	**10,268**	**5,736**	**(44,682)**

The column "Changes in consolidation scope" refers to the balances acquired during the year relating to EGEA Holding Group companies.

Finally, it should be noted that the net amount of 12,323 thousand euro, reported under "Other changes" in the context of right-of-use assets, refers to assets acquired in 2025 and that were previously the subject of lease contracts.

NOTE 2_INVESTMENT PROPERTY

The following table highlights the breakdown of the item:

thousands of euro

	Cost as at 31/12/2025	Accumulated depreciation as at 31/12/2025	Carrying amount as at 31/12/2025	Cost as at 31/12/2024	Accumulated depreciation as at 31/12/2024	Carrying amount as at 31/12/2024
Land	546	6	540	565	6	559
Buildings	4,450	(2,105)	2,345	3,462	(2,047)	1,415
Total	**4,996**	**(2,111)**	**2,885**	**4,027**	**(2,053)**	**1,974**

This item consists mainly of properties whose fair value is not lower than their carrying amount. The increase compared to 31 December 2024 relates to the balances acquired during the year in relation to the company CSAI.

NOTE 3_ INTANGIBLE ASSETS WITH A FINITE USEFUL LIFE

The breakdown of intangible assets, divided between historical cost, accumulated amortisation and carrying amount is as follows:

thousands of euro

	Cost as at 31/12/2025	Accumulated amortisation as at 31/12/2025	Carrying amount as at 31/12/2025	Cost as at 31/12/2024	Accumulated amortisation as at 31/12/2024	Carrying amount as at 31/12/2024
Development costs	46,067	(27,384)	18,683	35,721	(21,337)	14,384
Industrial patents and intellectual property rights	530,189	(369,207)	160,982	450,046	(296,605)	153,441
Concessions, licences, trademarks and similar rights	4,831,462	(2,023,489)	2,807,973	4,409,634	(1,846,094)	2,563,540
Other intangible assets	1,009,148	(588,969)	420,179	862,560	(486,353)	376,207
Assets under development and payments on account	307,672	-	307,672	249,951	-	249,951
Total	**6,724,538**	**(3,009,049)**	**3,715,489**	**6,007,912**	**(2,650,389)**	**3,357,523**

The change in the historical cost of intangible assets is as follows:

thousands of euro

	31/12/2024	Increases	Decreases	Changes in consolidation scope	Impairment losses for the year	Reclassifica-tions	31/12/2025
Development costs	35,721	7,232	-	409	(16)	2,721	46,067
Industrial patents and intellectual property rights	450,046	62,377	(90)	10,251	(4)	7,609	530,189
Concessions, licences, trademarks and similar rights	4,409,634	194,799	(8,889)	293,902	(48)	(57,936)	4,831,462
Other intangible assets	862,560	96,078	(1,068)	52,750	(2)	(1,170)	1,009,148
Assets under development and payments on account	249,951	132,956	(781)	9,226	-	(83,680)	307,672
Total	**6,007,912**	**493,442**	**(10,828)**	**366,538**	**(70)**	**(132,456)**	**6,724,538**

Changes in accumulated amortisation of intangible assets are shown in the following table:

thousands of euro

	31/12/2024	Amortisation for the year	Decreases	Changes in consolidation scope	Reclassifica-tions	31/12/2025
Accumulated amortisation of development costs	(21,337)	(5,638)	-	(409)	-	(27,384)
Accumulated amortisation of ind. patents and intellectual property use rights	(296,605)	(68,962)	60	(6,543)	2,843	(369,207)
Accumulated amortisation of concessions, licences, trademarks and similar rights	(1,846,094)	(156,946)	5,245	(72,359)	46,665	(2,023,489)
Accumulated amortisation of other intangible assets	(486,353)	(95,039)	866	(9,702)	1,259	(588,969)
Total	**(2,650,389)**	**(326,585)**	**6,171**	**(89,013)**	**50,767**	**(3,009,049)**

The column "Changes in consolidation scope" refers to the assets acquired during the year of EGEA Holding Group companies, Cierre, CSAI and Agricola Riofi, net of assets relating to the Integrated Water Service business unit of certain municipalities in the Province of Imperia, which were sold in July 2025.
The balance of the "Reclassifications" column refers mainly to the transfer to the item "Assets held for sale" of the assets relating to the Integrated Water Service of 43 municipalities in the ATO 4 in the Cuneo area, and to net transfers from property, plant and equipment to intangible assets of items that fall within the scope of application of IFRIC 12.
The increases in other intangible assets mainly refer to the capitalisation of costs for the commercial development of customers.
The carrying amount of other intangible assets at the end of the year includes 192,225 thousand euro in assets recognised in relation to costs incurred for the commercial development of customers.

Industrial patents and intellectual property rights
This item mainly relates to the total costs borne for the purchase and internal production of company software and the acquisition of rights for the exclusive use of technical studies on the statistical trend of network losses, amortised over three to five years.

Concessions, licences, trademarks and similar rights
This item consists mainly of:
- assets recognised in application of IFRIC 12, related to natural gas distribution, the Integrated Water Service, district heating and waste treatment and disposal;
- the right of use of pipeline networks by virtue of the concessions granted by the municipality of Genoa and other neighbouring municipalities;
- the right of use of penstocks, not owned, of hydroelectric plants;
- concessions for the operation and management of photovoltaic systems.

Other intangible assets
This item consists mainly of:
- rights to use telecommunication infrastructure owned by third parties;
- costs for the commercial development of customers;
- from the valuation of the customer list that took place during the purchase price allocation for the acquisition of control of Atena Trading, Salerno Energia Vendite, Alfa Solutions, Spezia Energy Trading, Sidiren, Alegas and Egea Energie;
- the valuation of the environmental authorisations for the operation of the biodigester and recovery plants which took place during the purchase price allocation for the acquisition of control of Ferrania Ecologia, Territorio e Risorse, I.Blu, Manduriambiente and TB;
- the valuation of the single authorisation for photovoltaic plants and the value of the incentive tariff recognised for the energy produced and fed into the grid that took place during the purchase price allocation for the acquisition of control of Iren Green Generation Group (formerly Puglia Holding);
- the valuation of the concession for the derivation of water for hydroelectric plants that took place during the purchase price allocation for the acquisition of control of Valle Dora Energia;
- the valuation of the ATO Toscana Sud integrated urban waste management service concession that took place during the purchase price allocation for the acquisition of control of SEI Toscana.
- the valuation of the concessions relating to waste management plants, which occurred during the purchase price allocation for the acquisition of control of Siena Ambiente,.

Assets under development and payments on account
This item mainly consists of investments for concession services governed by IFRIC 12, in addition to software licences and related implementation costs.

NOTE 4_GOODWILL

Goodwill, of 272,464 thousand euro (247,273 thousand euro at 31 December 2024), during 2025 showed an increase of 25,191 thousand euro following the acquisitions of control (business combinations) and disposals carried out by the Group during the year and detailed below.

thousands of euro

Goodwill as at 31.12.2024		**247,273**
Acquisition EGEA Holding Group	Final accounting	24,972
Acquisition Cierre	Final accounting	230
Acquisition CSAI	Provisional accounting	123
Disposal IWS BU Municipalities province of Imperia	Final accounting	(134)
Goodwill as at 31.12.2025		**272,464**

Goodwill is considered an intangible asset with an indefinite useful life and, therefore, is not amortised, but is tested for impairment at least once a year to verify the recoverability of its carrying amount. Since goodwill does not generate independent cash flows and cannot be sold on its own, the impairment test on the goodwill recognised in the financial statements is carried out making reference to the Cash Generating Unit or Groups of Cash Generating Unit ("CGU") to which the same can be allocated.
The table below shows the allocation of goodwill to the CGU.

thousands of euro

	31/12/2024	Increases (Decreases) Business Combinations	31/12/2025
Waste management	28,792	6,444	35,236
Electricity distribution	67,631	-	67,631
Gas distribution	1,638	1,265	2,903
Integrated Water Service	44,405	(134)	44,271
Power and Heat Generation	7,331	2,433	9,764
Photovoltaic and Wind Generation	31,411	2,385	33,796
Market	66,065	12,798	78,863
Total	**247,273**	**25,191**	**272,464**

At 31 December 2025, the impairment test was carried out using the same methods used at 31 December 2024.
The impairment test consists of verifying that the carrying amount of an asset recognised in the financial statements is not more than the recoverable amount of that asset.
The recoverable amount of an asset is the higher between fair value, less costs to sell, and the value in use.
The fair value is defined as the amount at which an asset could be exchanged between knowledgeable, willing parties in an arm's length transaction, less costs to sell.
The value in use is the present value of the estimate of future outgoing and incoming cash flows that will derive from continuous use of the asset and from its final disposal. To measure the value in use, the pre-tax operating cash flows were used, which derive from the most recent economic and financial projections on the basis of the plan approved on 13 November 2025, with an explicit time horizon up to 2028, and the pre-tax terminal value calculated with the perpetual yield method, if applicable, following an industrial logic of continuity across all businesses. The investments contained in the economic flows of the plan include investments for maintaining the plants and infrastructures, in keeping with the going concern assumption. As a control method for the CGUs Electricity Distribution, Gas Distribution and Integrated Water Service, it was assumed that the tariff value of the assets (Regulated Asset Base) would be collected at the end of the explicit period. For the other CGUs, the average of the perpetual yield and net invested capital was used instead at the end of the explicit period. This is based on the reasonable assumption that, if the business is discontinued, the value recognised will be at least equal to the value of the net invested capital.
The discount rate to be applied to the flows related to the explicit time horizon and terminal value, defined starting from the pre-tax weighted average cost of capital (WACC), is calculated specifically for each CGU.

The following table shows for each Cash Generating Unit the discount rates used (WACC) to calculate the value in use in the explicit time horizon and the terminal value.

	Explicit period	Terminal value
Waste management	6.70%	6.80%
Electricity distribution	6.00%	6.10%
Gas distribution	6.20%	6.20%
Integrated Water Service	6.20%	6.30%
Power and Heat Generation	8.10%	8.20%
Photovoltaic and Wind Generation	7.10%	7.10%
Market	6.50%	6.60%

The recoverable amount of the goodwill attributed to the CGU was determined making reference to the value in use of the same.
In general, and prudentially, the "g" growth rate was used to calculate the terminal value equal to zero at real values. In the event of standalone plans used at nominal values, the "g" growth rate used was equal to inflation estimated at 2028 (1.8%).

Waste Management Cash Generating Unit
Goodwill, of 35,236 thousand euro refers mainly to the:
- acquisition of control over CSAI in December 2025 (123 thousand euro);
- acquisition of control over EGEA Holding Group in January 2025 (6,321 thousand euro);
- acquisition of control over Siena Ambiente in January 2024 (2,296 thousand euro);
- acquisition of control over Semia Green in October 2023 (447 thousand euro);
- acquisition of control over ReMat in May 2023 (1,752 thousand euro);
- acquisition of control over CRCM in April 2022 (277 thousand euro);
- acquisition of control over Futura in March 2021 (4,115 thousand euro);
- acquisition of control over the companies operating in the waste management sector acquired from Unieco in November 2020 (9,385 thousand euro);
- acquisition of control over Ferrania Ecologia s.r.l. in July 2019 (7,048 thousand euro).
- acquisition of control over a business unit from SMC S.p.A. consisting of a 48.85% investment in the share capital of Società Ecologica Territorio Ambiente (SETA) S.p.A. and the activities of closure and post-closure management of the Chivasso 0 landfill site in October 2018 (894 thousand euro);
- acquisition of control of ACAM Ambiente (ACAM group) in April 2018 (2,572 thousand euro).

No further loss of value was detected when the impairment test was performed, in that the recoverable amount of the Waste Management CGU exceeds the net invested capital of the same including the goodwill recognised.

Electricity Distribution Cash Generating Unit
Goodwill, of 67,631 thousand euro refers mainly to the:
- acquisition in 2000 from ENEL of the business unit related to the distribution and sale of electrical energy to non-eligible customers in the municipality of Turin, in which the positive difference between the purchase cost and the fair value of acquired and identifiable assets and liabilities was recognised as goodwill for 64,608 thousand euro;
- acquisition in 2000 by ENEL of the BU related to electricity users of the city of Parma, for an amount of 3,023 thousand euro.

No further loss of value was detected when the impairment test was performed, in that the recoverable amount of the Electricity Distribution Cash Generating Unit exceeds the net invested capital of the same including the goodwill recognised.

Gas Distribution Cash Generating Unit
Goodwill, of 2,903 thousand euro refers mainly to the:
- acquisition of control over EGEA Holding Group in January 2025 (1,265 thousand euro);
- acquisition of control of Busseto Servizi in January 2019 (1,638 thousand euro);

No further loss of value was detected when the impairment test was performed, in that the recoverable amount of the Gas Distribution CGU exceeds the net invested capital of the same including the value of goodwill recognised.

Integrated Water Service Cash Generating Unit
Goodwill, of 44,271 thousand euro refers mainly to the:
- acquisition of control of Acquaenna in May 2023 (479 thousand euro);
- acquisition of control of Amter in March 2023 (2,179 thousand euro);
- acquisition of control of Società dell'Acqua Potabile in July 2022 (880 thousand euro);
- acquisition of control over ACAM Acque (ACAM group) in April 2018 (15,442 thousand euro);
- acquisition of control over Acquedotto di Savona in July 2015 (1,907 thousand euro);
- the acquisition of control of Acqua Italia S.p.A in 2005 (now Iren Acqua S.p.A.), where the positive difference between the purchase cost and the fair value of acquired and identifiable assets and liabilities was recognised as goodwill of 23,202 thousand euro.

No further loss of value was detected when the impairment test was performed, in that the recoverable amount of the Integrated Water Service CGU exceeds the net invested capital of the same including the value of goodwill recognised.

Power and Heat Generation Cash Generating Unit
Goodwill, of 9,764 thousand euro refers mainly to the:
- acquisition of control over the company Cierre in July 2025 (230 thousand euro);
- acquisition of control over EGEA Holding Group in January 2025 (2,203 thousand euro);
- acquisition of control in May 2020 of a business unit called "SEI Energia" which includes the district heating network in the municipalities of Rivoli and Collegno, and 49% of the company NOVE, then operator of the district heating network in the municipality of Grugliasco (2,068 thousand euro);
- acquisition of control over Iren Rinnovabili in 2017 following the expiry of the governance agreements entered into with the other shareholder CCPL S.p.A. which made Iren Rinnovabili a joint venture (3,544 thousand euro);
- the Heat Service Management business unit transferred in 2017 from the Market Cash Generating Unit to the Energy Cash Generating Unit (948 thousand euro).

No further loss of value was detected when the impairment test was performed, in that the recoverable amount of the Power and Heat Generation Cash Generating Unit exceeds the net invested capital of the same including the goodwill recognised.

Photovoltaic and Wind Cash Generating Unit
Goodwill, of 33,796 thousand euro refers mainly to the:
- acquisition of control over EGEA Holding Group in January 2025 (2,385 thousand euro);
- acquisition of control over WFL in October 2023 (2,154 thousand euro);
- acquisition of control over the Puglia Holding Group (now Iren Green Generation) in February 2022 (29,257 thousand euro).

No further loss of value was detected when the impairment test was performed, in that the recoverable amount of the Photovoltaic and Wind Cash Generating Unit exceeds the net invested capital of the same including the value of goodwill recognised.

Market Cash Generating Unit
Goodwill, of 78,863 thousand euro refers mainly to the:
- acquisition of control over EGEA Holding Group in January 2025 (12,798 thousand euro);
- acquisition of control over Alegas in April 2022 (15,072 thousand euro);
- acquisition of control over Sidiren in July 2021 (18,533 thousand euro);
- acquisition of control of Spezia Energy Trading in September 2018 (2,694 thousand euro).
- acquisition in 2012 of the business unit from ERG Power & Gas related to the marketing and sale of electricity (3,401 thousand euro);
- the equity interest in Enìa Energia (now merged into Iren Mercato), acquired from SAT Finanziaria S.p.A. and Edison in 2008 (16,761 thousand euro);
- business unit acquired from ENEL in 2000 and referred to electricity users of the city of Parma (7,421 thousand euro).

No further loss of value was detected when the impairment test was performed, in that the recoverable amount of the Market Cash Generating Unit exceeds the net invested capital of the same including the goodwill recognised.

In light of the considerations set out above, the recoverable amount is higher than the carrying amount of the net invested capital for all the cash-generating units and therefore, no impairment losses were recognised. In the years prior to the year ended 31 December 2025, goodwill was impaired for a total of 9,636 thousand euro, related to the Waste Management CGU. The recoverable amount is particularly sensitive to changes in the pre-tax weighted average cost of capital (WACC) and the definition of the Terminal Value. The definition of these two variables follows a prudential approach in terms of construction logic and absolute value. Appropriate stress tests were therefore performed on the sensitivity of the recoverable amount as the two variables deteriorate, without any significant problems emerging.

The table below shows the pre-tax weighted average cost of capital (WACC) that would make the value in use equal to the carrying amount of each Cash Generating Unit.

Waste management	13.70%
Electricity distribution	12.50%
Gas distribution	9.50%
Integrated Water Service	12.00%
Power and Heat Generation	15.10%
Photovoltaic and Wind Generation	8.90%
Market	31.00%

In this regard, it should be noted that ESMA, through several recommendations published since 2020, suggests to issuers that, in estimating the future cash flows of a cash-generating unit (CGU), it is reasonable to expect that entities consider introducing models relating to multiple possible future scenarios, aimed at reflecting the greater level of uncertainty on future economic prospects.
To this end, the Group has developed a 'sensitivity scenario', which takes into account adverse events and specific risks relevant in certain areas (market, arising from technological changes, climate change, related to the macroeconomic scenario and regulation) not otherwise assessed in the base scenario (Business Plan) and identified and defined in the Group's Risk Map perimeter according to specific procedures.
The main specific relevant risks considered in the sensitivity of cash flows concerned, depending on the CGU concerned:

- Electricity Distribution: failure to achieve the quality of the service with consequent penalties and failure to comply with the National Cyber Security Perimeter (PSNC);
- Gas Distribution: loss of concessions in the relevant areas, failure to achieve the quality of the service with consequent penalties and malfunctions and unavailability of gas distribution networks with repercussions on the provision of the service;
- Integrated Water Service: loss of concessions in the relevant areas, extreme natural events affecting service delivery, failure to achieve the quality of the service with consequent penalties and leaks along the distribution network, resulting in damage to third-party property;
- Power and Heat Generation: increased competitive pressure on contribution margins, extreme natural events with damage to thermoelectric plants and loss of concessions in the hydroelectric sector;
- Photovoltaic and Wind Power Generation: increased competitive pressure on contribution margins;
- Waste Management: loss of concessions in the relevant areas, increased competitive pressure on the margins of free market activities (special waste) and damages to waste selection and treatment plants following fires;
- Market: increase in expected churn rates.

Accordingly, the future cash flows for each individual CGU were adjusted for the negative impacts of these risks and adverse events. These analyses did not reveal any critical issues with regard to the recoverable amount of the Group's goodwill, intangible assets and property, plant and equipment.
The impact of the Utility Bills Decree and the current conflict in the Middle East, to which reference is made to paragraph VIII. Significant events occurring after the end of the year, given the current cover and the sensitivity analyses carried out, were not considered triggers for the purposes of the impairment analysis.
In light of the current market volatility and uncertainty about future economic prospects, the group believes it appropriate to point out that regulated businesses are subject to specific industry regulations governing their profitability; therefore, these businesses have more stable and predictable profitability even during market turbulence periods. In 2025, non-regulated activities contributed 26.3% to gross operating profit (30.4% in 2024), regulated activities accounted for 57.1% (54.3% in 2024), and semi-regulated activities contributed 16.6% (15.3% in 2024).

NOTE 5_EQUITY-ACCOUNTED INVESTMENTS

Equity-accounted investments are investments in companies in which the Group has joint control or exercises a significant influence. It should be noted that measurement at equity is carried out on the basis of the latest available financial statements (consolidated if prepared) of the investees.
The list of Group companies measured using the equity method at 31 December 2025 is annexed.
The item amounted to a total of 204,951 thousand euro (282,462 thousand euro as at 31 December 2024). Changes for the year are shown in the following tables:

Equity investments in joint ventures

thousands of euro

	31/12/2024	Increases (Decreases)	Changes in consolidation scope	Changes in profit or loss	Changes in Equity	Dividend distribution	31/12/2025
Acque Potabili	8,175	-	-	151	-	-	8,326
Acqui Rete Gas	-	-	229	-	-	-	229
EGEA Holding	85,320	-	(85,000)	(320)	-	-	-
Enerbrain	-	870	-	-	-	-	870
Nuova Sirio	81	(61)	-	(20)	-	-	-
Vaserie Energia	862	-	-	209	-	(100)	971
TOTAL	**94,438**	**809**	**(84,771)**	**20**	**-**	**(100)**	**10,396**

For EGEA Holding, the change in the consolidation scope is related to the acquisition of control and the consequent full consolidation of the company and its subsidiaries. Following the control exercised over the EGEA Holding Group, which holds shares in the Acqui Rete Gas companies, the latter is consolidated using the equity method with effect from 1 January 2025.

In April 2025, the Shareholders' Meeting of Enerbrain, already 7.8% owned by the Group, resolved to reduce the share capital to zero to cover losses and a subsequent capital increase of 50,000 euro plus share premium, subscribed equally by Iren Group and another shareholder (49.69% each), as well as to provide for a revision of the governance agreements. Given the situation of substantially equal governance rights between Iren and the other shareholder, pursuant to IFRS 11, Enerbrain is therefore a joint venture and consequently is measured using the equity method as required by IAS 28.

Finally, it should be noted that the company Acque Potabili is in a state of liquidation, effective as of 31 May 2021.

Equity investments in associates

thousands of euro

	31/12/2024	Increases (Decreases)	Changes in consolidation scope	Changes in profit or loss	Changes in Equity	Dividend distribution	31/12/2025
3A	-	-	35	-	-	-	35
A2A Alfa	-	-	-	-	-	-	-
Acos	16,066	-	-	1,182	(71)	(123)	17,054
Acos Energia	1,243	-	-	551	-	(475)	1,319
AETA	-	-	10	-	-	-	10
Agrinord Energia	-	-	142	-	-	-	142
Aguas de San Pedro	23,003	-	-	2,378	(4,650)	(666)	20,065
Aiga	-	-	-	-	-	-	-
Amat	-	-	-	-	-	-	-
Arca	40	-	-	38	-	-	78
Arienes	21	-	-	-	-	-	21
Asa	45,586	-	-	4,721	(97)	-	50,210
Asa scpa	1,197	-	-	-	-	-	1,197
Astea	25,095	-	-	776	(215)	(149)	25,507
Asti Servizi Pubblici	20,932	-	-	1,478	-	(556)	21,854
Barricalla	14,654	-	-	45	211	(525)	14,385
BI Energia	166	-	-	(23)	-	-	143
Calore Verde	-	-	332	-	-	-	332
Centro Corsi S.r.l.	20	-	-	2	-	-	22
CSA	363	-	-	2	-	-	365
CSAI	1,668	-	(4,568)	2,900	-	-	-
E.G.U.A.	682	-	-	147	-	-	829
Eta Ambiente	-	-	2,003	-	-	-	2,003
Fingas	-	-	-	-	-	-	-
Fratello Sole Energie Solidali	240	-	-	7	-	-	247
G.A.I.A.	14,928	-	-	10	-	-	14,938
Global Service	-	-	-	-	-	-	-
Iniziative Ambientali	48	-	-	383	-	-	431
OMI Rinnovabili	4	-	-	-	-	-	4
Rimateria	-	-	-	-	-	-	-
SETA	13,164	-	-	1,639	-	(789)	14,014
Sistema Ambiente	3,135	-	-	319	-	(287)	3,167
STU Reggiane	5,769	-	-	(397)	180	-	5,552
Tanaro Servizi Acque	-	-	145	-	-	-	145
Tirana Acque	-	-	-	-	-	-	-
Valenza Rete Gas	-	-	486	-	-	-	486
TOTAL	**188,024**	**-**	**(1,415)**	**16,158**	**(4,642)**	**(3,570)**	**194,555**

For CSAI, the change in the consolidation scope relates to the acquisition of control and the consequent consolidation of the company.

Following the control exercised over the EGEA Holding Group, which holds shares in the companies 3A, AETA, Agrinord Energia, Calore Verde, Etambiente, Tanaro Servizi Acque and Valenza Rete Gas, the latter are consolidated using the equity method starting from 1 January 2025.

The amounts related to the column Change in Equity are due mainly to the exchange difference (Aguas de San Pedro) and to changes in the hedging reserves and in actuarial reserves pursuant to IAS 19.

NOTE 6_OTHER EQUITY INVESTMENTS

This item relates to equity investments in companies over which the Group has neither control, nor joint control, nor significant influence. These equity investments are measured at *fair value* but, as the most recent information available for measuring the *fair value* is insufficient and the cost represents the best estimate of the *fair value*, they are carried at cost.
The list of other Group equity investments as at 31 December 2025 is provided in the annex.
The breakdown of this item is as follows:

thousands of euro

	31/12/2024	Changes in consolidation scope	Increases	Decreases	31/12/2025
AISA Impianti	992	-	-	-	992
Autostrade Centro Padane	881	-	-	-	881
CIDIU Servizi	2,655	-	-	-	2,655
Environment Park	1,243	-	-	-	1,243
MiTo Tech	269	-	575	-	844
Tech4Planet	2,011	-	82	-	2,093
Others	672	5	25	(15)	687
TOTAL	**8,723**	**5**	**682**	**(15)**	**9,395**

NOTE 7_NON-CURRENT CONTRACT ASSETS

Non-current contract assets, net of the related loss allowance, total 353,313 thousand euro (300,238 thousand euro at 31 December 2024) and mainly refer to:

- assets of the integrated water service for tariff adjustments and for lower volumes supplied than the operator's guaranteed revenue; the current tariff method provides generally (unless the fee growth limit is reached) for their recovery through fees after two years (322,852 thousand euro as at 31 December 2025, 280,760 thousand euro as at 31 December 2024);
- assets of the electricity transmission, distribution, and metering services deriving from the rules issued in AEEGSI Resolution no. 654/2015 on the subject of tariff regulation for the period 2016-2023 which entailed the recognition of revenue from electricity transport and of the related assets (21,070 thousand euro as at 31 December 2025, 18,947 thousand euro as at 31 December 2024) which will be recovered until 2030;
- assets arising from the Capacity Market regulations relating to the variable fees (9,098 thousand euro as at 31 December 2025) that Terna will collect upon completion of certain improvement works at the Moncalieri and Turbigo thermal power plants, as set out in the tender participation specifications for the three-year period 2025–2027. The variable consideration was determined as the sum of the probability-weighted amounts within a range of possible consideration amounts.

The following table summarises the contract assets (non-current and current) and liabilities in order to provide information on the net position.

thousands of euro

	31/12/2025	31/12/2024
Non-current contract assets	353,313	300,238
Current contract assets	40,719	69,291
Current contract liabilities	(28,541)	(88,983)
Total	**365,491**	**280,546**

NOTE 8_NON-CURRENT TRADE RECEIVABLES

Receivables, which are affected by discounting, amounted to 34,430 thousand euro (33,840 thousand euro at 31 December 2024) and mainly refer to receivables from the Municipality of Turin for the waste management service and the technological renewal and efficiency upgrading of the heating systems at some municipal buildings (28,440 thousand euro at 31 December 2025, 27,850 thousand euro at 31 December 2024). For more information on the overall position of Iren Group in relation to the Municipality of Turin please see Note 9 "Non-current financial assets".

NOTE 9_NON-CURRENT FINANCIAL ASSETS

The item of 148,395 thousand euro (124,756 thousand euro as at 31 December 2024) mainly consists of loan assets and derivatives with positive fair value. These are as follows:

thousands of euro

	31/12/2025	31/12/2024
Non-current loan assets with associates	5,931	5,844
Non-current loan assets with owners	29,672	31,951
Non-current loan assets with others	56,433	42,634
Fair value of derivatives – non-current portion	17,268	22,358
Securities other than equity investments	17,449	225
Other financial assets	21,642	21,744
Total	**148,395**	**124,756**

Non-current loan assets with associates

They mainly refer to the amounts due from ACOS and BI Energia.

Non-current loan assets with owners

Amounting to 29,672 thousand euro (31,951 thousand euro as at 31 December 2024), these refer to amounts due from the Municipality of Turin, and relate to:

- the application of the financial asset model provided for in IFRIC 12 to the energy efficiency project ("Turin LED") associated with the Public Lighting service performed under concession by Iren Smart Solutions in the city of Turin, for the non-current portion (29,531 thousand euro). Recognition of the discounted financial asset is a result of the vesting of the current unconditional right to receive the contractually-agreed cash flows, which coincided with completion of the installation of the related LED devices.
- the non-current portion of the amount related to the current account which governs transactions between the subsidiaries AMIAT, Iren Smart Solutions, and the municipality of Turin (141 thousand euro). The current account agreement runs until 31 December 2036 and the interest accruing on the balance is calculated based on the actual average cost incurred by Iren Group for its financial exposure.

The accounting treatment of the aforementioned current account agreement determines a reduction of trade receivables presented in the statement of cash flows as a generation of operating cash flows, and a corresponding increase in loan assets, presented as a cash absorption in cash flows from financing activities.
These assets form part of an overall position, totalling 86,831 thousand euro, and are divided among various financial statements items according to their classification by type and expiry date: Non-current trade receivables (Note 8), Non-current financial assets (this Note 9), Trade receivables (Note 14) and Current financial assets (Note 17), as shown in the table presented below.

Financial assets were divided by the directors between current portion and non-current portion on the basis of a forecast of their collection times also following the results of the agreement signed by the Municipality of Turin and Iren Group during financial year 2018.

thousands of euro

	31/12/2025	31/12/2024
Non-current trade receivables	**28,440**	**27,850**
Invoices issued for services	9,319	36,815
Invoices to be issued or services	15,343	15,818
Supply of heat and other	27	15
Loss allowance - trade receivables	(52)	(47)
Total current trade receivables	**24,637**	**52,601**
Non-current portion of current account assets	141	167
Non-current portion of service concession financial assets	29,721	31,986
Loss allowance - non-current financial assets	(190)	(202)
Total non-current financial assets	**29,672**	**31,951**
Current portion of accrued interest income	16	11
Current portion of service concession financial assets	4,068	4,068
Loss allowance - current financial assets	(2)	(2)
Total current financial assets	**4,082**	**4,077**
Total	**86,831**	**116,479**

Non-current financial assets with others

Non-current financial assets with others include the non-current portion of assets arising from the application of the financial asset model provided for by IFRIC 12 to efficiency-boosting projects related to the Public Lighting service provided under concession in several cities, including Vercelli, Fidenza and some municipalities in the Cuneo area, and assets for finance leases related to air-conditioning systems.

Fair value of derivatives – non-current portion

The fair value of derivatives refers to instruments in the portfolio for hedging the risk of changes in rates.

Securities other than equity investments

These amounted to 17,449 thousand euro (225 thousand euro as at 31 December 2024) and included 12,723 thousand euro in investments in government securities and bonds issued by leading Italian credit institutions resulting from the consolidation of CSAI, and 3,900 thousand euro in units of a closed-end alternative investment fund, which were subscribed through the contribution of past due trade receivables.

Other financial assets

The item amounted to 21,642 thousand euro (21,744 thousand euro as at 31 December 2024) and is represented by the variable portion of the sale price of the investment in OLT Offshore LNG Toscana and the related loan. This asset is measured at fair value and any changes are recognised in profit or loss.

NOTE 10_OTHER NON-CURRENT ASSETS

These are as follows:

thousands of euro

	31/12/2025	31/12/2024
Security deposits	11,527	7,836
Non-current tax assets	55,727	95,214
Other non-current assets	35,728	24,512
Non-current accrued income and prepaid expenses	4,021	4,106
Total	**107,003**	**131,668**

Non-current tax assets refer mainly to deductions on work done in order to improve the energy efficiency of buildings (ecobonus) and to VAT assets for which claims for refund have been made. Tax assets for deductions on work carried out to improve the energy efficiency of buildings (ecobonus) classified as non-current will be used by the Group to offset taxes due for the next five years.
Other non-current assets include assets arising from the 2018 and 2019 settlement agreements signed to define the consideration for the years 2014 - 2018 due to the subsidiary Sei Toscana in relation to the waste collection service in the ATO Toscana Sud. This amount will be collected at the end of the concession (31 December 2033).
Prepaid expenses mainly include the non-current portion of prepaid costs for energy service contracts of the subsidiary Iren Smart Solutions.

NOTE 11_DEFERRED TAX ASSETS

They amounted to 386,352 thousand euro (389,533 thousand euro as at 31 December 2024) and refer to deferred tax assets arising from income components deductible in future years.
For further details please see the note to the income statement, "Income taxes" (Note 42) and the annexed table.

CURRENT ASSETS

NOTE 12_INVENTORIES

Inventories, measured at weighted average cost, primarily comprise natural gas and consumables intended for maintenance and construction of the Group plants. The table below summarises the amounts of the item in the years in question:

thousands of euro

	31/12/2025	31/12/2024
Gas storage	2,466	11,690
Consumables and spare parts	73,402	81,956
Inventory write-down provision	(7,653)	(9,613)
Total	**68,215**	**84,033**

The change in gas storage follows the reduction in existing stocks as of 31 December 2025 compared to 31 December 2024.
The inventory write-down provision was set aside and is used to take into consideration inventories that are technically obsolete and slow-moving.
At 31 December 2025 no inventories were pledged against liabilities.

NOTE 13_CURRENT CONTRACT ASSETS

Current contract assets amounted to 40,719 thousand euro (69,291 thousand euro as at 31 December 2024) and mainly related to activities performed to improve the energy efficiency of buildings.

NOTE 14_TRADE RECEIVABLES

These are as follows:

thousands of euro

	31/12/2025	31/12/2024
Trade receivables from customers	1,578,916	1,597,034
Trade receivables from joint ventures	99	24,633
Trade receivables from associates	58,540	50,964
Trade receivables from owners	36,997	64,500
Trade receivables from other related parties	5,743	7,591
Total gross trade receivables	**1,680,295**	**1,744,722**
Loss allowance	(316,699)	(302,268)
Total	**1,363,596**	**1,442,454**

As at 31 December 2025, there are factoring transactions with derecognition of the receivable for a total of 14,770 thousand euro while it amounted to 10,522 thousand euro as at 31 December 2024.

The table below shows the credit risk exposure with reference to trade receivables, together with the related expected losses (loss allowance), broken down by due date range:

thousands of euro

	Gross trade receivables	Loss allowance - trade receivables	Average credit loss percentage
Not past due	1,030,000	(18,239)	1.8%
Past due from 0 to 3 months	168,269	(21,334)	12.7%
Past due from 3 to 12 months	175,949	(77,889)	44.3%
Past due for more than 12 months	306,077	(199,237)	65.1%
Total	**1,680,295**	**(316,699)**	

Trade receivables not past due include invoices to be issued of 737,361 thousand euro (863,449 thousand euro at 31 December 2024) which include the estimate of revenue earned for services supplied between the date of the last reading of effective consumption and the reporting date.

Trade receivables from customers

They mainly relate to receivables for the supply and distribution of electricity, gas and heat, energy efficiency services, of the waste management sector, and the Integrated Water Service.

Trade receivables from Associates and Joint Ventures

This item includes amounts due from the Group's associates and joint ventures, consolidated using the equity method. These relate to normal trade transactions performed at arm's length and related to the business segments listed above.

Trade receivables from owners

Receivables from owners refer to trade transactions performed at arm's length, related to the segments listed above. with local authorities classified as related parties (Municipalities of Genoa, Parma, Piacenza, Reggio Emilia and Turin).

Trade receivables from other related parties

These mainly regard amounts due from the companies controlled by the territorial body owners (municipalities of Genoa, Parma, Piacenza, Reggio Emilia and Turin) and refer to normal commercial transactions carried out at arm's length, related to the segments listed above.

For more details on business relations with related parties, please refer to the chapter "Notes to transactions with related parties" and the related table in the annex.

The following table shows gross trade receivables broken down by segment:

thousands of euro

	Networks	Waste management	Energy	Market	Other services	Total
Not past due	219,874	257,753	153,947	397,818	608	1,030,000
Past due from 0 to 3 months	42,833	18,506	16,005	90,897	28	168,269
Past due from 3 to 12 months	41,670	20,164	5,520	108,595	-	175,949
Past due for more than 12 months	68,783	41,711	9,408	185,561	614	306,077
Total gross trade receivables	**373,160**	**338,134**	**184,880**	**782,871**	**1,250**	**1,680,295**

Loss allowance - trade receivables

The table below shows the changes in the loss allowance:

thousands of euro

	31/12/2024	Increases	Decreases	Changes in consolidation scope	31/12/2025
Loss allowance - trade receivables	**302,268**	85,976	(106,963)	35,418	**316,699**

The increases in the year were recognised to adjust the loss allowance to the amount of expected credit losses on the basis of the simplified approach provided for by IFRS 9, where "loss" means the present value of all future cash shortfalls, considering forward-looking information. The decreases in the year refer mostly to utilisations to fully impair non-collectable amounts.

The following table shows the loss allowance broken down by segment:

thousands of euro

	Networks	Waste management	Energy	Market	Other services	Total
Not past due	(9,572)	(1,746)	(1,855)	(5,304)	(100)	(18,577)
Past due from 0 to 3 months	(5,767)	(4,119)	(1,384)	(9,724)	(1)	(20,995)
Past due from 3 to 12 months	(19,368)	(7,776)	(1,785)	(48,960)	-	(77,889)
Past due for more than 12 months	(57,725)	(35,492)	(8,727)	(96,681)	(613)	(199,238)
Total loss allowance - trade receivables	**(92,432)**	**(49,133)**	**(13,751)**	**(160,669)**	**(714)**	**(316,699)**

NOTE 15_CURRENT TAX ASSETS

These amounted to 8,045 thousand euro (14,474 thousand euro as at 31 December 2024) and include IRES and IRAP assets.

NOTE 16_SUNDRY ASSETS AND OTHER CURRENT ASSETS

These are as follows:

thousands of euro

	31/12/2025	31/12/2024
Government land tax /UTIF	6,260	5,637
VAT assets	68,904	35,193
Other tax assets	189,390	66,109
Current tax assets	**264,554**	**106,939**
Cassa Servizi Energetici e Ambientali (CSEA)	30,513	49,451
Green certificates	16,835	12,933
Advances to suppliers	12,301	23,263
Other current assets	84,971	88,848
Other current assets	**144,620**	**174,495**
Accrued income and prepaid expenses	20,438	17,283
Total	**429,612**	**298,717**

The increase in tax assets for government land tax is due to pre-payments and settlement payments which are influenced by invoicing volumes for the current year and the previous year.
Other tax assets include 164,797 thousand euro for deductions on work carried out to improve the energy efficiency of buildings (ecobonus). Beginning in 2021, part of these assets is recognised under current assets, as the business model calls for the financial asset to be realised through transfers to financial intermediaries. The increase of 121,887 thousand euro compared to 31 December 2024 is attributable to assets accrued for work carried out during 2025.

In September 2019, Iren S.p.A. exercised the option for establishment of the VAT Group, with effect from 1 January 2020. The companies that take part in the VAT Group for 2025, not including the Parent Iren S.p.A., are as follows: Iren Energia S.p.A., Ireti S.p.A., Iren Mercato S.p.A., Iren Ambiente S.p.A., Amiat S.p.A, Iren Smart Solutions S.p.A., Iren Acqua Tigullio S.p.A., Iren Acqua S.p.A. (merged into Ireti S.p.A), Iren Acqua Reggio S.r.l., Iren Laboratori S.p.A., Bonifica Autocisterne S.r.l., ASM Vercelli S.p.A., Atena Trading S.r.l, Acam Ambiente S.p.A., Acam Acque S.p.A., ReCos S.p.A., Alfa Solutions S.p.A., TRM S.p.A, San Germano S.p.A., Maira S.p.A., Formaira S.r.l., Territorio e Risorse S.r.l., Rigenera Materiali S.r.l., RE.MAT SRL, Bonifiche Servizi Ambientali s.r.l., Uniproject S.r.l., Manduriambiente SpA, Iren Ambiente Toscana S.p.A., TB S.p.A. (merged into Valdarno), Futura S.p.A., I Blu S.r.l., Iren Ambiente Parma S.r.l., Iren Ambiente Piacenza S.r.l., Asti Energia e Calore S.p.A, Ireti Gas Spa , Sei Toscana SpA, Valdarno AMBIENTE Srl, Iren Green Generation Tech SpA, Valle Dora S.r.l., Dogliani Energia S.r.l., Alegas S.r.l. (merged into Iren Mercato S.p.A.), Ekovision S.r.l., Limes 20 S.r.l., Limes 1 S.r.l., Limes 2 S.r.l., Acquaenna S.c.p.A., Am.ter S.p.A (merged into Ireti SpA), Iren Acqua Piacenza S.r.l., Semia Green S.r.l. , Agrovoltaica Srl, C.R.C.M. S.r.l..

Amounts due from the Cassa Servizi Energetici e Ambientali (CSEA) relate to Energy Efficiency Certificates for 20,145 thousand euro (24,507 thousand euro as at 31 December 2024). It should be noted that a portion of the amounts due from the Cassa Servizi Energetici e Ambientali may not be collectable within the next 12 months.
Other current assets mainly refer to receivables for security deposits, receivables for RAI licence fees and receivables from suppliers for penalties, receivables for the previous environmental hygiene tariff (TIA), receivables for additional provincial reimbursements on electricity.

NOTE 17_CURRENT FINANCIAL ASSETS

These are as follows:

thousands of euro

	31/12/2025	31/12/2024
Loan assets with joint ventures	2,121	240
Loan assets with associates	4,644	3,931
Loan assets with owners	4,082	4,077
Loan assets with others	22,668	533,159
Current portion of derivative financial instruments	25,998	39,239
Total	**59,513**	**580,646**

All loan assets recognised in this item are due within 12 months. The carrying amount of these assets approximates their fair value as the impact of discounting is negligible.

Loan assets with joint ventures
The item refers to loans to the company Acqui Reti Gas.

Loan assets with associates
The item mainly refers to loans to Agrinord Energia (633 thousand euro), Bio Metano Cella Dati (587 thousand euro), Valenza Rete Gas (127 thousand euro) and BI Energia (108 thousand euro). The remainder relates mainly to dividends to be collected. For further details, please see the schedule of related party transactions shown in the annex.

Loan assets with owners
These relate to amounts due from the Municipality of Turin and primarily concern the application of the financial asset model provided for by IFRIC 12 to the energy efficiency project ('Torino LED') associated with the Public Lighting service provided under concession.
For details of the overall position of Iren Group with the municipality of Turin please see Note 8 "Non-current financial assets".

Loan assets with others
This item includes 6,160 thousand euro relating to assets arising from the application of the financial asset model provided for by IFRIC 12 to the water purification service provided in the Marche region, and 2,683 thousand euro relating to deposits paid as security for transactions on commodities futures markets. The remaining balance consists of accrued income and deferred charges of a financial nature and finance lease assets.
As at 31 December 2024, it also referred to deposits on which interest accrued with maturity in April and July 2025 (450,000 thousand euro) and the restricted current accounts of the subsidiary TRM S.p.A. deriving from the financing contract that provided for the binding of the amounts to service the maturing instalment, the costs relating to environmental compensation and the extraordinary maintenance of the waste-to-energy plant (38,008 thousand euro). On 22 December 2025, the loan contract, which would otherwise have matured on 31 December 2029, was repaid early, likewise the obligation

Current portion of derivative financial instruments
These relate to the positive *fair value* of derivative contracts on commodities.

NOTE 18_CASH AND CASH EQUIVALENTS

The item Cash and cash equivalents is made up as follows:

thousands of euro

	31/12/2025	31/12/2024
Bank and postal deposits	205,653	326,280
Cash and similar on hand	112	288
Total	**205,765**	**326,568**

Cash and cash equivalents consist of available bank and postal deposits. The Group does not hold cash equivalents, intended as short-term and highly liquid investments readily convertible into known amounts of cash and subject to an insignificant risk of changes in value.
Please refer to the Statement of Cash Flows for details of the changes during the year.

NOTE 19_ASSETS HELD FOR SALE

Assets held for sale are measured at the lower of their carrying amount and fair value less costs to sell. They amounted to 103,746 thousand euro (790 thousand euro as at 31 December 2024). This item relates to:
- 93,652 thousand euro for assets relating to the Integrated Water Service in 43 municipalities of the ATO 4 in the Cuneo area, currently operating under an extension regime, pending the planned transfer to the incoming operator, COGESI. Specifically, this item refers to property, plant and equipment and intangible assets amounting to 86,612 thousand euro, receivables amounting to 5,873 thousand euro, and inventories amounting to 1,167 thousand euro. Following the reclassification, group, no income and expenses included in the Income Statement were recorded during the year;
- 9,462 thousand euro refers to the value of a property located in the Municipality of Genoa, used until February 2025 as the Company's head office, the carrying amount of which will be recovered primarily through a sale transaction rather than through its continued use; As a result of the reclassification, an impairment reduction was recorded in the Income Statement for 6,266 thousand Euros;
- 632 thousand euro (unchanged from 31 December 2024) refers to the net assets related to the concessions of the integrated water service of four municipalities of the province of Alessandria for which the takeover of the new operator is being defined.

In addition, assets held for sale include the equity investments in Fata Morgana and Piana Ambiente, fully impaired.

Liabilities

NOTE 20_EQUITY

Equity may be analysed as follows:

thousands of euro

	31/12/2025	31/12/2024
Share capital	1,300,931	1,300,931
Reserves and Retained Earnings	1,857,573	1,306,622
Profit for the year	300,546	268,471
Total equity attributable to the owners of the parent	**3,459,050**	**2,876,024**
Capital and reserves attributable to non-controlling interests	235,803	432,562
Profit attributable to non-controlling interests	15,714	35,111
Total consolidated equity	**3,710,567**	**3,343,697**

Share capital

The share capital, unchanged compared to 31 December 2024 amounts to 1,300,931,377 euro, which is fully paid-up and comprises 1,300,931,377 ordinary shares with a nominal value of 1 euro each.
In 2020 and 2021, following the relative shareholders' resolutions, the parent repurchased treasury shares for a total of 17,855,645 shares for a total price of 38,690 thousand euro recognised as a reduction of equity in the item "Reserves and Retained Earnings".

Reserves and Retained Earnings

The breakdown of this item is as follows:

thousands of euro

	31/12/2025	31/12/2024
Treasury shares	(38,690)	(38,690)
Perpetual hybrid bonds	495,282	
Share premium reserve	133,019	133,019
Legal reserve	130,332	119,707
Hedging reserve	3,697	(32,301)
Other reserves and retained earnings	1,133,933	1,124,887
Total reserves	**1,857,573**	**1,306,622**

Perpetual hybrid bonds

This reserve includes the nominal value, net of transaction costs and the related tax effect, of non-convertible subordinated hybrid perpetual bonds.
On 16 January 2025, Iren SpA placed a "Hybrid Bond" with a nominal value of 500 million euro, issued in a single tranche for the entire amount with a settlement date of 23 January 2025. The fixed annual coupon, payable annually in arrears in April starting from April 2025 upon the occurrence of certain conditions, is equal to 4.5% and will be paid until the first reset date of 23 April 2030. From that date, unless fully redeemed, the bond will bear interest at the five-year Euro Mid Swap rate plus an initial margin of 221.2 basis points. The margin will increase by 25 basis points from 2035 and by a further 75 basis points from 2050, for a cumulative amount of 100 basis points.
The issue price was set at 99.448% and, therefore, the effective yield at the first reset date is 4.625% per annum.
During 2025, the Group paid coupons to holders of perpetual hybrid bonds in the amount of 5,550 thousand euro.

Hedging reserve

Changes in the fair value of effective hedging derivatives are recognised with a corresponding balancing item directly in equity under the hedging reserve. These contracts were entered into to hedge exposure to the risk of interest rate fluctuations on floating rate loans and to the risk of price changes in electricity and gas purchase contracts.

Other reserves and retained earnings
These comprise mainly the goodwill arising on the merger of AMGA into AEM Torino and the subsequent merger of Enìa into Iride, retained earnings, and the actuarial reserve consisting of actuarial gains and losses on the measurement of post-employment benefits.
The increase in 2025 is mainly due to the carrying forward of the profits for 2024 not distributed (93,227 thousand euro).

Dividends
At their Ordinary Meeting on 24 April 2025, the Shareholders of Iren S.p.A. approved the Parent's separate financial statements at 31 December 2024 and the Directors' Report, and resolved to distribute a dividend of 0.1283 euro per ordinary share, confirming the proposal made by the Board of Directors. The dividend was paid starting from 25 June 2025, with an ex-dividend date of 23 June 2025 and a record date of 24 June 2025. At the ex-dividend date, the number of outstanding shares was 1,283,075,732 and, consequently, the total amount of dividends distributed was 164,618,616 euro.

For further details, reference should be made to the statement of changes in equity.

CAPITAL MANAGEMENT
The capital management policies of the Board of Directors involve maintaining a high level of capital to uphold relations of trust with investors, creditors and the market, and also allowing future business development.
The Board of Directors monitors the return on capital, the level of dividends to be distributed to equity holders and the cash flows to be distributed to hybrid instrument holders and aims to maintain a balance between obtaining higher returns through the use of debt and the benefits and security offered by a solid financial position.

NON-CURRENT LIABILITIES

NOTE 21_NON-CURRENT FINANCIAL LIABILITIES

The item amounted to a total of 4,490,987 thousand euro (4,460,916 thousand euro as at 31 December 2024).

Bonds
These amounted to 2,998,177 thousand euro due after 12 months (2,992,913 thousand euro as at 31 December 2024). The item consisted of positions of the parent referred to Public and Private Bond issues, accounted for at amortised cost, against a total nominal value outstanding at 31 December 2025 of 3,024,000 thousand euro (unchanged compared to 31 December 2024). The details of Bonds with maturity after 12 months are as follows:

- Green Bonds maturing October 2027, coupon 1.5%, amount 500 million euro, all outstanding (amount at amortised cost 498,046 thousand euro);
- Green Private Placement maturing August 2028, coupon 2.875%, outstanding amount 40 million euro (amount at amortised cost 39,822 thousand euro);
- Green Bonds maturing October 2029, coupon 0.875%, amount 500 million euro, all outstanding (amount at amortised cost 497,881 thousand euro);
- Bonds maturing July 2030, coupon 1%, outstanding amount 484 million euro (amount at amortised cost 479,088 thousand euro);
- Green Bonds maturing January 2031, coupon 0.25%, amount 500 million euro, including TAP issue of October 2021, all outstanding (amount at amortised cost 492,049 thousand euro);
- Green Bonds maturing July 2032, coupon 3.875%, amount 500 million euro, all outstanding (amount at amortised cost 496,356 thousand euro);
- Green Bonds issued maturing September 2033, coupon 3.625%, amount 500 million euro, all outstanding (amount at amortised cost 494,934 thousand euro);

The bonds were subscribed by Italian and foreign institutional investors, are listed on the Irish Stock Exchange and were assigned Fitch and S&P ratings.
The change in the total carrying amount compared to 31 December 2024 is due to the allocation of accrued financial expense, calculated on the basis of the amortised cost method.

Non-current bank loans
The item amounted to a total of 1,431,849 thousand euro (1,387,786 thousand euro as at 31 December 2024).
The following table shows the portions with maturity beyond 12 months relating to medium-long term loans/credit lines granted by banks, which amount to 1,242,284 thousand euro (1,387,786 thousand euro as at 31 December 2024). Non-current bank loans can be analysed by interest rate type (with respective indications of minimum and maximum rates applied) and by maturity date (related to the portion after 12 months), as shown in the table below.

thousands of euro

	fixed rate	floating rate	TOTAL
min/max rate	n.a.	2.478% - 3.572%	
maturity	2027-2036	2027-2043	
2027	382	63,640	64,022
2028	404	472,651	473,055
2029	428	73,135	73,563
2030	452	87,421	87,873
Subsequent	1,519	542,252	543,771
Total after 12 months as at 31/12/2025	**3,185**	**1,239,099**	**1,242,284**
Total after 12 months as at 31/12/2024	**2,606**	**1,385,180**	**1,387,786**

All loans are denominated in euro.

The changes in non-current loans during the year are summarised as follows:

thousands of euro

	31/12/2024 Total after 12 months	Increases	Changes in consolidation scope	Decreases	Change in amortised cost	31/12/2025 Total after 12 months
- fixed rate	2,606	-	70,041	(69,473)	11	3,185
- floating rate	1,385,180	270,000	95,233	(512,874)	1,560	1,239,099
TOTAL	1,387,786	270,000	165,274	(582,347)	1,571	1,242,284

Total non-current loans at 31 December 2025 decreased compared to 31 December 2024, as a combined result of:

- increase of 270,000 thousand euro in medium/long-term loans for disbursements on CEB (Council of Europe Development Bank) and EIB (European Investment Bank) lines, held by Iren Spa;
- increase of 165,274 thousand euro in medium/long-term loans, mainly held by EGEA Holding Group companies that entered the consolidation scope at the beginning of 2025;
- reduction of 582,347 thousand euro, owing to the reclassification of the portions of loans maturing within the next 12 months as current and for the early repayment of existing positions. Among the latter, the main items are: 250,000 thousand euro relating to loans taken out by the Parent, 160,899 thousand euro relating to loans taken out by EGEA Holding Group companies, and 144,118 thousand euro relating to the project financing of the company TRM;
- increase of 1,571 thousand euro due to recognition of the loans at amortised cost.

Non-current financial liabilities due after 12 months also include the deferred portion of the amount relating to the acquisition by IRETI S.p.A. of the entire investment in Iren Acqua, as described in the “Significant events of the year”, which as at 31 December 2025 amounted to 189,565 thousand euro.

Other financial liabilities

These amount to 60,961 thousand euro (80,217 thousand euro as at 31 December 2024) and refer to:

- for 6,464 thousand euro (21,479 thousand at 31 December 2024) to the fair value of derivative contracts entered into as hedges against the interest rate fluctuation risk on floating rate loans and the price of commodities (please see the paragraph “Group Financial Risk Management” for comments);
- for 43,237 thousand euro (53,393 thousand euro as at 31 December 2024) to lease liabilities;
- for 3,267 thousand euro (3,166 thousand euro as at 31 December 2024) to the liabilities related to the fair value measurement of the put options granted to non-controlling interests on their shares. This item refers to the option to sell the non-controlling interest in Nord Ovest Servizi S.p.A., equal to 25% of the share capital, held partly by SMAT and partly by GTT, in Cierre equal to the 20% of the share capital;

- for 7,993 thousand euro (2,171 thousand euro as of 31 December 2024) to loans from others, the most significant amounts of which refer to the debt for the portion of the price deferred to 2029 relating to the purchase of 47.23% of the subsidiary Egea Holding and to loans to some fully consolidated companies, but of which the Group does not hold 100% of the shares, granted by the non-controlling investor.

NOTE 22_EMPLOYEE BENEFITS

Changes in this item in 2025 were as follows:

thousands of euro

	31/12/2024	Changes in consolida-tion scope	Disbursements during the year	Bonds accrued during the year	Actuarial (gains) losses	Financial expense	Reclassifica-tions	31/12/2025
Post-employment benefits	72,194	4,830	(6,705)	1,110	(1,545)	2,341	(131)	72,094
Additional salary payments (seniority bonus)	3,051	-	(342)	92	(110)	96	-	2,787
Loyalty bonus	2,015	-	(140)	26	(59)	59	-	1,901
Tariff discounts	2,930	-	(228)	-	(121)	91	-	2,672
Premungas fund	1,305	-	(326)	-	(4)	38	-	1,013
Total	**81,495**	**4,830**	**(7,741)**	**1,228**	**(1,839)**	**2,625**	**(131)**	**80,467**

The column "Changes in consolidation scope" refers to the balances acquired during 2025 of EGEA Holding Group companies, Cierre and CSAI.
The column "Reclassifications" refers to the balances relating to the Integrated Water Service business unit in 43 municipalities of the ATO 4 in the Cuneo area, currently operating under an extension regime, pending the planned transfer to the incoming operator, COGESI.
The tariff discounts include benefits related to the supply of natural gas for domestic use. Following the signing of specific agreements with the trade unions, the "Energy discount" awarded up to 30 September 2017 to employees in service was converted into other forms of employee benefits. The "Energy discount" awarded up to 30 September 2017 to retired employees was revoked unilaterally and replaced with lump sums included in provisions for former employee benefits.

Actuarial assumptions

The above-mentioned liabilities are measured by independent actuaries. The liability relating to the defined benefit plans is calculated in accordance with actuarial assumptions and is recognised on an accruals basis in line with the service necessary to obtain benefits.
For the purpose of defining the present value of the obligations, the future service is estimated based on assumptions related to changes in the total number of employees and employee remuneration. Future service represents the amount that would be paid out to each employee in the event of continuing working activity with another company, retirement, death, resignation or a request for an advance.

The following factors were considered in deciding which discount rate to adopt in the measurement approach provided by IAS 19:

- stock market of reference;
- measurement date;
- expected average term of the liabilities.

The average residual term of liabilities was obtained as the weighted average residual term of liabilities related to all benefits and all Group companies.
The economic and financial assumptions adopted in the calculations are the following:

Annual discount rate	3.37%
Annual inflation rate	2.00%
Annual increase rate of post-employment benefits	3.00%

In accordance with the provisions of IAS 19, the following additional information is provided:
- sensitivity analysis for each material actuarial assumption at year end, showing the effects that would have resulted from changes in the actuarial assumptions reasonably possible at that date, in absolute terms;
- contributions for the following year;
- indication of the average maturity of the obligation for defined benefit plans.

This information is shown in the following table.

	Change in liabilities according to changes in discount rate		Service cost 2026	Duration of the plan	Disbursements 2026
	+0.25%	-0.25%			
Post-employment benefits	(1,078)	1,112	820	7.65	12,117
Additional salary payments	(45)	45	81	7.90	96
Loyalty bonus	(30)	31	75	14.38	149
Tariff discounts	(52)	54	-	8.31	203
Premungas	(10)	10	-	4.52	186

The method used to estimate sensitivity was unchanged compared to the previous year.

NOTE 23_PROVISIONS FOR RISKS AND CHARGES

The item amounted to 338,120 thousand euro (276,258 thousand euro as at 31 December 2024). These are detailed in the following table, and refer both to the current and non-current portions, present in this item:

thousands of euro

	31/12/2024	Increases	Decreases	(Gains) losses	Changes in consolida-tion scope	31/12/2025
Provision for restoration of third-party assets	29,487	840	-	1,022	-	31,349
"Post-closure" provisions	79,048	7,161	(6,439)	250	35,065	115,085
Provisions for dismantling and reclaiming sites	49,935	1,910	(2,813)	(506)	169	48,695
Provision for early retirement	12,043	1,906	(2,353)	331	-	11,927
ETS cancellation obligation	194,187	234,325	(194,187)	-	-	234,325
Other provisions for risks and charges	192,947	41,371	(39,289)	-	32,205	227,234
TOTAL	557,647	287,513	(245,081)	1,097	67,439	668,615

If the effect of discounting the value of money is significant, the provisions are discounted using a pre-tax discount rate which, on the basis of the time period envisaged for the future cash flows, does not exceed 4.6%.

The column "Changes in consolidation scope" refers to the balances resulting from the consolidation in 2025 of EGEA Holding Group companies and CSAI.

Provision for restoration of third-party assets

This item is made up to include the charges related to the restoration of the group of assets and equipment pertaining to the management of the Integrated Water Service in the province of Parma owned by Parma Infrastrutture: this group of assets is used to provide the service against the payment of a fee. The relevant provision is estimated on the basis of the depreciation of the assets themselves and will be deducted from the consideration to be paid to the Group by any new incoming operator or in accordance with the terms and conditions of the concession award.

"Post-closure" provisions

These are mainly provisions for future expense for environmental remediation of controlled landfill plants which also include costs for post-operating management until the sites involved have been completely converted into green areas. These provisions are supported by specific appraisals periodically updated in order to adjust the existing provisions to the estimate of the future costs to be incurred. The decreases refer, in fact, to the utilisation of the provision to cover costs incurred in the post-operating phase until the mineralisation of waste and the conversion of landfills are completed.

Provision for dismantling and reclaiming sites

The "Provision for dismantling and reclaiming sites" represents the estimated costs associated with the future decommissioning of waste-to-energy plants and, to a lesser extent, the Group's photovoltaic parks.

Provision for early retirement

The provision refers to expenses associated with early retirement of some personnel that provide for retirement incentives for some employees, on a voluntary basis among the Group's personnel who are potentially involved. The transaction should be seen in the wider context of professional and demographic rebalancing of Iren Group's personnel, in view of a plan to recruit young individuals.
The incentive, completely chargeable to Iren Group (in application of Art. 4 of Law no. 92/2012), will enable the personnel who meet the legal requisites to retire ahead of the date of eligibility.
The provision represents the estimated payment to the employees involved in the Plan, through the social security institution, of a benefit of an amount equal to the pension that would be payable on the basis of the current rules ("early retirement") with payment to the social security institution of the contribution until the minimum requirements for retirement are reached (in accordance with the aforementioned Law 92/2012), and a sum, for each of the employees involved, as a one-off payment as an incentive.

ETS cancellation obligation

This item refers to obligations related to carbon dioxide emission rights under the Emission Trading Scheme. The increase concerns the estimated costs, observable on the basis of market quotations at the end of the year, related to the rights still to be acquired in order to fulfil the obligation of the year, according to the schedule. The decreases refer to the purchase of securities pertaining to the previous year's obligation.

Other provisions for risks and charges

The amount of the provisions mainly refers to the probable risks of higher charges pertaining to the Group's businesses, the allocation of the charge related to the two-way compensation mechanism for electricity prices as per Decree-Law Sostegni Ter, the estimated IMU property tax to be paid on the value of the systems of the power plants calculated as provided for by Decree-Law No. 44/2005, charges for environmental offsets, tax, employment and regulatory risks and probable charges related to various disputes.
The provisions set aside largely relate to probable charges and disputes in the energy efficiency and gas sales segments, while the releases mainly refer to the elimination of risks and charges associated with disputes with suppliers and the waste management segment.

The current portion referring to the provisions described above was presented under "provisions for risks and charges - current portion" (Note 31).

NOTE 24_DEFERRED TAX LIABILITIES

Deferred tax liabilities of 93,104 thousand euro (116,857 thousand euro as at 31 December 2024) are due to the temporary difference between the carrying amount and tax base of assets and liabilities recognised in the financial statements.
Deferred taxation is calculated with reference to the expected tax rates applicable when the temporary differences will reverse.

For further details please see the note to the income statement, "Income taxes" (Note 42) and the annexed table.

NOTE 25_SUNDRY LIABILITIES AND OTHER NON-CURRENT LIABILITIES

This item can be broken down as follows:

thousands of euro

	31/12/2025	31/12/2024
Due after 12 months	124,063	68,519
Deferred income for grants related to assets - non current	744,124	679,712
Non-current accrued liabilities and deferred income	4,023	3,328
Total	**872,210**	**751,559**

The increase in the item "Due after 12 months" refers for 58,578 thousand euro to the long-term portion of the tax liability relating to the settlement formulated with the Revenue Agency as part of the negotiated resolution of the crisis pursuant to the "Crisis Code" of the EGEA group. This item also includes balances relating to advances paid by users to guarantee the supply of water and to payables to users entitled to reimbursement of the purification tariff of the Integrated Water Service following the Supreme Court ruling of 14 July 2023.
Deferred income for grants related to assets, non-current portion, includes the amounts relating to connection grants of 210,509 thousand euro and the Fo.N.I. component (Provision for New Investments), amounting to 82,742 thousand euro,

provided for by the tariff method for the Integrated Water Service, which will be reversed to profit or loss after 12 months from the reporting date. The portion that will be taken to profit or loss in the 12 months following the reporting date amounts to 10,533 thousand and 4,791 thousand euro, respectively, and is included in the item "Sundry liabilities and other current liabilities under deferred income" for grants related to assets.

CURRENT LIABILITIES

NOTE 26_CURRENT FINANCIAL LIABILITIES

All financial liabilities recognised in this item are due within 12 months. The carrying amount of these liabilities approximates their fair value as the impact of discounting is negligible.
Current financial liabilities can be analysed as follows:

thousands of euro

	31/12/2025	31/12/2024
Bonds	-	475,282
Bank loans	76,802	100,423
Financial liabilities with associates	235	986
Financial liabilities with owners	4,971	6,067
Financial liabilities with other related parties	-	7
Lease liabilities	15,379	16,150
Financial liabilities with others	21,550	15,243
Current liabilities for derivatives	7,445	42,372
Total	**126,382**	**656,530**

Bonds
The amount of 475,282 thousand euro as at 31 December 2024 referred to the carrying amount of the Green Bonds repaid on its natural maturity date of 19 September 2025, at the outstanding nominal value of 476 million euro.

Bank loans
Current bank loans may be broken down as follows:

thousands of euro

	31/12/2025	31/12/2024
Loans - current portion	53,969	75,362
Other current bank loans	1,180	500
Accrued financial expenses and deferred financial income	21,653	24,561
Total	**76,802**	**100,423**

Financial liabilities with associates
They refer to amounts due to Arienes in the amount of 235 thousand euro.

Financial liabilities with owners
This item relates to dividends of the company TRM still to be paid to the municipality of Turin.

Financial liabilities with others
They amounted to 21,550 thousand euro (15,243 thousand euro as of 31 December 2024) and related to the fair value measurement of the put option on the non-controlling interest in IBlu S.r.l. (4,026 thousand euro), equal to 20% of the quota capital, held by Idealservice; the item also includes amounts due to factors (14,650 thousand euro).

Current liabilities for derivatives
These relate to the *fair value* of derivative contracts entered into to hedge the exposure to the risk of fluctuations in commodity prices.

NOTE 27_TRADE PAYABLES

All trade payables are due within 12 months. The carrying amount of these payables approximates their fair value as the impact of discounting is negligible.

thousands of euro

	31/12/2025	31/12/2024
Trade payables to suppliers	1,590,359	1,697,548
Trade payables to joint ventures	149	(1)
Trade payables to associates	20,848	7,461
Trade payables to owners	3,734	7,257
Trade payables to other related parties	8,025	28,108
Advances due within 12 months	5,357	6,100
Guarantee deposits due within 12 months	6,030	5,599
Trade payables to customers for reimbursements within 12 months	20,944	35,126
Total	**1,655,446**	**1,787,198**

Trade payables to customers for reimbursements within 12 months refer to the liability recognised in respect of users entitled to reimbursement of the purification tariff of the Integrated Water Service following the Supreme Court ruling of 14 July 2023, which established that the tariff is not payable by users to whom secondary purification treatment is not provided.

NOTE 28_CURRENT CONTRACT LIABILITIES

The item amounts to 28,541 thousand euro (88,983 thousand euro as at 31 December 2024), and mainly refers to the sums paid by customers as an advance payment for the sale of electricity.

NOTE 29_SUNDRY LIABILITIES AND OTHER CURRENT LIABILITIES

All amounts recognised in this item are due within 12 months. The carrying amount of these liabilities approximates their fair value as the impact of discounting is negligible.

thousands of euro

	31/12/2025	31/12/2024
VAT liability	2,771	5,088
Government land tax/UTIF	1,116	124
IRPEF liability	3,215	1,772
Other tax liabilities	35,630	30,433
Current ax liabilities	**42,732**	**37,418**
Amounts due to employees	77,762	74,431
Amounts due to Cassa Servizi Energetici e Ambientali (CSEA)	40,817	49,365
Amounts due to social security institutions within 12 months	37,294	34,348
Other current liabilities	123,920	118,931
Current sundry liabilities	**279,793**	**277,075**
Accrued expenses and deferred income	42,245	39,200
Total	**364,770**	**353,693**

The change in liabilities for Government land tax is due to prepayments and settlement payments, which are influenced by the invoicing volumes of the relevant year and the previous year.
The change in amounts due to Cassa per i Servizi Energetici e Ambientali (the Energy and Environmental Services Fund) in the year is related to the estimates of negative equalisation of electricity and gas.

Other current liabilities mainly refer to the cost estimates for the obligations relating to energy efficiency certificates, liabilities for tariff components of electricity distribution to be paid to the GSE, liabilities for purification fees, liabilities for RAI fees collected in the bill.

NOTE 30_CURRENT TAX LIABILITIES

The item "Current tax liabilities" amounting to 18,025 thousand euro (12,743 thousand euro as at 31 December 2024) is made up of IRES and IRAP liabilities, comprising the estimate of taxes for the current year.

NOTE 31_PROVISIONS FOR RISKS AND CHARGES - CURRENT PORTION

This item amounted to 330,495 thousand euro (281,389 thousand euro as at 31 December 2024) and refers to the current portion of the provisions, divided as follows:

- post-closure provisions and the provision for dismantling and reclaiming sites totalling 6,400 thousand euro;
- provision for early retirement of 3,816 thousand euro;
- provisions for ETS cancellation obligation of 234,325 thousand euro;
- other provisions for risks of 85,954 thousand euro.

For further details on the breakdown of and changes in provisions for risks and charges see Note 23.

NOTE 32_LIABILITIES ASSOCIATED WITH ASSETS HELD FOR SALE

Liabilities associated with assets held for sale, amounting to 18,349 thousand euro, relate to the entire business of managing the Integrated Water Service in 43 municipalities of the ATO 4 in the Cuneo area, pending the planned transfer to the incoming operator. In particular, they relate to deferred income components (deferred income for grants related to assets and connection grants) for 16,107 thousand euro, payables for security deposits for 1,107 thousand euro, provisions for risks and charges for 1,004 thousand euro, and post-employment benefits for 131 thousand euro.

FINANCIAL POSITION

Net financial debt, calculated as the difference between current and non-current financial debt and current and non-current financial assets, can be broken down as follows:

thousands of euro

	31/12/2025	31/12/2024
Non-current financial assets	(148,393)	(124,355)
Non-current financial debt	4,490,480	4,460,915
Non-current net financial debt	**4,342,087**	**4,336,560**
Current financial assets	(239,280)	(867,975)
Current financial debt	118,937	614,158
Current net financial position	**(120,343)**	**(253,817)**
Net financial debt	**4,221,744**	**4,082,743**

It is specified that, in the calculation of net financial debt, the fair value of commodity derivatives is excluded from short-, medium- and long-term borrowings and financial assets.

Net Financial position with related parties

Non-current financial assets include 29,672 thousand euro due from the municipality of Turin and 5,931 thousand euro due from associates.
Current financial assets include 4,082 thousand euro due from the Municipality of Turin and 5,209 thousand euro due from associates and joint ventures.
Current financial liabilities include 4,972 thousand euro due to the Municipality of Turin for dividends and 235 thousand euro due to associates.

The net financial position according to the structure proposed by ESMA in the document of 04 March 2021 *Guidelines on disclosure requirements under the Prospectus Regulation and* implemented by Consob with *Attention Reminder No. 5/21 of 29 April 2021* is shown below.

thousands of euro

	31/12/2025	31/12/2024
A. Cash	(205,765)	(326,568)
B. Cash equivalents	-	-
C. Other current financial assets	(2,683)	(465,034)
D. Liquidity (A) + (B) + (C)	**(208,448)**	**(791,602)**
E. Current financial debt (including debt instruments, but excluding the current portion of non-current financial debt)	49,589	47,364
F. Current portion of the non-current financial debt	69,348	566,794
G. Current financial debt (E + F)	**118,937**	**614,158**
H. Net current financial position (G - D)	**(89,511)**	**(177,444)**
I. Non-current financial debt (excluding current portion and debt instruments)	1,492,303	1,468,002
J. Debt instruments	2,998,177	2,992,913
K. Commercial and other non-current debt	-	-
L. Non-current financial debt (I + J + K)	**4,490,480**	**4,460,915**
M. Total financial debt (H + L)	**4,400,969**	**4,283,471**

The annexes to the consolidated financial statements include the reconciliation statement between "total financial debt", calculated according to the structure proposed by ESMA, and "net financial debt", calculated according to Iren Group's policy and reported at the beginning of this section.

The table below shows the changes in the year in current and non-current financial liabilities.

thousands of euro

Current and non-current financial liabilities 31.12.2024	**5,075,073**
Monetary changes as reported in the statement of cash flows	
New non-current loans	270,000
Repayment of non-current loans	(1,079,741)
Repayment of finance leases	(31,650)
Change in other financial liabilities	(6,578)
Interest paid	(131,814)
Dividends paid	178,215
Non-monetary changes	
Liabilities acquired following change in consolidation scope	197,066
Liabilities for purchase of investments in consolidated companies	188,420
New finance leases	7,872
Fair value change in derivatives	(15,522)
Interest and other financial expense	137,765
Dividends resolved	(179,689)
Current and non-current financial liabilities 31.12.2025	**4,609,417**

XI. Notes To The Income Statement

Unless otherwise stated, the following comments and tables show the figures in thousands of euro.
The consolidated income statement includes the income statement figures of the companies of the EGEA Holding Group as of 1 January 2025 and of the company Cierre as of 1 July 2025; the results of operations for 2025 are therefore affected by the inclusion of these amounts in the consolidation scope.

REVENUE

NOTE 33_REVENUE FROM GOODS AND SERVICES

This item amounted to 6,333,392 thousand euro (5,903,454 in 2024) and is detailed in the following table.

thousands of euro

	FY 2025	FY 2024
Electricity revenue	2,705,405	2,504,371
Heat revenue	278,048	232,133
Gas revenue	899,603	933,013
Integrated water service revenue	599,765	558,238
Waste management revenue	1,037,871	1,006,847
Revenue from asset construction services under concession	315,301	264,872
Revenue from other services	497,399	403,980
Total	**6,333,392**	**5,903,454**

The following table shows the reconciliation between the item Revenue from goods and services and the segment reporting in the chapter below "Segment reporting".

thousands of euro

	Networks	Waste management	Energy	Market	Other services	Elisions	Total
Revenue from goods and services	1,191,650	1,300,325	2,268,637	3,402,946	30,727	(1,860,893)	6,333,392
Other revenue	186,791	124,094	180,090	102,559	4,314	(357,183)	240,665
Total	**1,378,441**	**1,424,419**	**2,448,727**	**3,505,505**	**35,041**	**(2,218,076)**	**6,574,057**

The table below provides a breakdown of revenue from goods and services by business segment.

thousands of euro

	Networks	Waste management	Energy	Market	Other services	Elisions	Total
Electricity revenue	167,872	58,117	1,678,490	1,698,236	-	(897,310)	2,705,405
District heating revenue	-	14,391	292,463	-	-	(28,806)	278,048
Gas revenue	139,261	5,204	-	1,639,366	-	(884,228)	899,603
Integrated water service revenue	592,165	3,932	-	-	-	3,668	599,765
Waste management revenue	30	1,052,973	-	-	-	(15,132)	1,037,871
Revenue from asset construction services under concession - IFRIC 12	259,844	48,383	7,074	-	-	-	315,301
Revenue from other services	32,478	117,325	290,610	65,344	30,727	(39,085)	497,399
Total Revenue from goods and services	**1,191,650**	**1,300,325**	**2,268,637**	**3,402,946**	**30,727**	**(1,860,893)**	**6,333,392**

The nature and timing of the performance obligations contained in customer contracts are described below:

Sale and distribution of electricity and gas and sale of heat to end customers
Contracts for the sale of energy carriers to end customers include fees that relate to both the sale and distribution of the relevant commodities, identified as a single, indistinct performance obligation. This obligation is fulfilled upon delivery at the redelivery point or heat exchange substation.
These contracts relate to continuous supplies, which imply the fulfilment of the related obligations in an over-time manner, given that the end customer simultaneously receives and uses the benefits deriving from the service provided as the latter is rendered.
This revenue includes the estimated disbursements made but not yet invoiced. This estimate is based on the customer's historical consumption profile, adjusted to reflect weather conditions or other factors that may affect consumption.
In this context, revenue from the electricity and gas distribution service, supplied through the Group's networks to third-party sellers, is recognised on the basis of tariffs determined by the competent Authorities to reflect the remuneration recognised for investments made, taking into account the equalisation mechanisms provided for. They, too, refer to services aimed at fulfilling the relevant obligations on an ongoing basis, with a view to the continuity of the service provided characteristic of network businesses.

Integrated Water Service
Similarly to the other network businesses mentioned above, aqueduct (water collection, drinking water, lifting and distribution), sewerage and wastewater treatment services relate to obligations fulfilled over time. They, too, are entered on the basis of the tariffs determined by the competent authorities to reflect the remuneration paid for the investments made.
Waste management revenue
Revenue generated by the waste management supply chain mainly relates to:
- collection and urban sanitation, where performance obligations are fulfilled continuously over time on the basis of existing contracts;
- the treatment of municipal and special waste, including its disposal and reuse. In this regard, the Group assesses the relevant services as provided over time, particularly with regard to the continuous disposal of homogeneous waste units, also within the framework of existing agreements with the competent authorities.

It should also be noted that in this context there are, to a residual extent, services provided punctually and pertaining to obligations arising from events (e.g. snow clearing service).

Revenue from other services
The revenue included under this heading refers in particular:
- to services related to the management of energy services, including maintenance services, and to orders for the energy efficiency of plants and buildings. Both refer to obligations fulfilled over time. In particular, revenue relating to contracts for efficiency upgrading is recognised on the basis of the stage of completion of the contract work, deduced from the total estimated costs incurred, by means of the recognition of a contract asset until the obligation has been fully met.
- to products/services ancillary to the sale of commodities, which are distinctly identified, and which concern performance obligations that are fulfilled punctually upon the transfer of the product/service to the customer;
- miscellaneous and ongoing revenue relating to, inter alia, information systems, real estate services and laboratory analyses.

NOTE 34_OTHER INCOME

Other income totalled 240,665 thousand euro (139,671 thousand euro in 2024) and refers to grants, revenue for energy certificates and sundry income. The tables below show the details of the individual items.

Grants

thousands of euro

	FY 2025	FY 2024
Grants related to assets	22,760	16,696
Connection grants	12,184	12,023
Other grants	11,289	10,598
Total	**46,233**	**39,317**

The grants related to assets and connection grants represent the relevant portion of grants calculated in proportion to the depreciation rates of the plants to which they refer.
The connection grants include amounts received for connection to the Group's electricity, water, gas and heat distribution networks.

Revenue from energy certificates

thousands of euro

	FY 2025	FY 2024
Revenue from the sale of ETS certificates (Emission Trading Certificates)	53,054	-
Revenue from former Green Certificates incentives	26,892	20,283
Revenue from Energy Efficiency Certificates (White Certificates)	12,567	18,422
Total	**92,513**	**38,705**

Other income

thousands of euro

	FY 2025	FY 2024
Service contracts	9,489	7,084
Lease income	2,553	1,878
Capital gains on sale of assets	1,689	1,434
Insurance settlements	7,897	1,574
Sundry reimbursements	8,311	8,894
Other revenue and income	71,980	40,785
Total	**101,919**	**61,649**

The increase in "Other revenue and income" is mainly due to the recognition of premiums for the technical and commercial quality of the integrated water service (2022-2023 period) recognised by ARERA.

Costs

NOTE 35_RAW MATERIALS, CONSUMABLES, SUPPLIES AND GOODS

This item is broken down as follows:

thousands of euro

	FY 2025	FY 2024
Purchase of electricity	619,857	545,199
Purchase of gas	1,268,533	1,274,913
Purchase of heat	5,651	244
Purchase of other fuels	174	380
Purchase of water	9,775	7,768
Other raw materials and materials in stock	189,586	185,894
Emission trading	260,011	200,826
White Certificates	8,786	17,636
Change in inventories	17,952	(8,806)
Total	**2,380,325**	**2,224,054**

Costs for raw materials, consumables, supplies and goods increased by 156,271 thousand euro.

While the costs of purchasing gas remained broadly stable due to the combined effect of higher prices and lower quantities procured, the increase in the costs of purchasing electricity is the result of higher prices and greater volumes purchased on the power exchange during the current year.
The purchase of raw materials and materials in stock is in connection with the marketing to retail customers of products in the area of home automation, energy saving and maintenance of domestic installations and, to a lesser extent, fuels for operating vehicles.
The change in inventories was partly due to gas storages.

NOTE 36_SERVICES AND USE OF THIRD-PARTY ASSETS

Costs for services amounted to 2,071,761 thousand euro (1,822,444 thousand euro in 2024), as follows:

thousands of euro

	FY 2025	FY 2024
Electricity transport and electricity system expenses	680,832	589,667
Gas transmission	121,865	86,123
Third-party works, maintenance and industrial services	531,507	456,379
Collection and disposal, snow clearing, public parks	396,473	360,719
Expenses related to personnel (canteen, training, business travel)	18,808	17,305
Technical, administrative and commercial consulting and advertising expenses	107,160	93,459
Legal and notary fees	5,813	8,604
Insurance	29,596	29,864
Bank expenses	12,185	10,280
Telephone expenses	7,847	6,645
IT expenses	70,348	61,901
Reading and invoicing services	16,726	16,003
Board of Statutory Auditors' fees	1,846	1,576
Other costs of services	70,755	83,919
Total costs for services	**2,071,761**	**1,822,444**

Costs for third-party works mainly relate to operating and maintenance costs of plants and networks.

"Other costs for services" includes residual costs for internal consumption, back office, transport and other services: this item increased largely as a result of higher transport costs and the closure of estimates from previous years.

Use of third-party assets amounted to 43,904 thousand euro (38,439 thousand euro in 2024). The item included mainly fees paid to the single operator of the Genoa Area and the fees paid to the companies that own the assets of the integrated water service of the municipalities of Parma, Piacenza, and Reggio Emilia.
Secondarily, this item includes short-term leases or when the underlying asset is of low value, which the group has decided to exclude from the scope of application of IFRS 16.

NOTE 37_OTHER OPERATING EXPENSES

Other operating expenses amounted to 117,117 thousand euro (102,657 thousand euro in 2024), as follows:

thousands of euro

	FY 2025	FY 2024
General expenses	38,024	26,654
Instalments and higher instalments for water shunting	31,546	33,700
Taxes and duties	29,619	28,563
Capital losses on sale of assets	4,502	4,546
Other sundry operating expenses	13,426	9,194
Total	**117,117**	**102,657**

General expenses include among other things contributions to the running costs of various entities and penalties from service providers. The item "Taxes and duties" relates mainly to expenses for IMU property tax on the Group's plants and buildings and expenses for occupying and reclaiming public land.
The item "Other sundry operating expenses" includes adjustments of revenue pertaining to previous years.

NOTE 38_CAPITALISED EXPENSES FOR INTERNAL WORK

Capitalised expenses for internal work amounted to 60,537 euro (60,193 thousand euro in 2024), and regard increases in capital assets made with internal resources and production factors.

thousands of euro

	FY 2025	FY 2024
Capitalised personnel expense	(45,299)	(42,100)
Capitalised inventory materials	(15,238)	(18,093)
Total	**(60,537)**	**(60,193)**

NOTE 39_PERSONNEL EXPENSE

Personnel expense amounted to 668,532 thousand euro (641,605 thousand euro in 2024), as follows:

thousands of euro

	FY 2025	FY 2024
Gross remuneration	475,313	453,685
Social security contributions	146,306	139,276
Post-employment benefits	1,110	906
Other long-term employee benefits	118	111
Other personnel expenses	43,269	45,543
Directors' fees	2,416	2,084
Total	**668,532**	**641,605**

As specified in Note 38, 45,299 thousand euro of costs related to employees directly employed in the construction or acquisition of property, plant and machinery and in the development and implementation of software were capitalised.
Other personnel expense includes social security and recreational contributions, the contribution paid to the supplementary health care fund, insurance for accidents occurring outside working hours, the portion of post-employment benefits, and contributions to be paid by the employer to supplementary pension funds.

The composition of personnel is shown in the following table.

	31/12/2025	31/12/2024	Average for the year
Executives	118	109	122
Junior managers	392	401	397
White collar workers	4,934	4,703	4,916
Blue collar workers	6,464	6,098	6,441
Total	**11,908**	**11,311**	**11,876**

The changes in the workforce compared to 31 December 2024 were mainly ascribable to:
- changes in the consolidation scope, primarily due to the consolidation, from January 2025, of EGEA Holding group companies, totalling 600 resources, and, from July 2025, of the company Cierre, totalling 30 resources;
- characteristics of the annual workforce trend of the company San Germano due to the launch/conclusion of contracted services, including those of a seasonal nature;
- continuation of the generational turnover plan;
- substantial number of recruitments related to the Group's development and expansion needs, also aimed at acquiring new skills.

NOTE 40_AMORTISATION AND DEPRECIATION

Amortisation and depreciation for the year amounted to 716,266 thousand euro (655,475 thousand euro in 2024).

thousands of euro

	FY 2025	FY 2024
Property, plant and equipment and investment property	389,681	376,903
Intangible assets	326,585	278,572
Total	**716,266**	**655,475**

For further details on amortisation and depreciation, refer to the tables of changes in property, plant and equipment and intangible assets.

NOTE 41_PROVISIONS AND IMPAIRMENT LOSSES

These items amounted to a total of 106,717 thousand euro (98,944 thousand euro in 2024) as follows:

thousands of euro

	FY 2025	FY 2024
Impairment losses on loans and receivables	85,976	74,482
Impairment losses Other non-current assets	255	-
Impairment losses on loans and receivables	**86,231**	**74,482**
Provision for restoration of third-party assets	841	1,922
Post-closure provisions	1,962	2,726
Provision for dismantling and reclaiming sites	506	185
Provisions for risks and other	15,893	15,805
Release of provisions	(7,804)	(8,702)
Net impairment losses	9,088	12,526
Total net other provisions and impairment losses	**20,486**	**24,462**
Total	**106,717**	**98,944**

The accruals for the year were made to adjust the amount of the loss allowance to the amount of expected credit losses on the basis of the simplified model provided for in the standard IFRS 9, where "loss" means the present value of all cash shortfalls considering forward-looking information.

Provisions for risks are largely attributable to disputes in the energy efficiency sector, while releases refer to the elimination of risks and charges related to disputes with suppliers and the waste management sector. Details of changes in provisions are provided in the note to the Statement of financial position item "Provisions for risks and charges".
The item "Net impairment losses" mainly relates to the revaluation, carried out by an independent expert, of the former headquarters in Genoa (Via SS Giacomo e Filippo), which are no longer in use and are held for sale (6,266 thousand euro), and of certain waste treatment plants, including a composting and aerobic digestion plant and a polyurethane recovery plant, for a total of 2,775 thousand euro.

NOTE 42_FINANCIAL INCOME AND EXPENSE

Financial income

Financial income amounted to 38,336 thousand euro (45,701 thousand euro in 2024). The details are shown in the following table:

thousands of euro

	FY 2025	FY 2024
Dividends	34	80
Bank interest income	4,210	12,398
Interest income on loans and receivables	14,210	22,240
Interest income from customers	6,465	4,825
Fair value gains on derivatives	6	2
Capital gain on disposal of financial assets	-	1
Other financial income	13,411	6,155
Total	**38,336**	**45,701**

The decrease in bank interest income is due to the lower average balance of liquidity in current accounts in 2025 compared to the previous year.
Interest income on loans and receivables mainly refers to interest accrued on amounts restricted in the form of time deposits (10,264 thousand euro). This item also includes interest income on current accounts between the Group and the Municipality of Turin (378 thousand euro).
Other financial income mainly consists of income for the discounting of provisions and fair value gains on the put option on the non-controlling interest of ReMat.

Financial expense

The item amounted to 146,138 thousand euro (136,333 thousand euro in 2024). The breakdown of financial expense is shown in the following table:

thousands of euro

	FY 2025	FY 2024
Interest expense on loans	55,753	71,905
Interest expense on bonds	69,508	59,704
Hedging effect of derivatives	(9,982)	(19,860)
Interest expense on bank current accounts	2,233	1,082
Other interest expense	6,783	7,412
Capitalised borrowing costs	(1,730)	(317)
Fair value losses on derivatives	321	458
Capital losses on disposal of financial assets	-	9
Interest cost – Employee benefits	2,625	2,546
Financial expense on lease liabilities	2,058	1,733
Other financial expense	18,569	11,661
Total	**146,138**	**136,333**

Interest expense on loans and bonds includes the expense relating to the measurement at amortised cost.
Interest expense on loans includes costs relating to liability management transactions for 3,759 thousand euro.

Other interest expense includes charges related to factoring transactions performed during the year.
Other financial expenses mainly consisted of charges arising from the sale to financial intermediaries of credits related to deductions on works carried out to improve the energy efficiency of buildings (ecobonus), charges for discounting provisions, charges arising from payment extensions to suppliers.

NOTE 43_GAINS (LOSSES) ON EQUITY INVESTMENTS

These gains came to 2,359 thousand euro (losses of 1,260 thousand euro in 2024) and mainly refer to the remeasurement at fair value, at the date of acquisition of control, of the non-controlling interest relating to the business combinations of CSAI.
In 2024, it mainly referred to the impairment loss on the investments in Astea (1,365 thousand euro), EGEA (1,000 thousand euro), and Enerbrain (1,555 thousand euro), only partially offset by the restatement at fair value, at the date of acquisition of control, of the non-controlling interest relating to the business combination of Siena Ambiente (3,270 thousand euro).

NOTE 44_SHARE OF PROFIT OR LOSS OF EQUITY-ACCOUNTED INVESTEES

The share of profit or loss of equity-accounted companies amounted to 13,895 thousand euro (7,471 thousand euro in 2024). For more details please see Note 5 “Equity-accounted investments”.

NOTE 45_INCOME TAXES

Income taxes for 2025 amounted to 122,164 thousand euro (131,697 thousand euro in 2024) and included the estimated income taxes for 2025.

thousands of euro

	FY 2025	FY 2024
Current taxes (IRES)	109,553	102,833
Current taxes (IRAP)	34,158	27,470
Current taxes (IRES and IRAP) previous years	(3,682)	(2,942)
Change in deferred tax assets	(8,408)	15,185
Change in deferred tax liabilities	(9,457)	(10,849)
Total	**122,164**	**131,697**

The Group’s effective tax rate in 2025 is 27.9%, while in 2024, it was 30.3%.

The table below shows the breakdown of the tax rate for 2025 and 2024.

thousands of euro

	FY 2025		FY 2024	
Pre-tax profit	438,424		435,279	
Theoretical taxes (IRES)	105,221	24.0%	104,467	24.0%
Permanent differences	(4,704)	-1.1%	2,923	0.7%
Tax relief effect	(3,663)	-0.8%	(5,271)	-1.2%
IRAP (Regional business tax)	34,158	7.8%	27,470	6.3%
Previous years’ taxes and other differences	(8,848)	-2.0%	2,108	0.5%
Total income taxes	**122,164**	**27.9%**	**131,697**	**30.3%**

The Group also exercised the option for the tax consolidation scheme, pursuant to Art. 117 of the new Consolidated Law on Income Tax. This requires that the consolidated companies transfer their IRES debit/credit positions to the Parent IREN S.p.A. The latter then calculates IRES on the algebraic sum of taxable profits/losses of each company taking part in the tax consolidation scheme.

In return for the taxable income earned and transferred to the parent, the consolidated company commits to paying "tax settlements" to the parent equal to the amount of taxes owed on the income transferred, net of the transferred IRES assets. The companies in the domestic tax consolidation for 2025, not including the Parent Iren Spa, are as follows: Iren Energia S.p.A., Ireti S.p.A., Territorio e Risorse S.r.l., Iren Acqua (merged into Ireti), Iren Mercato S.p.A., Iren Ambiente S.p.A., Iren Smart Solution S.p.A., Acam Ambiente S.p.A., Acam Acque S.p.A., Maira S.p.A., Amiat S.p.A. Amiat V S.p.A., Formaira S.p.A., Alfa Solutions S.p.A., Recos S.p.A., Iren Laboratori S.p.A., Iren Ambiente Parma S.r.l., Iren Ambiente Piacenza S.r.l., ASM Vercelli S.p.A., Atena Trading S.r.l., Gia in liquidazione S.r.l. (company dissolved in 2025), San Germano S.p.A., Rigenera Materiali S.r.l., Bonifiche Servizi Ambientali S.r.l., Uniproject S.r.l., Manduriambiente S.p.A., Scarlino Energia S.p.A., Iren Ambiente Toscana S.p.A. TB S.p.A. (merged into Valdarno), Futura S.p.A., Ireti Gas S.p.A., Valle Dora Energia S.r.l., Alegas S.r.l., Iren Green Generation S.r.l., Iren Green Generation Tech S.r.l., Valdarno Ambiente S.r.l., Dogliani Energia S.r.l., I Blu S.r.l., SEI Toscana S.r.l., Semia Green S.r.l., Re.mat S.r.l. , Limes 20 S.r.l., L 2 Srl, Limes 1 S.r.l., Agrovoltaica S.r.l., Am.ter S.p.A. (merged into Ireti), C.R.C.M. S.r.l.., Iren Acqua Reggio S.r.l. and Iren Acqua Piacenza S.r.l.

The following table shows deferred tax assets and liabilities and their impact.

thousands of euro

	FY 2025	FY 2024
Deferred tax assets		
Non-taxable provisions	204,278	195,928
Differences in non-current assets	211,292	215,180
Connection grants	43,866	14,530
Derivatives	30,482	59,337
Tax loss carry-forwards + ACE	13,008	8,209
Other	5,782	10,152
Total	**508,708**	**503,336**
Deferred tax liabilities		
Differences in non-current assets	174,855	154,102
Loss allowance and other provisions	9,416	9,067
Derivatives	221	12,593
Other	30,968	54,898
Total	**215,460**	**230,660**
Net deferred tax assets	**293,248**	**272,676**
Total change	**20,572**	
of which:		
in Equity	(13,192)	
in profit or loss	17,865	
for changes in the consolidation scope	15,899	

NOTE 46_ PROFIT/(LOSS) FROM DISCONTINUED OPERATIONS

Not present in 2025 and in 2024.

NOTE 47_ PROFIT FOR THE YEAR ATTRIBUTABLE TO NON-CONTROLLING INTERESTS

Profit attributable to non-controlling interests, which amounted to 15,714 thousand euro (35,111 thousand euro in 2024), relates to the share of profit of non-controlling interests in companies fully consolidated but not wholly owned by the Group. The decrease compared to the previous year is primarily attributable to the acquisition of the non-controlling interest in the subsidiary Iren Acqua during 2025.

NOTE 48_EARNINGS PER SHARE

For the purposes of calculating basic and diluted earnings per share, it is noted that the number of shares for 2025 represents the weighted average number of shares outstanding in the reporting period based on the provisions of IAS 33 § 20. The

parent has not issued any financial instruments that have the potential to dilute its common stock, therefore diluted earnings per share is equal to basic earnings per share.

	FY 2025	FY 2024
Profit for the year (thousands of euro)	300,546	268,471
Weighted average number of shares outstanding over the year (thousand)	1,283,076	1,283,076
Basic earnings/ per share (euro)	**0.23**	**0.21**

NOTE 49_OTHER COMPREHENSIVE INCOME

Other comprehensive income amounted to 32,183 thousand euro (other comprehensive expense of 45,083 thousand euro in 2024) and included other comprehensive income that will be subsequently reclassified to profit or loss and other comprehensive income that will not be subsequently reclassified to profit or loss.

Other comprehensive income that will be subsequently reclassified to profit or loss relates to:

- the effective portion of fair value gains on cash flow hedges, 48,450 thousand euro, which refers to derivatives hedging changes in interest rates and derivatives hedging changes in commodity prices (for the Group, this concerns electricity and gas).
- the share of other losses of equity-accounted investees, 192 thousand euro, which refers to fair value losses on cash flow hedges of associates;
- the change in the translation reserve, amounting to a negative 4,797 thousand euro, due to the change in the exchange rate used to translate the financial statement balances of associates that prepare their financial statements in currencies other than the euro
- the tax effect of other comprehensive income, for 13,001 thousand euro.

Other comprehensive income that will not be subsequently reclassified to profit or loss relates to:

- net actuarial losses on defined benefit plans, for 1,767 thousand euro;
- share of actuarial gains of equity-accounted investees related to employee defined benefit plans, for 147 thousand euro;
- the tax effect of other comprehensive income, 191 thousand euro.

XII. Guarantees and contingent liabilities

GUARANTEES

Guarantees provided concern sureties and other guarantees for own commitments of 805,805 thousand euro (823,625 thousand euro as at 31 December 2024); the most significant items refer to sureties issued in favour of:

- the Electricity Market Operator (GME) for 93,100 thousand euro to guarantee the energy market participation contract;
- ATERSIR for 59,639 thousand euro for agreements and tenders in progress relating to the Integrated Water Service and the Urban Waste Management Service;
- the Turin Provincial/Metropolitan City Governments, for 58,938 thousand euro for waste transfer and post-closure management of plants subject to Integrated Environmental Authorisation (I.E.A.);
- ARPAE for 56,567 thousand euro for waste conferment and operations and post-closure management of plants subject to I.E.A.;
- Shell Energy Europe for 50,000 thousand euro to guarantee the gas supply contract;
- Tuscany Region for 48,853 thousand euro to guarantee landfill and plant authorisations;
- ATO-R, for 44,335 thousand euro, as definitive guarantees in the Amiat/TRM acquisition;
- Municipality of Turin, for 31,861 thousand euro, definitive guarantee in the AMIAT/TRM acquisition;
- Ministry of the Environment, for 31,313 thousand euro for various authorisations;
- Province of La Spezia for 30,232 thousand euro for waste transfer and management of plants;
- SNAM Reti Gas for 26,536 thousand euro to guarantee contracts and network codes;
- Customs Authority, for 21,940 thousand euro to guarantee the regular payment of customs tax and additional local and provincial duties on electricity consumption and gas excise;
- Piedmont Region for 17,792 thousand euro as guarantee for project financing for the concession of large water derivation plants for hydroelectric purposes;
- Revenue Agency for 11,779 thousand euro for a VAT refund request;
- Apulia Region for 10,192 thousand euro to guarantee landfill and plant authorisations;
- Terna, for 9,912 thousand euro to guarantee injection and withdrawal dispatching contracts and to guarantee the electricity transport service contract;
- Assemblea Territoriale Idrica Enna for 9,028 thousand euro as a work guarantee;
- Aisa Impianti for 7,800 thousand euro as guarantee for the contract of transfer at the plants;
- Consorzio di Bacino Basso Novarese for 6,989 thousand euro to guarantee the contract for the collection and disposal of urban waste;

COMMITMENTS

Commitments to suppliers

In the course of its operations, the Group entered into contracts for the purchase of a specific quantity of commodities at a certain future date, having the characteristics of own use and therefore falling within the so-called “own use exemption” under IFRS 9. These commitments are represented by:

- contracts for the purchase of natural gas at a fixed price, with a countervalue of 1,084 thousand euro;
- contracts for the purchase of methane gas at an indexed price, for a forecast quantity of the equivalent of 21.36 TWh;
- power purchase agreements, with a countervalue of 5,361 thousand euro.

CONTINGENT LIABILITIES

Iren Mercato S.p.A. / Azienda Sanitaria Locale Roma 1 - Iren Mercato S.p.A. / Local Health Authority Rome 4

Two proceedings are pending before the Court of Rome, initiated by certain local health authorities in Lazio and relating to the transactions between them and Iren Mercato, in its own right and as a member of the temporary joint venture entrusted under the Agreement of 4 August 2006 entered into with the Lazio Region for the “Technological multi-service and provision of energy carriers - Lot D”; in particular:

- claim form dated 10 April 2020 by ASL ROMA 1 (contract of 13 December 2007) with the aim of ascertaining the undue receipt of the fee for the supply of hot water and steam for the period from 01 July 2007 to 28 February 2017, contesting the incorrect application of the tariff, and the consequent repayment of the sum; the plaintiff has quantified this amount as 8 million euro; Following the appointment of the technical expert by the Court, the expert investigation operations were initiated.
- claim form dated 12 April 2022 by ASL ROMA 4 (contract of 08 June 2007) with the aim of ascertaining the undue receipt of the fee for the supply of hot water and steam for the period from 01 April 2007 to 19 February 2017, contesting the incorrect application of the tariff, and the consequent repayment of the sum; the plaintiff has quantified this amount as 7.5 million euro; Following the appointment of the technical expert by the Court, the expert investigation operations were initiated.

The risk of losing the case has been cautiously estimated as possible, given the uncertainty connected with expert appraisals involving highly technical services completed many years ago.

Iren Mercato S.p.A. / Local Health Authority Viterbo

On 27 March 2025, the Viterbo Local Health Authority filed a request for arbitration to determine whether Iren Mercato improperly collected the fee for the supply of domestic hot water and steam for the period from 1 April 2007 to 19 February 2017, contesting the incorrect application of the tariff, and the consequent recovery of the sum; the plaintiff quantified this amount at 8.9 million euro. The parties have appointed their own arbitrator, while the Chair of the Arbitration Board has not yet been appointed.
The risk of losing the case has been cautiously estimated as possible, given the uncertainty connected with arbitration operations involving highly technical services completed many years ago.

Claim for damages for occupational disease

It should be noted that during the 2025 financial year, Iren received a claim for damages from the heirs of AMGA's former employee, for a total amount of approximately 2 million euro, related to the death due to an occupational disease allegedly attributable to the period of employment at AMGA.
The case is currently pending before the Court of Reggio Emilia. At the first hearing on 10 October 2025, the Judge granted the plaintiff a deadline of 40 days to take a position on the preliminary objections raised by Iren and, subsequently, to the latter a deadline of 20 days for the filing of replies, holding the case in reserve.
To dissolve the reservation, the Judge, with an order – considering that the dispute can be settled in relation to the absorbing issue of Iren's passive legitimacy – set a hearing for discussion, to be held in paperwork mode, originally for 10 March 2026 and subsequently postponed to 17 May 2026 due to role requirements.
In the light of the foregoing and, specifically, of the aforementioned order, defeat risk is to be considered possible.

Contract A.Li.Sa – Azienda Ligure Sanitaria

The subsidiary Iren Smart Solutions, as the parent company of a Temporary Grouping of Companies with a 42% stake, operates in support of the Ligurian regional health system, hospitals and territorial structures, ensuring the operational and technical-administrative management of technological systems and building components.
During the execution of the contract, disputes emerged between the RTI and the customer with reference to full compliance with the obligations assumed between the parties. In February 2026, some ASLs, in particular ASLs 1, 2 and 3, in the meantime merged by incorporation into the Ligurian Health Authority (ATS) to which other health facilities belong, initiated a dispute procedure concerning penalties for about 9 million euros. Invoices and disputes that have already seen the punctual reply of the RTI, through, respectively, the rejection of any claim and the due counter-deductions. No provision has been set aside for this further dispute as the Company, in accordance with the opinion received from its external lawyers involved, considers the risk of defeat possible.

XIII. Segment reporting

Segment reporting, based on the Group's management and internal reporting structure, is given below in accordance with IFRS 8.
Given the nature of the activity performed by Group companies, a geographical segment analysis is not relevant.

The operating segments in which the Group operates are:
- Networks (Electricity distribution networks, Gas distribution networks, Integrated Water Service)
- Waste Management (Waste collection and disposal)
- Energy (Hydroelectric Production and production from other renewable sources, Combined Heat and Power, District Heating Networks, Thermoelectric Production, Public Street Lighting, Global services, Energy efficiency services)
- Market (Sale of electricity and gas)
- Other services (Laboratories, Telecommunications and other minor services).

These operating segments are disclosed pursuant to IFRS 8. Under this standard, the disclosure about operating segments should be based on the elements which management uses in making operational and strategic decisions.

For a proper interpretation of the results relating to individual businesses, revenue and expense referring to joint activities were fully allocated to the businesses based on actual usage of the services provided or according to technical and economic drivers.

Given the fact that the Group mainly operates in one area, the following segment reporting does not include a breakdown by geographical segment.

Net invested capital by business segment compared to the figures as at 31 December 2024 and income statements (up to the operating profit/(loss)) for the current year by business segment are presented below, compared against the 2024 figures.

It should be noted that there is no revenue from transactions with a single customer equal to or exceeding 10% of total revenue.

In the segment reporting tables below, the following quantities are presented:

Net invested capital (NIC): determined by the algebraic sum of non-current assets, other non-current assets (liabilities), net working capital, deferred tax assets (liabilities), provisions for risks, and employee benefits and assets held for sale (liabilities associated with assets held for sale).

Net financial debt: calculated as the sum of non-current financial liabilities at net of non-current financial assets and current financial liabilities net of current financial assets and cash and cash equivalents.

Net Working Capital (NWC): determined as the algebraic sum of current and non-current contract assets and liabilities, current and non-current trade receivables, inventories, current tax assets and liabilities, sundry assets and other current assets, trade payables and sundry liabilities and other current liabilities.

Non-current assets: determined by the sum of Property, Plant and Equipment, Investment Property, Intangible Assets with a finite useful life, Goodwill, equity-accounted Investments method, and Other equity Investments.

Gross operating profit or loss: calculated as the sum of pre-tax profit or loss, share of profit/(loss) of equity-accounted investees, impairments gains and losses on equity investments, financial income and expense, and amortisation, depreciation, provisions and impairment losses.

Operating profit or loss: calculated as the sum of pre-tax profit or loss, share of profit/(loss) of equity-accounted investees, impairments gains and losses on equity investments and financial income and expense.

Reclassified statement of financial position by operating segment at 31 December 2025

millions of euro

	Networks	Waste management	Energy	Market	Other services	Non-allocable	Total
Non-current assets	4,035	1,687	2,429	428	26	214	8,819
Net Working Capital	174	36	107	(79)	3	-	241
Other non-current assets and liabilities	(625)	(257)	(178)	(62)	(5)	-	(1,128)
Net invested capital (NIC)	**3,584**	**1,466**	**2,357**	**287**	**24**	**214**	**7,932**
Equity							3,710
Net financial debt							4,222
Own funds and net financial debt							**7,932**

Reclassified statement of financial position by operating segment at 31 December 2024

millions of euro

	Networks	Waste management	Energy	Market	Other services	Non-allocable	Total
Non-current assets	3,800	1,645	2,302	359	17	291	8,414
Net Working Capital	114	9	(11)	(128)	4	-	(12)
Other non-current assets and liabilities	(675)	(182)	(139)	19	1	-	(976)
Net invested capital (NIC)	**3,239**	**1,472**	**2,152**	**250**	**22**	**291**	**7,426**
Equity							3,343
Net financial debt							4,083
Own funds and net financial debt							**7,426**

Income Statement by operating segment for 2025

millions of euro

	Networks	Waste management	Energy	Market	Other services	Non-allocable	Total
Total revenue and income	1,378	1,424	2,449	3,506	35	(2,218)	6,574
Total operating expenses	(849)	(1,147)	(2,176)	(3,237)	(30)	2,218	(5,221)
Gross Operating Profit	**529**	**277**	**273**	**269**	**5**	**-**	**1,353**
Net amortisation, depreciation and impairment losses	(252)	(224)	(194)	(151)	(2)	-	(823)
Operating profit	**277**	**53**	**79**	**118**	**3**	**-**	**530**

Income Statement by operating segment for 2024

millions of euro

	Networks	Waste management	Energy	Market	Other services	Non-allocable	Total
Total revenue and income	1,269	1,291	2,141	3,444	35	(2,137)	6,043
Total operating expenses	(791)	(1,035)	(1,864)	(3,187)	(29)	2,137	(4,769)
Gross Operating Profit	**478**	**256**	**277**	**257**	**6**	**-**	**1,274**
Net amortisation, depreciation and impairment losses	(227)	(217)	(182)	(125)	(3)	-	(754)
Operating profit	**251**	**39**	**95**	**132**	**3**	**-**	**520**

XIV. Annexes to the Consolidated Financial Statements

LIST OF FULLY CONSOLIDATED COMPANIES

LIST OF JOINT VENTURES

LIST OF ASSOCIATES

LIST OF EQUITY INVESTMENTS IN OTHER COMPANIES

FINANCIAL FIGURES OF THE MAIN FULLY CONSOLIDATED COMPANIES, JOINT VENTURES AND ASSOCIATES

RECONCILIATION OF IFRS FINANCIAL STATEMENTS WITH RECLASSIFIED FINANCIAL STATEMENTS (Consob Communication no. 6064293 of 26 July 2006)

RECONCILIATION BETWEEN TOTAL FINANCIAL DEBT (ESMA COMMUNICATION OF 4 MARCH 2021) AND NET FINANCIAL DEBT

DEFERRED TAX ASSETS AND LIABILITIES

RELATED PARTY TRANSACTIONS

LIST OF GRANTS UNDER DECREE LAW 34/2019 ART. 35

INDEPENDENT AUDITORS' FEES

List of fully consolidated companies

Company	Registered office	Currency	Share/quota capital	% interest	Investor
Iren Ambiente S.p.A.	Piacenza	Euro	63,622,002	100	Iren
Iren Energia S.p.A.	Turin	Euro	918,767,148	100	Iren
Iren Mercato S.p.A.	Genoa	Euro	61,356,220	100	Iren
IRETI S.p.A.	Genoa	Euro	196,832,103	100	Iren
IRETI Gas S.p.A.	Parma	Euro	120,000	100	IRETI
ACAM Acque S.p.A.	La Spezia	Euro	24,260,050	100	IRETI
ACAM Ambiente S.p.A.	La Spezia	Euro	1,000,000	100	Iren Ambiente
Acquaenna S.c.p.a.	Enna	Euro	3,000,000	50.87	IRETI
Acqui Energia S.p.A.	Alba (CN)	Euro	1,800,000	100	TLRNet
Alessandria Calore S.r.l.	Alba (CN)	Euro	1,000,000	100	TLRNet
Agrovoltaica S.r.l.	Turin	Euro	1,000	100	Iren Green Generation
Alfa Solutions S.p.A.	Reggio Emilia	Euro	100,000	86	Iren Smart Solutions
Alegas S.r.l.	Alessandria	Euro	100,000	100	Iren Mercato
AMIAT S.p.A.	Turin	Euro	46,326,462	80	AMIAT V.
AMIAT V. S.p.A.	Turin	Euro	1,000,000	93.06	Iren Ambiente
Ardea S.r.l.	Cuneo	Euro	500,000	100	EGEA Holding
ASM Vercelli S.p.A.	Vercelli	Euro	120,812,720	59.97	IRETI
Asti Energia e Calore S.p.A.	Asti	Euro	120,000	62	Iren Energia
Atena Trading S.r.l.	Vercelli	Euro	556,000	59.97	Iren Mercato
Azienda Agricola Riofi S.r.l.	Terranuova Bracciolini (AR)	Euro	100,000	43.98	CSAI
Bonifica Autocisterne S.r.l.	Piacenza	Euro	595,000	51	Iren Ambiente
Bonifiche Servizi Ambientali S.r.l.	Reggio Emilia	Euro	3,000,000	100	Iren Ambiente
Bra Energia S.p.A.	Alba (CN)	Euro	200,000	80	TLRNet
Capo dell'Acqua S.r.l.	Bari	Euro	10,000	100	EGEA Holding
Carmagnola Energia S.r.l.	Alba (CN)	Euro	200,000	100	TLRNet
Cierre S.r.l.	Arezzo	Euro	75,000	80	Alfa Solutions
Consorzio GPO	Reggio Emilia	Euro	20,197,260	62.35	IRETI
CRCM S.r.l.	Terranuova Bracciolini (AR)	Euro	3,062,000	85.65 7.15	Valdarno Ambiente Siena Ambiente
CSAI S.p.A.	Terranuova Bracciolini (AR)	Euro	1,610,511	40.32	Iren Ambiente Toscana
Dogliani Energia S.r.l.	Cuneo	Euro	10,000	100	Iren Energia
Edis S.r.l.	Alba (CN)	Euro	277,514	100	EGEA Holding
EGEA Acque S.p.A.	Alba (CN)	Euro	1,033,000	100	EGEA Holding
EGEA Ambiente S.r.l.	Alba (CN)	Euro	500,000	100	EGEA Holding
EGEA Holding S.p.A.	Alba (CN)	Euro	52,941	100	Iren
EGEA New Energy S.p.A.	Alba (CN)	Euro	2,200,000	100	EGEA Holding
EGEA Energie S.r.l.	Alba (CN)	Euro	50,000	100	EGEA Holding
Ekovision S.r.l.	Prato	Euro	1,485,000	100	SEI Toscana
Formaira S.r.l.	San Damiano Macra (CN)	Euro	40,000	100	Maira

Company	Registered office	Currency	Share/quota capital	% interest	Investor
Futura S.p.A.	Grosseto	Euro	3,660,955	40	Iren Ambiente Toscana
				40	Iren Ambiente
				20	SEI Toscana
I. Blu S.r.l.	Tavagnacco (UD)	Euro	9,001,000	80	Iren Ambiente
Iren Acqua Tigullio S.p.A.	Chiavari (GE)	Euro	979,000	66.55	IRETI
Iren Acqua Reggio S.r.l.	Reggio Emilia	Euro	5,000,000	100	IRETI
Iren Acqua Piacenza S.r.l.	Piacenza	Euro	3,000,000	100	IRETI
Iren Ambiente Parma S.r.l.	Parma	Euro	4,000,000	100	Iren Ambiente
Iren Ambiente Piacenza S.r.l.	Piacenza	Euro	4,000,000	100	Iren Ambiente
Iren Ambiente Toscana S.p.A.	Florence	Euro	5,000,000	100	Iren Ambiente
Iren Laboratori S.p.A.	Genoa	Euro	2,000,000	90.89	IRETI
Iren Smart Solutions S.p.A.	Reggio Emilia	Euro	2,596,721	60	Iren Energia
				20	Iren Ambiente
				20	Iren Mercato
Limes 1 S.r.l.	Turin	Euro	20,408	51	Iren Green Generation
Limes 2 S.r.l.	Turin	Euro	20,408	51	Iren Green Generation
Limes 20 S.r.l.	Turin	Euro	10,000	100	Iren Green Generation
Maira S.p.A.	San Damiano Macra (CN)	Euro	596,442	82	Iren Energia
Manduriambiente S.p.A.	Manduria (TA)	Euro	4,111,820	95.289	Iren Ambiente
Monferrato Energia S.p.A.	Alba (CN)	Euro	400,000	90	TLRNet
Nord Ovest Servizi S.p.A.	Turin	Euro	7,800,000	45	IRETI
				30	AMIAT
Olmo Bruno S.r.l.	Alba (CN)	Euro	20,000	100	EGEA Ambiente
Iren Green Generation S.r.l.	Turin	Euro	10,000	100	Iren Energia
Iren Green Generation Tech S.r.l.	Turin	Euro	80,200	100	Iren Green Generation
ReCos S.p.A.	La Spezia	Euro	1,000,000	99.51	Iren Ambiente
Re Mat S.r.l.	Turin	Euro	200,000	100	Iren Ambiente
Reti Metano Territorio S.r.l.	Alba (CN)	Euro	20,200,000	100	EGEA Holding
Rigenera Materiali S.r.l.	Genoa	Euro	3,000,000	100	Iren Ambiente
Salerno Energia Vendite S.p.A.	Salerno	Euro	3,312,060	50	Iren Mercato
San Germano S.p.A.	Turin	Euro	1,425,000	100	Iren Ambiente
Scarlino Energia S.p.A.	Scarlino (GR)	Euro	1,000,000	100	Iren Ambiente Toscana
SEI Toscana S.r.l.	Siena	Euro	45,388,913	41.78	Iren Ambiente Toscana
				16.37	Valdarno Ambiente
				20.62	Siena Ambiente
				0.2	CRCM
Semia Green S.r.l.	Siena	Euro	3,300,000	50.909	Iren Ambiente Toscana
				49.091	Siena Ambiente

Company	Registered office	Currency	Share/quota capital	% interest	Investor
SEP S.p.A.	Alba (CN)	Euro	200,000	100	TLRNet
Siena Ambiente S.p.A.	Siena	Euro	2,866,575	40	Iren Ambiente Toscana
Sisea S.r.l.	Sommariva del bosco (CN)	Euro	750,000	51	EGEA Ambiente
Tecnoedil lavori S.r.l.	Alba (CN)	Euro	410,000	98.78	EGEA Acque
				1.22	EGEA Holding
Telenergia S.r.l.	Alessandria	Euro	3,700,000	97.08	TLRNet
Territorio e Risorse S.r.l.	Turin	Euro	2,510,000	65	Iren Ambiente
				35	ASM Vercelli
TLRNet S.r.l.	Alba (CN)	Euro	1,000,000	100	EGEA Holding
TRM S.p.A.	Turin	Euro	86,794,220	80	Iren Ambiente
Uniproject S.r.l.	Maltignano (AP)	Euro	91,800	100	Iren Ambiente
Valbormida Energia S.p.A.	Alba (CN)	Euro	800,000	60	TLRNet
Valdarno Ambiente S.r.l.	Terranuova Bracciolini (AR)		22,953,770	56.016	Iren Ambiente Toscana
				43,984	CSAI
Valle Dora Energia S.r.l.	Turin	Euro	537,582	74.5	Iren Energia

List of joint ventures

Company	Registered office	Currency	Share/quota capital	% interest	Investor
Acque Potabili S.p.A. in liquidazione (in liquidation)	Turin	Euro	7,633,096	47.546	Ireti
Acqui Rete Gas S.r.l.	Alba (CN)	Euro	10,000	50	Reti Metano Territorio
Enerbrain S.r.l.	Turin	Euro	50,000	49.69	Iren Smart Solutions
Vaserie Energia S.r.l.	Siena	Euro	10,000	69	Siena Ambiente

List of associates

Company	Registered office	Currency	Share/quota capital	% interest	Investor
A2A Alfa S.r.l. (1)	Milan	Euro	100,000	30	Iren Mercato
ACOS S.p.A.	Novi Ligure	Euro	17,075,864	25	IRETI
ACOS Energia S.p.A.	Novi Ligure	Euro	150,000	25	Iren Mercato
AETA S.c.a.r.l. in liquidazione	Bra (CN)	Euro	20,000	25	EGEA Holding
				25	EGEA Acque
Agrinord Energia S.r.l.	Alba (CN)	Euro	50.000	40	EGEA New Energy
Aguas de San Pedro S.A. de C.V.	S.Pedro Sula (Honduras)	Lempiras	159,900	39.34	IRETI
AIGA S.p.A. (1)	Ventimiglia	Euro	104,000	49	IRETI
AMAT S.p.A. (1)	Imperia	Euro	5,435,372	48	IRETI
ARCA S.r.l.	Reggio Emilia	Euro	100,000	40	IRETI
Arienes S.c.a.r.l.	Reggio Emilia	Euro	50,000	42	Iren Smart Solutions
ASA S.p.A.	Livorno	Euro	28,613,406	40	IRETI
ASA S.c.p.a.	Castel Maggiore (BO)	Euro	1,820,000	49	Iren Ambiente
ASTEA S.p.A.	Recanati (MC)	Euro	76,115,676	21.32	Consorzio GPO
Asti Servizi Pubblici S.p.A.	Asti	Euro	7,540,270	45	Nord Ovest Servizi
Barricalla S.p.A.	Turin	Euro	2,066,000	35	Iren Ambiente
BI Energia S.r.l.	Reggio Emilia	Euro	100,000	47.5	Iren Energia
Biometano Cella Dati S.r.l.	Cella Dati (CR)	Euro	10,000	50	EGEA New Energy
Calore Verde S.r.l.	Ormea (CN)	Euro	30,000	20.81	EGEA Holding
Centro Corsi S.r.l.	Reggio Emilia	Euro	12,000	33	Alfa Solutions
CSA in liquidazione S.p.A. (1)	Terranuova Bracciolini (AR)	Euro	1,369,502	47.97	Iren Ambiente Toscana
EGUA S.r.l.	Cogorno (GE)	Euro	119,000	49	IRETI
Etambiente S.p.A.	Florence	Euro	2,300,000	33.91	EGEA Ambiente
Fata Morgana S.p.A. (2)	Reggio Calabria	Euro	2,225,694	25	IRETI
Fin Gas S.r.l.	Milan	Euro	10,000	50	Iren Mercato
Fratello Sole Energie Solidali Impresa Sociale S.r.l.	Genoa	Euro	350,000	40	Iren Energia
GAIA S.p.A.	Asti	Euro	5,539,700	45	Iren Ambiente
Iniziative Ambientali S.r.l.	Novellara (RE)	Euro	100,000	40	Iren Ambiente
OMI Rinnovabili S.c.a.r.l.	Reggio Emilia	Euro	10,000	40.15	Alfa Solutions
Piana Ambiente S.p.A. (2)	Gioia Tauro	Euro	1,719,322	25	IRETI
Rimateria S.p.A. (3)	Piombino (LI)	Euro	4,589,273	30	Iren Ambiente
SETA S.p.A.	Turin	Euro	12,378,237	48.85	Iren Ambiente
Sistema Ambiente S.p.A.	Lucca	Euro	2,487,657	36.56	Iren Ambiente
STU Reggiane S.p.A.	Reggio Emilia	Euro	16,770,080	30	Iren Smart Solutions
3A S.c.a.r.l.	Alba (CN)	Euro	10,000	40	Tecnoedil Lavori
Tanaro Servizi Acque S.r.l.	Alba (CN)	Euro	100,000	48.62	EGEA Acque
Tirana Acque S.c. a r.l. (1)	Genoa	Euro	95,000	50	IRETI
Valenza Rete Gas S.p.A.	Valenza (AL)	Euro	200,000	50	Reti Metano Territorio

(1) Company in liquidation

(2) Company in liquidation classified under assets held for sale

(3) Company in bankruptcy

List of equity investments in other companies

Company	Registered office	Currency	Share/quota capital	% interest	Investor
Acque Potabili Siciliane S.p.A. (1)	Palermo	Euro	5,000,000	9.83	Iren Acqua
Aeroporto di Reggio Emilia S.p.A.	Reggio Emilia	Euro	2,177,871	0.11	Alfa Solutions
AISA S.p.A. in liquidation (1)	Arezzo	Euro	3,867,640	3	Iren Ambiente Toscana
AISA Impianti S.p.A.	Arezzo	Euro	6,650,000	3	Iren Ambiente Toscana
Alpen 2.0 S.r.l.	Turin	Euro	100,000	10	Maira
ACQUEDUEO S.c.a.r.l.	Biella	Euro	40,000	20	ASM Vercelli
Aurora S.r.l.	S. Martino in Rio (RE)	Euro	514,176	0.1	Alfa Solutions
Autostrade Centro Padane S.p.A.	Cremona	Euro	30,000,000	1.46	IRETI
CRPA S.p.A.	Reggio Emilia	Euro	2,201,350	2.27	IRETI
CIDIU Servizi S.p.A.	Collegno (TO)	Euro	10,000,000	17.9	AMIAT
Consorzio CIM 4.0 s.c.a.r.l.	Turin	Euro	232,000	4.3	Iren
CCC-Consorzio cooperative costruzioni	Bologna	Euro	15,637,899	0.06	Bonifiche Servizi Ambientali
GAL Langhe Roero Scarl	Bossolasco (CN)	Euro	1,007,500	0.46	EGEA Acque
Consorzio Topix	Turin	Euro	1,600,000	0.3	Iren Energia
EGEA S.p.A.	Alba (CN)	Euro	58,167,200	0.47	SEI Toscana
Environment Park S.p.A.	Turin	Euro	11,406,780	3.39	Iren Energia
				7.41	AMIAT
Restart	Ascoli Piceno	Euro	13,685,586	0.07	Uniproject
LEAP S.c. a r.l.	Piacenza	Euro	263,721	14.21	Iren Ambiente
MiTo Tech Ventures SLP SICAV-RAIF	Luxembourg				Iren
Parma Servizi Integrati S.c. a r.l.	Parma	Euro	20,000	11	Iren Smart Solutions
Serchio Verde Ambiente S.p.a. in liquidation (2)	Castelnuovo di Garfagnana (LU)	Euro	1,128,950	5.93	Iren Ambiente Toscana
Società di Biotecnologie S.p.A.	Turin	Euro	50,000	2.93	Iren Smart Solutions
Tech4Planet	Rome	Euro	354,292	8.94	Iren
TICASS S.c. a r.l.	Genoa	Euro	136,000	2.94	IRETI

Financial figures of the main fully consolidated companies, joint ventures and associates

Fully consolidated companies

Company	Currency	Total Assets	Equity	Total Revenue	Profit/loss
Iren Ambiente S.p.A.	Euro	1,084,226,959	260,785,501	448,780,152	(14,005,792)
Iren Energia S.p.A.	Euro	2,242,718,675	1,286,776,128	2,028,190,417	49,849,947
Iren Mercato S.p.A.	Euro	1,078,630,001	179,893,159	3,303,659,303	75,344,109
Ireti S.p.A.	Euro	2,790,125,812	595,281,819	663,059,703	78,721,290
Acam Acque S.p.A.	Euro	371,567,040	55,919,756	106,451,624	7,625,614
Acam Ambiente S.p.A.	Euro	53,347,035	6,666,193	64,781,074	1,232,453
Acquaenna S.c.p.a.	Euro	155,389,605	8,241,309	31,387,307	(903,398)
Acqui Energia S.p.A.	Euro	15,153,490	7,377,139	7,792,415	443,592
Alessandria Calore S.r.l.	Euro	8,450,738	6,116,745	4,590,453	463,705
Agrovoltaica S.r.l.	Euro	19,902,524	121,438	468,824	(68,829)
Alegas S.r.l.	Euro	14,873,624	(343,574)	26,625,816	(526,279)
Alfa Solutions S.p.A.	Euro	27,486,752	12,151,986	30,050,820	3,228,313
AMIAT S.p.A.	Euro	244,222,563	82,771,941	234,714,078	1,052,968
AMIAT V. S.p.A.	Euro	50,613,669	35,762,691	-	2,076,903
Ardea S.r.l.	Euro	14,863,475	7,080,191	6,017,154	826,389
ASM Vercelli S.p.A.	Euro	239,438,074	128,775,622	61,443,983	3,025,254
Asti Energia e Calore S.p.A.	Euro	3,281,094	1,426,921	1,317,571	213,798
Atena Trading S.r.l.	Euro	10,339,046	4,325,819	33,577,988	908,115
Azienda Agricola Riofi S.r.l.	Euro	3,459,005	128,118	239,471	8,404
Bonifica Autocisterne S.r.l.	Euro	1,403,770	956,857	1,515,959	98,316
Bonifiche Servizi Ambientali S.r.l.	Euro	42,123,483	22,551,568	45,779,797	5,215,730
Bra Energia S.p.A.	Euro	17,793,233	2,793,097	6,217,992	267,995
Capo dell'Acqua S.r.l.	Euro	118,828	(34)	-	(9,805)
Carmagnola Energia S.r.l.	Euro	11,115,553	4,219,595	4,974,281	278,616
Cierre S.r.l.	Euro	1,556,938	721,618	2,072,752	40,440
Consorzio GPO	Euro	22,780,484	22,756,968	8	151,647
CRCM S.r.l.	Euro	4,517,651	3,402,345	2,728,993	653,068
CSAI S.p.A.	Euro	51,231,795	4,926,927	5,984,560	736,460
Dogliani Energia S.r.l.	Euro	6,806,126	(11,776)	124,508	(132,314)
Edis S.r.l.	Euro	8,752,371	4,624,590	2,209,663	230,159
EGEA Acque S.p.A.	Euro	110,053,913	4,582,063	28,861,330	3,722,821
EGEA Ambiente S.r.l.	Euro	22,886,833	6,021,017	24,819,655	3,468,798
EGEA Holding S.p.A.	Euro	205,533,112	171,366,118	29,654,299	(5,663,632)
EGEA New Energy S.p.A.	Euro	23,050,019	4,174,772	6,879,953	1,905,556
EGEA Energie S.r.l.	Euro	125,145,568	16,478,700	252,925,469	13,205,583
Ekovision S.r.l.	Euro	2,594,213	1,418,609	3,090,524	(221,274)
Formaira S.r.l.	Euro	146,772	53,153	80,684	693
Futura S.p.A.	Euro	30,330,303	3,244,012	7,408,347	(578,002)
I. Blu S.r.l.	Euro	71,807,809	8,446,931	75,312,792	(762,777)
Iren Acqua Piacenza S.r.l.	Euro	315,464,135	142,468,649	62,845,733	6,007,455
Iren Acqua Reggio S.r.l.	Euro	452,192,059	91,604,436	105,662,221	10,823,974
Iren Acqua Tigullio S.p.A.	Euro	112,787,113	22,072,891	34,518,005	1,971,629
Iren Ambiente Parma S.p.A.	Euro	44,300,253	14,945,355	87,488,366	604,883
Iren Ambiente Piacenza S.p.A.	Euro	21,831,542	5,661,925	49,341,559	(1,234,185)
Iren Ambiente Toscana S.p.A.	Euro	73,850,334	3,302,282	176,710	(1,531,555)
Iren Laboratori S.p.A.	Euro	15,256,534	8,410,587	17,940,915	2,491,024
Ireti Gas S.p.A.	Euro	731,784,492	548,431,839	154,122,388	48,737,246
Iren Green Generation S.r.l.	Euro	57,072,109	25,456,692	-	504,229
Iren Green Generation Tech S.r.l.	Euro	160,418,720	29,237,239	23,390,942	5,072,540

Company	Currency	Total Assets	Equity	Total Revenue	Profit/loss
Iren Smart Solutions S.p.A.	Euro	510,697,518	11,286,220	295,071,836	(17,690,103)
Limes 1 S.r.l.	Euro	15,154,994	7,132,383	2,018,891	548,032
Limes 2 S.r.l.	Euro	21,284,913	10,111,663	2,323,782	601,349
Limes 20 S.r.l.	Euro	31,349,933	58,729	830,161	(236,953)
Maira S.p.A.	Euro	10,995,102	8,934,316	2,054,740	565,532
Manduriambiente S.p.A.	Euro	54,253,060	22,994,894	20,659,868	5,129,082
Monferrato Energia S.p.A.	Euro	5,462,483	441,631	1,992,138	(118,870)
Nord Ovest Servizi S.p.A.	Euro	19,489,514	19,400,895	-	470,841
Olmo Bruno S.r.l.	Euro	1,929,162	(14,053)	10	(215,497)
ReCos S.p.A.	Euro	90,925,409	4,230,847	57,264,839	(611,709)
ReMat S.r.l.	Euro	4,478,139	(1,199,568)	2,516,815	(4,601,170)
Reti Metano Territorio S.r.l.	Euro	68,458,955	32,385,103	10,747,290	552,086
Rigenera Materiali S.r.l.	Euro	20,002,231	2,927,767	425,212	(72,233)
Salerno Energia Vendite S.p.A.	Euro	158,374,469	15,794,495	283,275,949	2,605,753
San Germano S.p.A.	Euro	78,537,766	6,125,278	100,757,736	79,854
Scarlino Energia S.p.A.	Euro	21,258,979	18,112,482	1,127,983	(258,514)
SEI Toscana S.r.l.	Euro	249,783,058	61,327,041	237,215,850	5,758,476
Semia Green S.r.l.	Euro	6,555,705	1,994,887	2,174,504	(102,676)
SEP S.p.A.	Euro	2,208,705	843,540	1,259,289	(167,421)
Siena Ambiente S.p.A	Euro	105,762,815	40,178,465	41,889,081	5,671,000
Sisea S.r.l.	Euro	13,512,170	2,453,846	14,847,936	88,633
Tecnoedil Lavori S.r.l.	Euro	7,203,620	910,235	8,292,892	387,191
Telenergia S.r.l.	Euro	38,007,878	3,376,260	5,489,683	(1,307,073)
Territorio e Risorse S.r.l.	Euro	33,638,189	5,688,723	6,445,270	(6,697,843)
TLRNet S.r.l.	Euro	22,984,978	17,870,079	39,307	2,036,140
TRM S.p.A.	Euro	227,361,156	139,505,602	126,099,648	36,473,666
Uniproject S.r.l.	Euro	20,589,236	7,322,829	6,730,495	731,170
Valbormida Energia S.p.A.	Euro	4,048,802	3,153,304	1,796,986	52,679
Valdarno Ambiente S.r.l.	Euro	30,725,782	23,040,216	4,561,501	(408,196)
Valle Dora Energia S.r.l.	Euro	21,425,032	11,157,133	6,956,837	3,307,576

Joint ventures

Company	Currency	Total Assets	Equity	Total Revenue	Profit/loss
Acque Potabili S.p.A. in liquidazione (1)	Euro	44,863,000	17,511,000	362,000	399,000
Acqui Rete Gas S.r.l. (1)	Euro	6,799,708	457,697	1,615,456	(223,261)
Enerbrain S.r.l. (1)	Euro	4,588,251	(472,247)	3,834,210	(2,131,063)
Vaserie Energia S.r.l. (1)	Euro	1,630,719	1,553,017	417,247	145,587

Associates

Company	Currency	Total Assets	Equity	Total Revenue	Profit/loss
A2A Alfa S.r.l. (1)	Euro	930,928	726,914	18,076	745,338
ACOS Energia S.p.A. (1)	Euro	17,451,385	6,170,039	26,818,872	1,987,059
ACOS S.p.A. (1)	Euro	54,116,527	43,697,453	5,417,332	1,685,827
AETA S.c.a.r.l. in liquidazione (2)	Euro	12,534	11,416	66,862	(8,927)
Agrinord Energia S.r.l. (1)	Euro	2,283,159	362,842	2,246,164	(277,524)
Aguas de San Pedro (1)	Lempiras	1,974,602,927	1,583,179,866	1,459,355,924	190,411,242
AIGA S.p.A. (1)	Euro	2,457,943	(1,566,651)	6,584	(32,380)
AMAT S.p.A. (1)	Euro	8,012,423	(11,148,880)	493,723	(221,559)
ARCA S.r.l.	Euro	27,879,274	194,521	87,154,143	94,521
Arienes S.c.a r.l. (1)	Euro	74,349,011	50,000	55,657,484	-
ASA S.c.p.a. (1)	Euro	21,878,721	2,442,485	6,343,016	-
ASA S.p.A. (1)	Euro	432,620,445	109,226,439	135,394,042	8,978,391
ASTEA S.p.A. (1)	Euro	165,859,968	116,181,172	45,008,496	2,804,211
Asti Servzi Pubblici S.p.A. (1)	Euro	74,256,657	21,557,933	45,524,375	3,390,510
Barricalla S.p.A. (1)	Euro	43,040,429	4,845,860	6,745,635	1,528,320
BI Energia S.r.l. (1)	Euro	6,973,325	300,368	987,865	84,995
Biometano Cella Dati S.r.l. (1)	Euro	11,422,323	(1,027,524)	3,059,477	(1,169,200)
Calore Verde S.r.l. (1)	Euro	2,604,999	1,516,427	774,918	(77,311)
Centro Corsi S.r.l. (1)	Euro	172,052	29,417	256,922	5,344
CSA S.p.A. in liquidazione (1)	Euro	793,420	739,280	22,715	-
EGUA S.r.l. (1)	Euro	5,146,154	1,692,200	1,285,930	300,494
Etambiente S.p.A. (1)	Euro	28,049,475	5,906,443	47,911,797	1,022,516
Fin Gas S.r.l.	Euro	11,663,112	11,448,920	-	(87,124)
Fratello Sole Energie Solidali Impresa Sociale S.r.l. (1)	Euro	10,002,849	217,821	4,387,268	18,177
GAIA S.p.A. (1)	Euro	73,407,788	19,252,862	32,651,756	22,884
Iniziative Ambientali S.r.l.(1)	Euro	3,304,842	1,077,401	25	(50,181)
OMI Rinnovabili S.c.a.r.l (1)	Euro	161,246	9,999	366,713	-
SETA S.p.A (1)	Euro	34,902,274	18,731,361	41,286,039	2,550,282
Sistema Ambiente S.p.A. (1)	Euro	29,267,588	8,585,033	26,582,764	577,099
STU Reggiane S.p.A. (1)	Euro	29,696,056	19,281,739	6,742,677	52,366
3A S.c.a.r.l. (1)	Euro	1,515,278	87,753	2,291,224	11,815
Tanaro Servizi Acque (1)	Euro	579,839	309,411	463,079	7,329
Valenza Rete Gas S.p.A. (1)	Euro	3,675,180	972,417	2,395,310	89,241

(1) figures at 31 December 2024

(2) liquidation financial statements at 31 December 2025

Reconciliation of IFRS financial statements with reclassified financial statements (Consob Communication no. 6064293 of 26 July 2006)

thousands of euro

IFRS STATEMENT OF FINANCIAL POSITION		RECLASSIFIED STATEMENT OF FINANCIAL POSITION	
Property, plant and equipment	4,613,575	Property, plant and equipment	4,613,575
Investment property	2,885	Investment property	2,885
Intangible assets	3,715,489	Intangible assets	3,715,489
Goodwill	272,464	Goodwill	272,464
Equity-accounted investments	204,951	Equity-accounted investments	204,951
Other equity investments	9,395	Other equity investments	9,395
Total (A)	**8,818,759**	**Non-current Assets (A)**	**8,818,759**
Other non-current assets	107,003	Other non-current assets	107,003
Sundry liabilities and other non-current liabilities	(872,210)	Sundry liabilities and other non-current liabilities	(872,210)
		+ Fair value liabilities commodity derivatives	(505)
Total (B)	**(765,207)**	**Other non-current assets (Liabilities) (B)**	**(765,712)**
Inventories	68,215	Inventories	68,215
Non-current contract assets	353,313	Non-current contract assets	353,313
Current contract assets	40,719	Current contract assets	40,719
Non-current trade receivables	34,430	Non-current trade receivables	34,430
Trade receivables	1,363,596	Trade receivables	1,363,596
Current tax assets	8,045	Current tax assets	8,045
Sundry assets and other current assets	429,612	Sundry assets and other current assets	429,612
Trade payables	(1,655,446)	Trade payables	(1,655,446)
Contract liabilities	(28,541)	Contract liabilities	(28,541)
Sundry liabilities and other current liabilities	(364,770)	Sundry liabilities and other current liabilities	(364,770)
Current tax liabilities	(18,025)	Current tax liabilities	(18,025)
		+ Fair value liabilities commodity derivatives	18,553
		+ Environmental compensation charges	(8,284)
Total (C)	**231,148**	**Net working capital (C)**	**241,417**
Deferred tax assets	386,352	Deferred tax assets	386,352
Deferred tax liabilities	(93,104)	Deferred tax liabilities	(93,104)
Total (D)	**293,248**	**Deferred tax assets (Liabilities) (D)**	**293,248**
Employee benefits	(80,467)	Employee benefits	(80,467)
Provisions for risks and charges	(338,120)	Provisions for risks and charges	(338,120)
Provisions for risks and charges - current portion	(330,495)	Provisions for risks and charges - current portion	(330,495)
		- Environmental compensation charges	8,284
Total (E)	**(749,082)**	**Provisions and employee benefits (E)**	**(740,798)**
Assets held for sale	103,746	Assets held for sale	103,746
Liabilities associated with assets held for sale	(18,349)	Liabilities associated with assets held for sale	(18,349)
Total (F)	**85,397**	**Assets (Liabilities) held for sale (F)**	**85,397**
		Net invested capital (G=A+B+C+D+E+F)	**7,932,311**
Equity (H)	**3,710,567**	**Equity (H)**	**3,710,567**
Non-current financial assets	(148,395)	Non-current financial assets	(148,395)
Non-current financial liabilities	4,490,987	Non-current financial liabilities	4,490,987
		- Fair value asset commodity derivatives	(505)
Total (I)	**4,342,592**	**Non-current financial debt (I)**	**4,342,087**
Current financial assets	(59,513)	Current financial assets	(59,513)
Cash and cash equivalents	(205,765)	Cash and cash equivalents	(205,765)
Current financial liabilities	126,382	Current financial liabilities	126,382
		- Fair value asset commodity derivatives	18,553
Total (L)	**(138,896)**	**Current financial position (L)**	**(120,343)**
		Net financial debt (M=I+L)	**4,221,744**
		Own funds and net financial debt (H+M)	**7,932,311**

Reconciliation between total financial debt (ESMA communication of 4 March 2021) and net financial debt

thousands of euro

	31/12/2025	31/12/2024
A. Cash	(205,765)	(326,568)
B. Cash equivalents	-	-
C. Other current financial assets	(2,683)	(465,034)
D. Liquidity (A) + (B) + (C)	**(208,448)**	**(791,602)**
E. Current financial debt (including debt instruments, but excluding the current portion of non-current financial debt)	49,589	47,364
F. Current portion of the non-current financial debt	69,348	566,794
G. Current financial debt (E + F)	**118,937**	**614,158**
H. Net current financial position (G - D)	**(89,511)**	**(177,444)**
I. Non-current financial debt (excluding current portion and debt instruments)	1,492,303	1,468,002
J. Debt instruments	2,998,177	2,992,913
K. Commercial and other non-current debt	-	-
L. Non-current financial debt (I + J + K)	**4,490,480**	**4,460,915**
M. Total financial debt (H + L)	**4,400,969**	**4,283,471**
(-) C. Other current financial assets	2,683	465,034
(+) Non-current financial assets (statement of financial position item)	(148,393)	(124,355)
(+) Current financial assets (statement of financial position item net of fair value of commodity derivatives)	(33,515)	(541,407)
Net financial debt	**4,221,744**	**4,082,743**

Deferred tax assets and liabilities

FY 2025

	Opening balance	formation	differences Change in consolid. scope	reversal	Closing balance
Deferred tax assets					
Non-taxable provisions	686,125	363,156	16,266	323,756	741,790
Differences in non-current assets	1,059,911	193,334	(21,087)	145,445	1,086,713
Connection grants	26,934	98,125	21,598	16,101	130,557
Derivatives	335,383	112,957	(4,268)	118,500	325,572
Tax loss carry-forwards + ACE	37,575	31,358	2,845	6,286	65,493
Other	73,518	52,964	68,566	122,326	72,722
Total taxable amount/deferred tax assets	**2,219,446**	**851,894**	**83,920**	**732,414**	**2,422,847**
Deferred tax liabilities					
Differences in non-current assets	500,106	88,675	23,767	85,512	527,036
Loss allowance and other provisions	78,079	22,512	282	2,627	98,246
Derivatives	86,354	13,857	-	2,539	97,672
Other	303,907	131,726	(184)	162,832	272,617
Total taxable amount/deferred tax liabilities	**968,446**	**256,770**	**23,865**	**253,510**	**995,571**
Net deferred tax assets (liabilities)	**1,251,000**	**595,124**	**60,055**	**478,904**	**1,427,276**

FY 2024

	Opening balance	formation	differences Change in consolid. scope	reversal	Closing balance
Deferred tax assets					
Non-taxable provisions	706,653	345,761	2,620	368,909	686,125
Differences in non-current assets	958,439	141,160	824	40,511	1,059,911
Connection grants	144,677	-	854	118,598	26,934
Derivatives	211,512	205,468	-	81,597	335,383
Tax loss carry-forwards + ACE	34,504	8,499	1	5,430	37,575
Other	105,594	26,317	105	58,498	73,518
Total taxable amount/deferred tax assets	**2,161,379**	**727,205**	**4,404**	**673,543**	**2,219,446**
Deferred tax liabilities					
Differences in non-current assets	573,418	16,289	40,338	129,940	500,106
Loss allowance and other provisions	49,878	29,700	18	1,517	78,079
Derivatives	53,804	57,667	1,180	26,297	86,354
Other	237,892	161,852	76	95,913	303,907
Total taxable amount/deferred tax liabilities	**914,992**	**265,508**	**41,612**	**253,667**	**968,446**
Net deferred tax assets (liabilities)	**1,246,387**	**461,697**	**(37,208)**	**419,876**	**1,251,000**

thousands of euro

Change in consolid. scope	taxes to profit or loss	taxes to equity	taxes IRES (Corporate income tax)	IRAP (Regional business tax)	total
5,079	3,271	-	176,819	27,459	204,278
(8,441)	4,553	-	199,700	11,592	211,292
7,506	21,830	-	37,159	6,707	43,866
(223)	(3,258)	(25,374)	25,941	4,541	30,482
844	3,955	-	12,788	220	13,008
17,531	(21,765)	(135)	5,530	252	5,782
22,296	**8,586**	**(25,509)**	**457,937**	**50,771**	**508,708**
6,412	14,341	-	149,179	25,676	174,855
65	284	-	7,963	1,453	9,416
-	-	(12,372)	136	84	221
(80)	(23,904)	55	28,926	2,042	30,968
6,397	**(9,279)**	**(12,317)**	**186,204**	**29,255**	**215,460**
15,899	**17,865**	**(13,192)**	**271,733**	**21,516**	**293,248**

thousands of euro

Change in consolid. scope	taxes to profit or loss	taxes to equity	taxes IRES (Corporate income tax)	IRAP (Regional business tax)	total
638	(18,806)	-	174,461	21,467	195,928
228	6,289	-	199,917	15,263	215,180
240	(3,120)	-	12,428	2,102	14,530
-	(1,276)	8,551	51,073	8,264	59,337
-	(1,086)	-	8,209	-	8,209
99	2,215	-	9,890	262	10,152
1,205	**(15,784)**	**8,551**	**455,978**	**47,358**	**503,336**
8,900	(11,875)	-	137,203	16,899	154,102
(170)	1,820	202	7,758	1,308	9,067
284	(70)	(6,759)	10,688	1,905	12,593
46	(1,344)	(178)	44,889	10,009	54,898
9,060	**(11,469)**	**(6,735)**	**200,538**	**30,121**	**230,660**
(7,855)	**(4,315)**	**15,286**	**255,440**	**17,237**	**272,676**

Related party transactions

	Trade Receivables	Loan assets	Sundry assets	Trade Payables	Financial liabilities
OWNERS					
Municipality of Genoa	319	-	-	282	-
Municipality of Parma	8,717	-	415	857	-
Municipality of Piacenza	2,302	-	-	1,233	-
Municipality of Reggio Emilia	1,655	-	540	137	-
Municipality of Turin	53,129	33,946	83	1,225	4,972
Finanziaria Sviluppo Utilities	-	-	41	-	-
JOINT VENTURES					
Acque Potabili	69	-	-	(2)	-
Acqui Rete Gas	30	2,121	-	8	-
Enerbrain	-	-	-	143	-
Vaserie Energia	3	-	-	-	-
ASSOCIATES					
3A	84	-	-	-	-
ACOS	14	4,691	-	-	-
ACOS Energia	3	238	-	-	-
Agrinord Energia	14	633	-	-	-
Aguas de San Pedro	1	155	-	-	-
AIGA	488	803	-	173	-
AMAT	1	-	-	-	-
ARCA	13,649	-	-	315	-
Arienes	26,846	-	-	14,266	235
ASA	1,336	-	-	192	-
ASA Livorno	546	-	3	20	-
ASTEA	8	149	-	4	-
Asti Servizi Pubblici	217	-	-	131	-
Barricalla	652	1,015	-	-	-
BI Energia	3	1,232	-	-	-
Biometano Cella Dati	770	587	-	-	-
Calore Verde	2	-	-	-	-
Centro Corsi	-	30	-	20	-
CSA in liquidation	2	-	-	-	-
EGUA	371	-	-	-	-
Etambiente	-	-	-	2,437	-
Fingas	-	175	-	-	-
Fratello Sole Energie Solidali	1,022	-	-	-	-
GAIA	6,915	-	17	3,045	-
Omi Rinnovabili	13	-	-	-	-
Piana Ambiente in liquidation	70	-	-	-	-
SETA	5,380	-	-	238	-
Sistema Ambiente	51	-	-	-	-
STU Reggiane	36	-	-	-	-
Valenza Rete Gas	44	127	-	7	-
OTHER RELATED PARTIES					
Subsidiaries of Municipality of Turin	678	-	17	1,449	-
Subsidiaries of Municipality of Genoa	2,114	-	1	2,670	-
Subsidiaries of Municipality of Parma	913	-	119	1,362	-
Subsidiaries of Municipality of Piacenza	185	-	-	671	-
Subsidiaries of Municipality of Reggio Emilia	1,852	-	-	1,874	-
Others	-	-	-	-	-
TOTAL	130,504	45,902	1,236	32,757	5,207

thousands of euro

	Sundry liabilities	Revenue and income	Costs and other charges	Financial income	Financial expense
OWNERS					
Municipality of Genoa	-	1,823	8,271	-	-
Municipality of Parma	-	2,761	1,910	-	-
Municipality of Piacenza	-	19,076	1,376	-	-
Municipality of Reggio Emilia	-	1,486	243	66	-
Municipality of Turin	-	242,260	5,243	378	-
Finanziaria Sviluppo Utilities	-	-	-	-	-
JOINT VENTURES					
Acque Potabili	-	40	1	-	-
Acqui Rete Gas	-	83	13	90	-
Enerbrain	-	-	52	-	-
Vaserie Energia	-	9	-	-	-
ASSOCIATES					
3A	-	15	-	-	-
ACOS	-	49	-	-	-
ACOS Energia	-	5	90	-	-
Agrinord Energia	-	63	-	33	-
Aguas de San Pedro	-	1	-	-	-
AIGA	-	-	-	-	-
AMAT	-	-	-	-	-
ARCA	244	89,322	2,345	302	1
Arienes	-	85	-	-	-
ASA	-	7,129	1,119	-	-
ASA Livorno	4	733	120	7	-
ASTEA	-	12	22	-	-
Asti Servizi Pubblici	-	2,158	358	-	-
Barricalla	-	1,292	-	-	-
BI Energia	-	3	-	-	-
Biometano Cella Dati	-	146	23	20	-
Calore Verde	-	2	-	-	-
Centro Corsi	-	6	141	-	-
CSA in liquidation	-	(1)	1	-	-
EGUA	-	287	84	-	-
Etambiente	-	89	13,568	-	-
Fingas	-	-	-	6	-
Fratello Sole Energie Solidali	-	48	-	-	-
GAIA	-	3,360	4,246	5	-
Omi Rinnovabili	-	-	192	-	-
Piana Ambiente in liquidation	-	-	-	-	-
SETA	-	12,905	924	-	-
Sistema Ambiente	-	102	-	-	-
STU Reggiane	-	102	-	23	-
Valenza Rete Gas	-	123	30	7	-
OTHER RELATED PARTIES					
Subsidiaries of Municipality of Turin	2	4,925	3,641	-	3
Subsidiaries of Municipality of Genoa	126	7,890	3,443	11	-
Subsidiaries of Municipality of Parma	-	2,509	3,281	-	-
Subsidiaries of Municipality of Piacenza	-	462	1,720	-	-
Subsidiaries of Municipality of Reggio Emilia	-	9,112	5,222	-	-
Others	-	2	-	-	-
TOTAL	**376**	**410,474**	**57,679**	**948**	**4**

List of Grants under decree law 34/2019 ART. 35

RECEIVING COMPANY / Lending Party	Type of grant	Amounts in €
ACAM ACQUE		
Municipality of Monterosso	Grants for plant facilities	124,059
Municipality of Vezzano Ligure	Grants for plant facilities	20,373
Liguria Region	Grants for plant facilities	321,494
ACAM AMBIENTE		
Province of La Spezia	Grants for plant facilities	341,210
Municipality of Lerici	Grants for plant facilities	56,227
Municipality of Bolano	Grants for plant facilities	67,763
Municipality of Brugnato	Grants for plant facilities	17,006
Municipality of Levanto	Grants for plant facilities	114,812
ACQUAENNA		
ATO 5 Enna	Grants for plant facilities	3,041,127
AMIAT		
Ministry of the Environment and Energy Security	Grants for plant facilities	1,931,523
DOGLIANI ENERGIA		
Ministry of the Environment and Energy Security	Grants for plant facilities	331,367
IREN ACQUA PIACENZA		
Ministry of Infrastructure and Transport	Grants for plant facilities	2,204,823
Emilia Romagna Region	Grants for plant facilities	140,000
Municipality of Calendasco	Grants for plant facilities	20,000
IREN ACQUA REGGIO		
Civil Protection Regional Agency	Grants for plant facilities	50,000
Municipality of Reggio Emilia	Grants for plant facilities	203,400
Emilia-Romagna Territorial Agency	Grants for plant facilities	3,366,531
IRETI		
Ministry of Infrastructure and Transport	Grants for plant facilities	38,476,629
Province of Parma	Grants for plant facilities	91,475
Municipality of Savona	Grants for plant facilities	280,327
Municipality of Parma	Grants for plant facilities	150,150
Municipality of Genoa	Grants for plant facilities	2,421,128
IRETI GAS		
CSEA	Grants for plant facilities	485,650
RECOS		
Province of La Spezia	Grants for plant facilities	17,009,213
SEMIA GREEN		
Tuscany Region	Grants for plant facilities	466,210

Independent auditors' fees

thousands of euro

	Statutory audit	Non-audit services		Total
		Services for the purpose of issuing an attestation	Other services	
Iren S.p.A.	310	306	-	616
Direct and indirect subsidiaries of Iren S.p.A.	2.212	235	37	2.484
Total Iren Group	**2.522**	**541**	**37**	**3.100**

Statement regarding the consolidated financial statements pursuant to art. 81-ter of CONSOB regulation No. 11971 of 14 May 1999, as subsequently amended and supplemented

1. The undersigned Gianluca Bufo, Chief Executive Officer, and Giovanni Gazza, Financial Reporting Manager of Iren S.p.A., taking into account the provisions of art. 154-bis, paragraphs 3 and 4, of Legislative Decree 58 of 24 February 1998, hereby certify:

   - the adequacy in relation to the characteristics of the group and
   - the effective application of the administrative and accounting procedures in preparing the 2025 consolidated financial statements.

2. It is also hereby certified that:

   2.1. the consolidated financial statements:

   c) are prepared in compliance with the applicable International Financial Reporting Standards endorsed by the European Community pursuant to Regulation (EC) No. 1606/2002 of the European Parliament and Council, of 19 July 2002;

   c) correspond to the results of the books and accounting records;

   c) provide a true and fair representation of the financial position and performance of the Issuer and the group companies included in the consolidation scope;

   2.2 the Directors' Report includes a reliable analysis of the operating performance and results, and of the situation of the issuer and of all companies included in the consolidation scope, together with a description of the major risks and uncertainties to which they are exposed.

23 March 2026

The Chief Executive Officer	and Financial Reporting Manager under Law 262/05
Mr. Gianluca Bufo	Giovanni Gazza
(signed on the original)	(signed on the original)

Report of the Independent Auditors on the Consolidated Financial Statements

KPMG S.p.A.
Revisione e organizzazione contabile
Corso Vittorio Emanuele II, 48
10123 TORINO TO
Telefono +39 011 8395144
Email it-fmauditaly@kpmg.it
PEC kpmgspa@pec.kpmg.it

(The accompanying translated consolidated financial statements of the Iren Group constitute a non-official version which is not compliant with the provisions of Commission Delegated Regulation (EU) 2019/815. This independent auditors' report has been translated into English solely for the convenience of international readers. Accordingly, only the original Italian version is authoritative.)

Independent auditors' report pursuant to article 14 of Legislative decree no. 39 of 27 January 2010 and article 10 of Regulation (EU) no. 537 of 16 April 2014

To the shareholders of
Iren S.p.A.

Report on the audit of the consolidated financial statements

Opinion

We have audited the consolidated financial statements of the Iren Group (the "group"), which comprise the statement of financial position as at 31 December 2025, the income statement and the statements of comprehensive income, changes in equity and cash flows for the year then ended and notes thereto, which include material information on the accounting policies.

In our opinion, the consolidated financial statements give a true and fair view of the financial position of the Iren Group as at 31 December 2025 and of its financial performance and cash flows for the year then ended in accordance with the IFRS Accounting Standards as issued by the International Accounting Standards Board and endorsed by the European Union, as well as the Italian regulations implementing article 9 of Legislative decree no. 38/05.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISA Italia). Our responsibilities under those standards are further described in the "*Auditors' responsibilities for the audit of the consolidated financial statements*" section of our report. We are independent of Iren S.p.A. (the "parent") in accordance with the ethics and independence rules and standards applicable in Italy to audits of financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

KPMG S.p.A.
è una società per azioni
di diritto italiano
e fa parte del network KPMG
di entità indipendenti affiliate a
KPMG International Limited,
società di diritto inglese.

Ancona Bari Bergamo
Bologna Bolzano Brescia
Catania Como Firenze Genova
Lecce Milano Napoli Novara
Padova Palermo Parma Perugia
Pescara Roma Torino Treviso
Trieste Varese Verona

Società per azioni
Capitale sociale
Euro 10.415.500,00 i.v.
Registro Imprese Milano Monza Brianza Lodi
e Codice Fiscale N. 00709600159
R.E.A. Milano N. 512867
Partita IVA 00709600159
VAT number IT00709600159
Sede legale: Via Giovanni Battista Pirelli, 38
20124 Milano MI ITALIA

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in the audit of the consolidated financial statements of the current year. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Assessment of the recoverability of the carrying amount of property, plant and equipment, intangible assets with a finite useful life and goodwill

Notes to the consolidated financial statements: note V "Accounting policies", note 1 "Property, plant and equipment", note 3 "Intangible assets with a finite useful life" and note 4 "Goodwill"

Key audit matter	Audit procedures addressing the key audit matter
The consolidated financial statements at 31 December 2025 include property, plant and equipment, intangible assets with a finite useful life and goodwill of €4,614 million, €3,715 million and €272 million, respectively, cumulatively accounting for approximately 71% of total assets. They are allocated to the relevant cash-generating units ("CGUs") or groups of CGUs. The directors tested the CGUs to which goodwill is allocated for impairment for the purposes of the consolidated financial statements. The directors have calculated the CGUs' estimated recoverable amount, based on their value in use, using the discounted cash flow model and the cash flows derived from the business plan approved by the parent's board of directors on 13 November 2025 (the "plan"). The model is very complex and entails the use of estimates and assumptions which, by their very nature, are uncertain and subjective, particularly in relation to: • the expected cash flows, calculated by taking into account the general economic performance and that of the subsidiaries' sector, the actual cash flows for recent years and the projected growth rates; • the financial parameters used to calculate the discount rate. For the above reasons, we believe that the recoverability of the carrying amount of property, plant and equipment, intangible assets with a finite useful life and goodwill is a key audit matter.	Our audit procedures, carried out partly by involving experts of the KPMG network, included the following: • analysing the process adopted by the parent to prepare the impairment tests; • analysing the criteria used to identify the CGUs and allocate the assets (particularly goodwill) thereto and tracing their carrying amounts to the consolidated financial statements; • assessing the consistency of the cash flows used for impairment testing with the cash flows forecast in the plan; • checking any discrepancies between the previous year business plans' figures and actual figures, in order to check the accuracy of the estimation process adopted by the directors; • analysing the expected cash flows and the reasonableness of the main assumptions used to calculate the CGUs' value in use; • involving experts in the assessment of the reasonableness of the valuation models and related assumptions, including those relating to the key components of the energy scenario; • checking the sensitivity analysis presented in the notes in relation to the key assumptions used for impairment testing; • assessing the appropriateness of the disclosures provided in the notes.

Recognition of revenue from the supply of electricity and gas not yet invoiced

Notes to the consolidated financial statements: note V "Accounting policies", note 14 "Trade receivables" and note 33 "Revenue from goods and services"

Key audit matter	Audit procedures addressing the key audit matter
Revenue from the supply of electricity and gas to end users is recognised at the time the electricity or gas is delivered and includes, in addition to amounts invoiced on the basis of periodic meter readings or on the volumes notified by distributors and transporters, an estimate of the electricity and gas delivered during the year but not yet invoiced that is calculated also taking account of any network losses. Revenue accrued between the date of the last meter reading and the year end is based on complex assumptions which, by their very nature, entail the use of judgement by directors. These assumptions are derived from complex calculations that draw on multiple information systems and take account of customers' daily consumption, primarily based on their historical consumption data and adjusted to reflect the climatic factors or other matters that may affect the estimated consumption. Since the accruals are determined using complex methodologies and algorithms, we believe that the recognition of this revenue component and the related invoices to be issued is a key audit matter.	Our audit procedures, carried out partly by involving experts of the KPMG network, included the following: • understanding the process for the recognition of revenue from the supply of electricity and gas not yet invoiced; • assessing the design, implementation and operating effectiveness of controls, including IT controls, deemed material for the purposes of our audit, including by involving our cyber and tech risk specialists; • checking the accuracy of the data used to estimate revenue accrued and not invoiced; • comparing the accruals for invoices to be issued for revenue from the supply of electricity and gas recognised in the prior year's consolidated financial statements with the subsequent actual figures; • assessing the appropriateness of the disclosures provided in the notes about the revenue from the supply of electricity and gas not yet invoiced.

Responsibilities of the parent's directors and board of statutory auditors ("Collegio Sindacale") for the consolidated financial statements

The directors are responsible for the preparation of consolidated financial statements that give a true and fair view in accordance with the IFRS Accounting Standards as issued by the International Accounting Standards Board and endorsed by the European Union, as well as the Italian regulations implementing article 9 of Legislative decree no. 38/05 and, within the terms established by the Italian law, for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

The directors are responsible for assessing the group's ability to continue as a going concern and for the appropriate use of the going concern basis in the preparation of the consolidated financial statements and for the adequacy of the related disclosures. The use of this basis of accounting is appropriate unless the directors believe that the conditions for liquidating the parent or ceasing operations exist, or have no realistic alternative but to do so.

The *Collegio Sindacale* is responsible for overseeing, within the terms established by the Italian law, the group's financial reporting process.

Auditors' responsibilities for the audit of the consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISA Italia will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with ISA Italia, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the group's internal control;
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors;
- conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the group to cease to continue as a going concern;
- evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation;
- obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance, identified at the appropriate level required by ISA Italia, regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with the ethics and independence rules and standards applicable in Italy and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, the measures taken to eliminate those threats or the safeguards applied.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current year and are, therefore, the key audit matters. We describe these matters in our auditors' report.

Other information required by article 10 of Regulation (EU) no. 537/14

On 13 June 2019, the parent's shareholders appointed us to perform the statutory audit of its separate and consolidated financial statements as at and for the years ending from 31 December 2021 to 31 December 2029.

We declare that we did not provide the prohibited non-audit services referred to in article 5.1 of Regulation (EU) no. 537/14 and that we remained independent of the parent in conducting the statutory audit.

We confirm that the opinion on the consolidated financial statements expressed herein is consistent with the additional report to the *Collegio Sindacale*, in its capacity as audit committee, prepared in accordance with article 11 of the Regulation mentioned above.

Report on other legal and regulatory requirements

Opinion on the compliance with the provisions of Commission Delegated Regulation (EU) 2019/815

The parent's directors are responsible for the application of the provisions of Commission Delegated Regulation (EU) 2019/815 with regard to regulatory technical standards on the specification of a single electronic reporting format (ESEF) to the consolidated financial statements at 31 December 2025 to be included in the annual financial report.

We have performed the procedures required by Standard on Auditing (SA Italia) 700B in order to express an opinion on the compliance of the consolidated financial statements with Commission Delegated Regulation (EU) 2019/815.

In our opinion, the consolidated financial statements at 31 December 2025 have been prepared in XHTML format and have been marked up, in all material respects, in compliance with the provisions of Commission Delegated Regulation (EU) 2019/815.

Opinion and statement pursuant to article 14.2.e)/e-bis)/e-ter) of Legislative decree no. 39/10 and article 123-bis.4 of Legislative decree no. 58/98

The parent's directors are responsible for the preparation of the group's directors' report and report on corporate governance and ownership structure at 31 December 2025 and for the consistency of such reports with the related consolidated financial statements and their compliance with the applicable law.

We have performed the procedures required by Standard on Auditing (SA Italia) 720B in order to:

- express an opinion on the consistency of the directors' report and certain specific information presented in the report on corporate governance and ownership structure required by article 123-bis.4 of Legislative decree no. 58/98 with the consolidated financial statements;
- express an opinion on the compliance of the directors' report, excluding the section that includes the consolidated sustainability statement, and certain specific information presented in the report on corporate governance and ownership structure required by article 123-bis.4 of Legislative decree no. 58/98 with the applicable law;

- issue a statement of any material misstatements in the directors' report and certain specific information presented in the report on corporate governance and ownership structure required by article 123-bis.4 of Legislative decree no. 58/98.

In our opinion, the directors' report and the specific information presented in the report on corporate governance and ownership structure required by article 123-bis.4 of Legislative decree no. 58/98 are consistent with the group's consolidated financial statements at 31 December 2025.

Moreover, in our opinion, excluding the section which includes the consolidated sustainability statement, the directors' report and the specific information presented in the report on corporate governance and ownership structure required by article 123-bis.4 of Legislative decree no. 58/98 have been prepared in compliance with the applicable law.

With reference to the above statement required by article 14.2.e-ter) of Legislative decree no. 39/10, based on our knowledge and understanding of the entity and its environment obtained through our audit, we have nothing to report.

Our opinion on compliance with the applicable law does not extend to the report on operations' section which includes the consolidated sustainability statement. Our conclusion on the compliance of this section with the legislation governing its preparation and with the disclosure requirements of article 8 of Regulation (EU) 2020/852 is included in the assurance report prepared in accordance with article 14-bis of Legislative decree no. 39/10.

Turin, 21 April 2026

KPMG S.p.A.

(signed on the original)

Fabio Monti
Director of Audit

Separate Financial Statements

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Statement of Financial Position

Amounts in euro

	Notes	31.12.2025	of which related parties	31.12.2024	of which related parties
ASSETS					
Property, plant and equipment	(1)	208,863,016		228,002,788	
Intangible assets with a finite useful life	(2)	117,461,251		113,603,661	
Investment property					
Investments in subsidiaries, associates and joint ventures	(3)	2,735,577,525		2,650,574,483	
Other equity investments	(4)	3,162,539		2,479,332	
Non-current financial assets	(5)	4,142,367,192	4,104,171,043	3,687,505,955	3,644,624,792
Other non-current assets	(6)	1,091,422	41,285	1,222,330	41,285
Deferred tax assets	(7)	11,145,161		8,777,164	
Total non-current assets		7,219,668,106	4,104,212,328	6,692,165,713	3,644,666,077
Inventories	(8)	4,888,253		5,643,477	
Trade receivables	(9)	102,760,846	102,493,181	119,018,916	118,827,492
Current tax assets	(10)	-		6,336,852	
Sundry assets and other current assets	(11)	120,372,588	52,074,465	72,527,314	39,800,978
Current financial assets	(12)	31,841,676	30,577,677	483,397,847	25,576,021
Cash and cash equivalents	(13)	164,015,470		225,452,251	
Assets held for sale	(14)	9,462,000		-	
Total current assets		433,340,833	185,145,322	912,376,657	184,204,491
TOTAL ASSETS		7,653,008,939	4,289,357,651	7,604,542,370	3,828,870,568

Amounts in euro

	Notes	31.12.2025	of which related parties	31.12.2024	of which related parties
EQUITY					
Share capital		1,300,931,377		1,300,931,377	
Reserves and Retained Earnings		1,315,329,849		773,269,004	
Profit for the year		218,475,126		212,507,129	
TOTAL EQUITY	(15)	2,834,736,352		2,286,707,510	
LIABILITIES					
Non-current financial liabilities	(16)	4,244,096,284		4,272,105,471	
Employee benefits	(17)	12,325,671		13,235,688	
Provisions for risks and charges	(18)	11,886,909		17,706,112	
Deferred tax liabilities	(19)	-		-	
Sundry liabilities and other non-current liabilities	(20)	934,327		1,305,215	
Total non-current liabilities		4,269,243,191		4,304,352,486	
Current financial liabilities	(21)	279,228,306	74,487,703	793,815,526	244,242,561
Trade payables	(22)	129,697,735	16,237,455	122,680,791	16,958,524
Sundry liabilities and other current liabilities	(23)	136,640,560	93,880,313	96,857,664	56,885,521
Current tax liabilities	(24)	948,985		-	
Provisions for risks and charges - current portion	(25)	2,513,810		128,393	
Liabilities associated with assets held for sale		-		-	
Total current liabilities		549,029,396	184,605,470	1,013,482,374	318,086,606
TOTAL LIABILITIES		4,818,272,587	184,605,470	5,317,834,860	318,086,606
TOTAL EQUITY AND LIABILITIES		7,653,008,939	184,605,470	7,604,542,370	318,086,606

Income statement

Amounts in euro

	Notes	FY 2025	of which related parties	FY 2024	of which related parties
Revenue					
Revenue from goods and services	(26)	333,744,035	333,675,370	319,498,836	318,361,329
Other income	(27)	16,948,284	9,020,314	11,797,579	9,023,695
Total revenue		**350,692,319**	**342,695,684**	**331,296,415**	**327,385,024**
Operating expenses					
Raw materials, consumables, supplies and goods	(28)	(12,573,227)	(27,464)	(8,930,037)	(23,462)
Services and use of third-party assets	(29)	(187,358,031)	(24,541,743)	(184,721,936)	(23,764,104)
Other operating expenses	(30)	(9,385,300)	(978,691)	(9,460,553)	(1,083,778)
Capitalised costs for internal work	(31)	8,394,202		8,063,901	
Personnel expense	(32)	(89,456,034)		(94,949,773)	
Total operating expenses		**(290,378,390)**	**(25,547,898)**	**(289,998,398)**	**(24,871,344)**
GROSS OPERATING PROFIT		**60,313,929**		**41,298,017**	
Depreciation, amortisation, provisions and impairment losses					
Amortisation and Depreciation	(33)	(68,374,148)		(57,876,450)	
Impairment losses on loans and receivables	(34)	-		-	
Other provisions and impairment losses	(34)	(6,166,641)		2,009,264	
Total depreciation, amortisation, provisions and impairment losses		**(74,540,789)**		**(55,867,186)**	
OPERATING LOSS		**(14,226,860)**		**(14,569,169)**	
Financial management	(35)				
Financial income		344,717,962	332,433,179	344,352,851	320,831,038
Financial expense		(111,940,570)	(4,768,752)	(115,386,390)	(5,258,538)
Net financial income		**232,777,392**	**327,664,427**	**228,966,461**	**315,572,500**
Gains (losses) on equity-accounted investments	(36)	-		-	
Pre-tax profit		**218,550,532**		**214,397,292**	
Income taxes	(37)	(75,406)		(1,890,163)	
Profit from continuing operations		**218,475,126**		**212,507,129**	
Profit (loss) from discontinued operations		-		-	
Profit for the year		**218,475,126**		**212,507,129**	

Statement of Comprehensive Income

Amounts in euro

	Notes	FY 2025	FY 2024
Profit/(loss) for the year (A)		218,475,126	212,507,129
Other comprehensive income that will be subsequently reclassified to profit or loss	(38)		
- effective portion of fair value gains/(losses) on cash flow hedges		3,709,763	(13,557,710)
- fair value gains/(losses) on financial assets			
Tax effect of other comprehensive income		(801,417)	3,253,850
Other comprehensive income (expense) that will be subsequently reclassified to profit or loss, net of tax effect (B1)		2,908,346	(10,303,860)
Other comprehensive income that will not be subsequently reclassified to profit or loss			
- actuarial gains/(losses) on employee defined benefit plans (IAS19)		263,605	(51,790)
Tax effect of other comprehensive income		(63,265)	12,430
Other comprehensive income (expense) that will not be subsequently reclassified to profit or loss, net of tax effect (B2)		200,340	(39,360)
Comprehensive income (A)+(B1)+(B2)		221,583,812	202,163,909

Statement of changes in equity

	Share capital	Share premium reserve	Legal reserve	Hedging reserve
31.12.2023	1,300,931	133,019	111,093	6,210
Owner transactions				
Dividends to shareholders				
Retained earnings			8,614	
Repurchase of treasury shares				
Other changes				
Total owner transactions	-	-	**8,614**	-
Comprehensive income for the year				
Profit for the year				
Other comprehensive expense				(10,303)
Total comprehensive income for the year				**(10,303)**
31.12.2024	1,300,931	133,019	119,707	(4,093)

31.12.2024	1,300,931	133,019	119,707	(4,093)
Owner transactions				
Dividends to shareholders				
Retained earnings			10,625	
Repurchase of treasury shares				
Perpetual hybrid bonds				
Hybrid perpetual bond coupons				
Other changes				
Total owner transactions	-	-	**10,625**	-
Comprehensive income for the year				
Profit for the year				
Other comprehensive income				2,908
Total comprehensive income for the year				**2,908**
31.12.2025	1,300,931	133,019	130,332	(1,185)

thousands of euro

Equity instruments reserve	Other reserves and retained earnings	Total reserves and Retained earnings	Profit for the year	Equity
	513,435	763,757	172,285	2,236,973
		-	(152,430)	(152,430)
	11,241	19,855	(19,855)	-
		-		-
		-		
-	11,241	19,855	(172,285)	(152,430)
				-
		-	212,507	212,507
	(40)	(10,343)		(10,343)
	(40)	(10,343)	212,507	202,164
-	524,636	773,269	212,507	2,286,708
-	524,636	773,269	212,507	2,286,708
		-	(164,619)	(164,619)
	37,263	47,888	(47,888)	-
		-		-
495,282		495,282		495,282
	(4,218)	(4,218)		(4,218)
		-		
495,282	33,045	538,952	(212,507)	326,445
				-
		-	218,475	218,475
	200	3,109		3,109
	200	3,109	218,475	221,584
495,282	557,881	1,315,330	218,475	2,834,736

Statement of cash flows

thousands of euro

	FY 2025	FY 2024
A. Opening cash and cash equivalents	225,452	281,685
Cash flows from operating activities		
Profit for the year	218,475	212,507
Adjustments:		
Income taxes for the year	75	1,890
Net financial expense (income)	(232,777)	(228,966)
Amortisation and depreciation	68,375	57,876
Net impairment losses (reversals of impairment losses) on assets	6,266	-
Impairment losses on loans and receivables	-	-
Net provisions for risks and other charges	969	3,550
Capital (gains) losses	131	(8)
Payment of employee benefits	(1,069)	(1,306)
Utilisations of provisions for risks and other charges	(4,931)	(322)
Change in other non-current assets	130	9
Change in sundry liabilities and other non-current liabilities	(371)	107
Other changes in equity	104	-
Taxes paid	(2,066)	2,174
Change in inventories	824	431
Change in trade receivables	16,336	(16,805)
Change in current tax assets and other current assets	(22,562)	30,523
Change in trade payables	7,017	(13,021)
Change in current tax liabilities and other current liabilities	23,365	(3,669)
B. Net cash and cash equivalents generated by operating activities	78,292	44,971
Cash flows from/(used in) investing activities		
Investments in property, plant and equipment and intangible assets	(67,297)	(62,724)
Investments in financial assets	(85,686)	(87,742)
Investment realisation	28	221
Dividends collected	218,242	222,346
C. Net cash and cash equivalents generated by investing activities	65,287	72,101
Cash flows from/(used in) financing activities		
Capital increase	-	-
Repurchase of treasury shares	-	-
Dividends paid	(181,132)	(135,917)
Issuance of hybrid bonds	493,791	-
Coupons paid to holders of hybrid bonds	(5,550)	-
New non-current loans	270,000	1,000,000
Repayment of non-current loans	(769,962)	(591,554)
Change in balance of cash pooling arrangement	(341,897)	18,361
Repayment of lease liabilities	(6,401)	(5,357)
Change in other financial liabilities	(12,309)	69,536
Change in loan assets	322,328	(499,124)
Interest paid	(111,971)	(154,768)
Interest received	138,088	125,518
D. Net cash and cash equivalents used in financing activities	(205,016)	(173,305)
E. Cash flow for the year (B+C+D)	(61,437)	(56,233)
F. Cash and cash equivalents (A+E)	164,015	225,452

Notes

Foreword

Iren S.p.A. is an Italian multi-utility company, listed on the Italian Stock Exchange (Borsa Italiana) and established on 1 July 2010 through the merger of IRIDE and ENÌA. The Company's registered office is in Italy, in Reggio Emilia, Via Nubi di Magellano 30. There were no changes in the company name during 2025.

Iren S.p.A. is an industrial holding company, with registered office in Reggio Emilia, parent of the four companies responsible for the operational activity (Business Units) in the main operating offices of Alba, Genoa, La Spezia, Parma, Piacenza, Reggio Emilia, Turin and Vercelli.
The Holding is responsible for the strategic, development, coordination and control activities, while the four BUs have been entrusted with the coordination and guidance of the companies operating in their respective sectors:

- Networks (Electricity distribution networks, Gas distribution networks, Integrated Water Service)
- Waste Management (Waste collection and disposal)
- Energy (Hydroelectric Production and production from other renewable sources, Combined Heat and Power, District Heating Networks, Thermoelectric Production, Public Street Lighting, Global services, Energy efficiency services)
- Market (Sale of electricity, gas, heat)
- Other services (Laboratories, Telecommunications and other minor services).

I. Basis of presentation

These financial statements represent the separate financial statements of the Parent Iren S.p.A. (annual report) and were prepared in accordance with the International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) and endorsed by the European Union, as well as with the measures issued in implementation of Article 9 of Legislative Decree no. 38/2005. The "IFRS" comprise also the revised International Accounting Standards ("IAS"/"IFRS") and all the interpretations issued by the International Financial Reporting Interpretations Committee ("IFRIC"), previously known as the Standing Interpretations Committee ("SIC").

In preparing these separate financial statements, the same accounting standards adopted in preparing the separate financial statements of the previous year were applied, with the exception of additions as highlighted in the paragraphs "Accounting standards, amendments and interpretations applied from 1 January 2025".

The separate financial statements at 31 December 2025 consist of a statement of financial position, an income statement, a statement of other comprehensive income, a statement of changes in equity, a statement of cash flows and these notes. The schedules are the same as those applied in the preparation of the separate financial statements as at and for the year ended 31 December 2024.

In line with what was previously published, in the statement of financial position, assets and liabilities are classified as "current/non-current". Assets and liabilities classified as discontinued or held for sale are shown separately. Current assets, which include cash and cash equivalents, are those that will be realised, transferred or consumed during the company's ordinary operating cycle or during the twelve months following year end. Current liabilities are those for which settlement is envisaged during the ordinary operating cycle or during the twelve months following year end.
The Income Statement is classified on the basis of the nature of the costs. In addition to the Operating Profit, the Income Statement also shows the Gross Operating Profit obtained by deducting total operating expenses from total revenue.
The indirect method is used in the Statement of Cash Flows. The cash configuration analysed in the Statement of Cash Flows includes cash on hand and cash in current accounts.

The financial statements for assets and liabilities are prepared on the basis of the historical cost principle, with the exception of financial instruments, and for the receivable relating to the variable portion of the sale price of OLT Offshore LNG Toscana and for the assets held for sale which are measured at fair value, as well as on the assumption of going concern. The company has not identified any particular risks related to the company's business and/or any uncertainties detected that could generate doubts about business continuity.

These separate financial statements are stated in euro, the company's functional currency. Data included in the notes, unless otherwise specified, are expressed in thousands of euro. Due to rounding, there could be cases in which the detailed tables contained in this document show a difference of around one thousand euro. It is believed that these cases do not alter the reliability and informative value of these separate financial statements.

Lastly, in accordance with CONSOB Resolution No. 15519 of 27 July 2006 regarding the format of financial statements, specific additional columns have been added to the Income Statement and the Statement of Financial Position to highlight transactions with related parties.

Publication of the Financial Statements

The separate Financial Statements were approved for publication by Iren S.p.A.'s Board of Directors at its meeting of 23 March 2026. The Board of Directors authorised the Chair, and the Chief Executive Officer to make such changes to the financial statements as necessary or adequate to improve them until the date of approval by the Shareholders.

The Shareholders' Meeting to be called to approve the financial statements has the right to request amendments to the aforementioned financial statements.

Use of estimates and assumptions by management

Estimates

Preparation of the separate Financial Statements entails making estimates, opinions and assumptions that have an effect on the amounts of revenue, costs, assets and liabilities, including contingent liabilities, and on the information provided. These estimates and assumptions are based on past experience and other factors considered reasonable in the case in question, particularly when the value of assets and liabilities is not readily apparent from comparable sources.
Estimates and assumptions were used in applying the accounting standards, in particular to measure the following items of the financial statements:

- impairment of non-financial assets: assets such as property, plant and equipment, investment property, intangible assets, right-of-use assets, goodwill and equity investments in associates/joint ventures are impaired when their carrying amount exceeds their recoverable vamountalue, represented by the higher of fair value, net of costs to sell, and value in use. The recoverable amount is sensitive to the estimates and assumptions used to determine the amount of cash flows and the discount rates applied. However, possible variations in the basic assumptions on which these calculations are based could produce different recoverable amounts.
- Determining the useful life of non-financial assets. In determining the useful life of property, plant and equipment and intangible assets with a finite useful life, the Company considers not only the future economic benefits - contained in the assets - enjoyed through their use, but also many other factors, such as physical deterioration, obsolescence of the product or service provided by the asset (e.g. technical, technological or commercial), legal restrictions or other similar constraints (e.g. safety, environmental, etc.) on the use of the asset, if the useful life of the asset depends on the useful life of other assets.
- The determination of the fair value of derivative instruments and certain financial assets. The fair value of financial instruments is determined on the basis of prices directly observable on the market, where available, or, for unlisted financial instruments, using specific valuation techniques (mainly based on present value) that maximise the use of inputs observable on the market. In the rare circumstances where this is not possible, the inputs are estimated by management taking into account the characteristics of the instruments being valued. For further details on financial instruments measured at fair value, please refer to chapter VI Financial Risk Management of Iren S.p.A.. Changes in the assumptions made in estimating input data could affect the fair value recognised for these instruments, especially in the current context in which markets are volatile and the economic outlook highly uncertain and subject to rapid changes. When valuations are subject to significant measurement uncertainty due to the current environment and there is a wide range of possible fair value estimates, the company is required to apply judgement in determining the point within that range that is most representative of fair value under the circumstances.
- Hedge accounting. Hedge accounting is applied to derivatives in order to reflect the effects of risk management strategies in the financial statements. To this end, the company documents at the inception of the transaction, the relationship between the hedging instrument and the hedged item, as well as the risk management objectives and strategy. In addition, the company assesses, both at the inception of the relationship and on a systematic basis, whether hedging instruments are highly effective in offsetting changes in the fair value or cash flows of hedged items. Based on the opinion of the Directors, the assessment of effectiveness based on the existence of an economic relationship between hedging instruments and hedged items, the dominance of credit risk in changes in value and the hedge ratio, as well as the measurement of ineffectiveness, are evaluated by means of a qualitative assessment or a quantitative calculation, depending on the specific facts and circumstances and the characteristics of the hedging instruments and hedged items. With respect to cash flow hedges of future transactions, management assesses and documents that they are highly probable and present an exposure to changes in cash flows that impacts profit or loss. For more details about the key assumptions on assessing effectiveness and measuring ineffectiveness, please refer to Chapter VI Financial Risk Management of Iren S.p.A..
- The determination of the amount of provisions for future risks and charges. The company is a party to various civil, administrative and tax proceedings connected with the normal course of its business, which could give rise to liabilities of a significant amount, for which it is not always objectively possible to predict the final outcome. The assessment of the risks connected with the above proceedings is based on complex elements that by their nature entail recourse to the judgement of the Directors, also taking account of elements acquired from external consultants assisting the company, with reference to their classification among contingent liabilities or among liabilities. Provisions have been established to cover all significant liabilities for cases where attorneys have noted the likelihood of an adverse outcome

and a reasonable estimate of the amount of the expense. The company determines whether to consider each uncertain tax treatment separately or jointly with one or more uncertain tax treatments, as well as whether to report the effect of uncertainty using the most probable amount method or the expected value method, choosing the one that, according to its projections, best provides for the resolution of the uncertainty, taking into account tax regulations. The company makes significant use of professional judgement in identifying uncertainties about income tax treatments and reviews opinions and estimates made when there is a change in facts and circumstances that could change the conclusion about the acceptability of a particular tax treatment or the estimated effects of the uncertainty, or both. Refer to Note 37 Income Taxes for further details regarding income taxes.

The estimates and assumptions are regularly revised. Any changes deriving from the revision of accounting estimates are recognised in the period in which they are revised, if the revision refers only to the period under evaluation. Should the revision involve both current and future periods, the variation is recognised in both the year in which the revision occurs and in the related future periods.
The criticality inherent in these evaluations relates to the use of assumptions and judgements regarding issues that are, by their nature, uncertain. In addition, any changes in the conditions underlying the assumptions and judgements could have a significant impact on the results of subsequent years.

II. Accounting policies

The accounting policies adopted in drawing up these separate Financial Statements of Iren S.p.A. as at and for the year ended 31 December 2025 are indicated below; the accounting policies described have not changed with respect to those adopted at 31 December 2024 with the exception of the amendments to IAS 21 which, however, did not have any consequences.

Property, plant and equipment

- Property, plant and equipment owned
Property, plant and equipment are recognised at contribution, purchase or internal construction cost. This cost includes all directly attributable costs necessary to make the asset available for use (including, when relevant and where a real obligation exists, the present value of the estimated costs of dismantling and removing the asset and reclaiming the site on which it is located), net of trade discounts and rebates.
Financial expense related to the purchase or internal construction of items of property, plant and equipment is capitalised for the part of the cost of the asset until it becomes operative.
If significant items of property, plant and equipment have different useful lives, these components are accounted for separately.
In particular, under this policy, land and buildings located on the land are to be recognised separately; only the buildings are depreciated, while the carrying amount of land is subject to impairment, as described in the section “Impairment losses on non-financial assets” below.
Ordinary maintenance expenses are fully recognised in profit or loss. Other costs of an incremental nature are allocated to the assets to which they refer, in accordance with IAS 16, and depreciated in relation to the residual useful life of the assets to which they refer. Costs that reasonably expect an increase in future economic benefits, such as an increase in useful life, an increase in production capacity, an improvement in product quality or the adoption of production processes that result in a substantial reduction in production costs, are considered to be incremental.
Assets under construction include expenditure related to the construction or improvement of plants incurred until the reporting date. These investments are depreciated from the date they become operational or are available for use.
Property, plant and equipment are depreciated systematically on a straight-line basis using economic-technical rates determined in line with their residual useful lives.

The rates applied are set out below. The tables also show the residual term of the lease contracts on the basis of which right-of-use assets recognised among property, plant and equipment are depreciated:

	Min. rate	Max. rate
Buildings	2.00%	23.00%
Light constructions	10.00%	10.00%
Vehicles	20.00%	25.00%
Sundry equipment	10.00%	10.00%
Furniture and office machines	12.00%	12.00%
Hardware	20.00%	33.00%
Plants	4.00%	23.00%

	Years	
Right-of-use assets as per IFRS 16 - Leases	from	to
Buildings	4	11
Other assets (motor vehicles)	2	6

The rates for plant, as minimum and maximum rates respectively, refer mainly to electrical and mechanical components auxiliary to the company's office buildings as well as electric car charging systems.

Grants related to assets are recognised as deferred revenue and taken to profit or loss over the depreciation period of the related item of property, plant and equipment and intangible assets.

- Leased assets

Lessee

IFRS 16 establishes a criterion based on the control (right of use) of an asset to distinguish leases from contracts for services, regardless of the contractual form adopted (lease, rental or hire). The discriminants are: the identification of the asset, the right to replace the same, the right to obtain substantially all the economic benefits deriving from use of the asset and the right to direct the use of the asset underlying the contract.

On the lessee's part, IFRS 16 provides for recognition in the statement of financial position of the assets and related financial liabilities for all lease contracts with a term of more than 12 months, unless the underlying asset has a value at new of less than five thousand euros.

The lease liability is initially measured at the present value of the payments due for the lease, primarily the fixed and/or variable payments contractually provided for and the price to exercise the option if there is a reasonable certainty of exercising it; with regard to the rate to be used for discounting, reference is made to the marginal financing rate inferred from the market value of the listed debt instruments issued by Iren. Subsequently, the liability is reduced by the principal repaid and, if necessary, restated to take account of new valuations or changes. The residual debt must be accounted for by separating the current portion (within 12 months) from the non-current portion.

The right of use of the asset underlying the lease contract is recognised under property, plant and equipment at cost, consisting of the initial measurement of the financial liability increased by any initial costs incurred. The asset is depreciated over the duration of the lease or, if the transfer of ownership at the end of the lease is provided for, over the expected useful life of the underlying asset. The asset may also be reduced as the result of any impairment losses, and adjusted to take into account any redetermination of the lease liability.

In the income statement interest on the debt and depreciation are recognised separately, as is any impairment loss on the right-of-use asset.

Lessor

At the inception of a contract or upon amendment of a contract that contains a lease component, the contract consideration is allocated to each lease component based on its stand-alone price.

At the inception of the lease, the company, in its role as lessor, classifies each of its leases as either a finance lease or an operating lease.

For this purpose, it generally assesses whether the lease transfers substantially all the risks and rewards associated with ownership of the underlying asset. In this case, the lease is classified as a finance lease, otherwise as an operating lease. As part of this assessment, the company considers, among other indicators, whether the lease term covers most of the economic life of the underlying asset.

With respect to sub-leases, the company, as an intermediate lessor, classifies its share in the head lease separately from the sub-lease. For this purpose, it classifies the sub-lease by reference to the right-of-use asset arising from the head lease, rather than by reference to the underlying asset. If the head lease is a short-term lease that it has accounted for by applying the above exemption, the sub-lease is classified as an operating lease.

For contracts containing a lease component and one or more lease and non-lease components, the contract consideration is allocated by applying IFRS 15.
The Company applies the derecognition and impairment provisions of IFRS 9 to the net investment in the lease and periodically reviews the estimates of non-guaranteed residual values used in calculating the gross investment in the lease.
Payments received for operating leases are recognised as income on a straight-line basis over the lease term in "other income".

Intangible assets

Intangible assets are recognised in the statement of financial position when it is probable that the expected future economic benefits attributable to the asset will flow to the company and the cost of the asset can be measured reliably. They are recognised at contribution, acquisition or production cost, including any directly attributable costs.

Development costs are capitalised if all of the following features can be demonstrated:
- the technical feasibility of completing the asset so that it will be available for use or sale;
- the intention to complete the intangible asset and use or sell it;
- the ability to use or sell the intangible asset;
- the ability to reliably measure the expenditure attributable to the asset during its development;
- the availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset;
- it is clear how the asset will generate future economic benefits.

If even one of these requirements is not met, the cost is fully recognised in the period in which it is incurred.

Intangible assets with a finite useful life are amortised systematically over their expected future useful life, such that their carrying amount at the end of the reporting period corresponds to their residual useful life or the amount that can be recovered based on the company's business plans. Amortisation begins when the asset is available for use.
Amortisation of intangible assets is calculated on a straight-line basis over the following useful lives:

	Years	
	from	to
Industrial patents and intellectual property rights	20	20
Software	3	6

Amortisation begins when the asset is available for use, in other words, when it is able to operate as intended by the company's management. Amortisation expires on the later of either the date on which the asset is classified as held for sale (or included in a disposal group classified as held for sale), pursuant to IFRS 5, or the date on which the asset is derecognised.

Assets under development relate to internal and external costs referring to intangible assets for which the company has not yet acquired the right to and has not started to use in production. These investments are amortised from the date they begin to be used in production.
Under IAS 36, assets under development are tested for impairment annually, or whenever there is any indication of impairment, so as to check that the carrying amount matches the recoverable amount.

Non-current assets held for sale - Discontinued operations

A non-current asset (or group of assets and liabilities held for disposal) is classified as available for sale if its carrying amount will be recovered mainly through a sale transaction rather than through its continued use. Immediately prior to the initial classification of the asset (or disposal group) as held for sale, the carrying amounts of the asset are measured in accordance with the Group's accounting policies. The asset (or disposal group) is then recognised at the lower between its carrying amount and its fair value less costs to sell. Impairment loss on a disposal group is initially taken to goodwill, then to the residual assets and liabilities on a proportional basis, except for inventories, financial assets, deferred tax assets, employee benefits, investment property and biological assets, which continue to be measured in accordance with Group accounting policies. Impairment losses on the initial classification of an asset as held for sale compared to subsequent measurements are recognised in the income statement. Reversals of impairment losses are recognised only to the extent of any accumulated impairment loss.
Discontinued operations represent a part of the company that has been discontinued or classified as held for sale, and:
a. represents an important business unit or geographical segment;
b. forms part of a single coordinated disposal plan or an important autonomous business unit or geographical segment;
c. is a subsidiary acquired solely with a view to resale.

If a single non-current asset is involved (e.g. a property or an investment in an associate), the recognition of profit or loss from the disposal or valuation depends on the nature of the asset.
If it is a discontinued operation and is a material component of the item "Profit/loss from discontinued operations", a single amount is recorded represented by the total of:

I. profit or loss on the discontinued operation, net of tax effects; and
II. the capital gain or loss, net of tax effects, recognised after the fair value measurement, net of costs to sell or actual disposal of the asset.

The income statement of the comparative period is restated in order to guarantee consistent comparison.
If the asset is immaterial, revenue and costs from the discontinued operation continue to be recognised on a line-by-line basis under the related income statement items, whilst the profit/loss from discontinued operations includes only the capital gain or loss referred to under point ii) above.

Impairment losses on non-financial assets

The IFRS require a company to assess whether there are any specific indications of impairment. An impairment test is performed, which consists of estimating the recoverable amount of the asset and comparing it to its carrying amount.
The recoverable amount is the higher of fair value less costs to sell (if an active market exists) and the value in use of the asset. Value in use is the present value of the future cash flows expected to be derived from an asset or Cash-Generating Unit, inclusive of taxes, by applying a discount rate, before taxes, which reflects the current market assessments of the time value of money and risks specific to the asset. If the recoverable amount of an asset is less than its carrying amount, an impairment loss is recognised. If the impairment loss recognised in prior periods no longer exists or has decreased, the carrying amount of the asset or cash-generating unit is increased, with a balancing item in profit or loss, up to the estimated new recoverable amount. The latter amount shall not exceed the carrying amount that would have been determined if no impairment loss had been recognised. The reversal of an impairment loss is not applicable to goodwill.
The value in use is generally defined by discounting the cash flows expected from use of the asset or Cash Generating Units and from the amount expected from its disposal at the end of its useful life.
Assets that are not subject to amortisation (goodwill and other intangible assets with an indefinite useful life) and intangible assets that are not yet available for use are tested for impairment annually, even if no indication of impairment exists.

Financial instruments

All financial instruments, including derivatives, are recognised in the statement of financial position when the company becomes a party to the agreement and therefore acquires a right to receive cash flows or an obligation to pay.

- *Financial assets and liabilities*

At the moment of initial recognition the financial asset or liability is measured at fair value plus or minus, in the case of a financial asset or liability not measured at fair value recognised in the income statement, the transaction costs directly attributable to the acquisition or issue of the financial asset or liability. After initial recognition the financial asset or liability is measured as described below.

Financial assets are classified in three categories: a) financial assets measured at amortised cost; b) financial assets measured at fair value through other comprehensive income (FVOCI); c) financial assets measured at fair value through profit or loss (FVTPL).
The classification under the categories indicated above is made on the basis of the entity's business model and in relation to the characteristics of the cash flows generated by the said assets:

a. a financial asset is measured at amortised cost if the entity's business model envisages that the financial asset is held to collect the related cash flows (therefore, substantially, not to make a profit also from sale of the instrument) and the characteristics of the cash flows of the asset correspond only to payment of principal and interest;
b. a financial asset is measured at Fair Value with a balancing item in Other Comprehensive Income if it is held with the objective both of collecting the contractual cash flows, and of being sold (Hold to Collect and Sell model);
c. finally if it is a financial asset held for trading and in any case does not come within the cases indicated in points a) and b) it is measured at fair value through profit or loss.

At each reporting date all financial assets, with the exception of those measured at fair value recognised in profit (loss) for the year, are subjected to an impairment test to determine whether there is objective evidence that can lead to the belief that the value of the asset is not fully recoverable. In accordance with what is provided for in IFRS 9 the impairment model adopted by Iren Group is based on expected credit losses, where "loss" means the present value of all cash shortfalls considering forward-looking information. According to the general approach concerning all financial assets, the expected credit losses is a function of probability of default (PD) of the loss given default (LGD) and exposure at default (EAD): the PD represents the probability that an asset will not be repaid and will go into default; the LGD is the amount of money lost when a borrower defaults on a loan; the EAD represents the receivable exposure claimed against the counterparty, including any guarantees, collateral, etc. The estimate is made initially on the expected credit losses in the subsequent 12 months; in view of any gradual deterioration of the financial asset, the estimate is adjusted to cover the expected credit losses along the entire life of the financial asset.

Financial liabilities are generally classified as measured at amortised cost, with the exception of derivatives which are measured at fair value through profit or loss. Changes in the fair value of a financial liability designated as measured at fair value through profit or loss, if these are due to a change in the creditworthiness of the liability itself are recognised under other comprehensive income.

- *Equity investments in subsidiaries and associates*

Investments in subsidiaries and associates are measured at cost. In the event of impairment, the carrying amount of the investment is written down. The impairment loss is recognised in the income statement.

- *Other equity investments*

Other equity investments, consisting of non-controlling interests in unlisted companies that the Company intends to keep in its portfolio in the near future, are measured at fair value through profit or loss (FVTPL).

- *Hedging instruments*

The Company holds hedging instruments, acquired for non-speculative purposes, solely to hedge its exposure to interest rate and currency risks.

A hedging relationship qualifies for hedge accounting if all of the following conditions are met:
- at the inception of the hedge there is formal designation and documentation of the hedging relationship and the company's risk management objective and strategy for undertaking the hedge;
- the hedge is expected to be highly effective in offsetting changes in fair value (fair value hedges) or cash flows (cash flow hedges) attributable to the hedged risk;
- for cash flow hedges, an expected future transaction that is hedged must be highly probable and must present an exposure to changes in cash flows that might ultimately affect profit or loss;
- the effectiveness of the hedge can be reliably measured, i.e. the fair value or cash flows of the hedged item and the fair value of the hedging instrument can be reliably measured;
- the hedge is assessed on an ongoing basis and is considered highly effective throughout the entire life of the derivative.

Hedging instruments are recognised at fair value, determined by employing adequate measurement models for each type of financial instrument using, where available, the forward curves of both regulated and not regulated markets (intrinsic value). For options, the fair value is supplemented with the time value component, which is based on their residual life and the volatility of the underlying.
At each reporting date, hedging instruments are tested for effectiveness to check whether the hedge still meets the requirements for designation as effective and can be recognised using hedge accounting. A hedging relationship is effective if:
- there is an economic relationship between the hedged instrument and hedging instrument;
- the credit risk effect does not dominate the change in value that results from the economic relationship;
- the ratio between the quantity of the hedging instrument and the quantity of the hedged instrument in terms of relative weight does not determine an imbalance in terms of the hedge ratio.

If the requirements for the application of hedge accounting are met:
- for a cash flow hedge, changes in the fair value of the hedging instrument are recognised in equity for the effective portion of the hedge (intrinsic value), and in profit or loss for the time value component and any ineffective portion (over-hedging);
- for fair value hedges, changes in the fair value of both the hedging instrument and the hedged item are recognised in the income statement.

If the hedge does not meet the criteria for hedge accounting, the gains or losses deriving from measurement at fair value of only the hedging instrument are fully recognised in profit or loss.

Considering the provisions of IFRS 7 on the fair value hierarchy, as extended by IFRS 13, for each category of financial instrument measured at fair value the fair value hierarchy is as follows:
- Level 1: Quoted prices (unadjusted) on active markets for identical assets or liabilities;
- Level 2: Inputs other than Level 1 quoted prices which are observable for asset or liability, either directly (as in the case of prices), or indirectly (i.e. derived from prices);
- Level 3: Inputs for the asset or liability which are not based on observable market data (unobservable data).

- *Trade receivables and payables*

Trade receivables and payables, with repayment dates that are in line with normal commercial practices, are not discounted as the time value of money is not material for their measurement, and are recognised at fair value (equal to their nominal value). After initial recognition they are measured at amortised cost.
Trade receivables are shown net of loss allowances determined, in accordance with IFRS 9, applying, instead of the general approach, valid for all financial assets with the exception of those measured at fair value through profit or loss, the simplified approach and, more specifically, the provision matrix model, which is based on identifying the default rates by maturity bands observed on a historical basis, applied for the entire expected life of the receivable and updated on the basis of significant future scenario elements.

- *Cash and cash equivalents*

Cash and cash equivalents include cash on hand, demand deposits and short-term, highly liquid investments (maturities of three months or less from the date of acquisition) that are readily convertible into known amounts of cash and that are subject to an insignificant risk of changes in value.
Cash and cash equivalents, including ancillary charges, are measured at fair value.
Cash on hand and equivalents in hand are measured at their nominal value.

- *Derecognition of financial assets and liabilities*

Financial assets are derecognised whenever one of the following conditions occurs:

- the contractual right to receive the cash flows associated with the asset has expired;
- the company has substantially transferred all the risks and rewards associated with the asset, transferring its rights to receive the cash flows of the asset or assuming a contractual obligation to shift these cash flows to one or more beneficiaries under a contract that meets the requirements under IFRS 9 (pass through test);
- the company has transferred the control of the financial asset but has neither transferred nor retained the risks and rewards associated with the financial asset.

Financial liabilities are derecognised when they are settled, i.e. when the contractual obligation is fulfilled, cancelled or prescribed. When an existing financial liability is replaced by another to the same creditor on substantially different terms, or the terms of an existing liability are substantially modified, such replacement or modification is treated as derecognition of the original liability and recognition of a new liability.
The difference between the respective carrying amounts is taken to profit or loss.

Inventories

Inventories are carried at the lower of cost (purchase cost, transformation and other costs incurred to bring the inventories to their current place and condition) and their expected net realisable or replacement value.
Cost is determined using the weighted average cost method. If the cost of inventories cannot be recovered because they are damaged, have become entirely or partly obsolete or their sales prices have decreased, they are written down to their net realisable value. If the circumstances leading to the write-down no longer exist, the write-down is reversed.

Equity

Share capital, including the various categories of shares, is stated at its nominal value less share capital proceeds to be received.
Costs directly attributable to share capital transactions, for new subscriptions, are accounted for reducing equity.

Treasury shares

Treasury shares are recognised at cost and deducted from equity. The effects of any subsequent sales are also recognised in equity.

Dividends

Dividends payable to the shareholders of the Parent and to non-controlling interests are recognised as a decrease in equity and recorded as financial liabilities on the date they are approved by the Shareholders' Meeting.
Dividends from investees are recognised when the shareholders' right to receive payment is established.

Hybrid bond instruments

The non-convertible hybrid perpetual bonds issued are classified as equity instruments. These are, in fact, instruments for which Iren is permitted to defer the payment of interest over time, the early repurchase of which is permitted upon the occurrence of certain events or at the reset date. They are instruments that cannot be converted into shares and, in the event of liquidation, dissolution or insolvency of the company, coupon payments will be subordinate to all other payment obligations of the issuer. The proceeds received from the sale of the instruments and subsequent principal repayments are recognised as increases and decreases in equity, respectively.
Costs directly attributable to the issuance transactions are recognised as a decrease in equity, in accordance with the provisions of IAS 32 for equity instruments.
Interest expense, when an obligation to pay arises, is recognised as a reduction of equity.

Employee benefits

Post-employment benefits are defined according to plans which, based on their characteristics, are separated into "defined contribution" and "defined benefit" plans.
In defined contribution plans, the company obligation, limited to the payment of State contributions or to a separate fund, is calculated on the basis of contributions due. For the company this category includes post-employment benefits accrued since 1 January 2007, payable to the INPS (the Italian Social Security Institution) fund and the share paid to the additional pension funds.
The liability relating to defined benefit plans, net of any plan assets, is calculated according to actuarial assumptions. For the company, included in this category are post-employment benefits accrued until 31 December 2006 (or the date chosen by the employee if opting for allocation to supplementary funds), the tariff discounts for employees and former employees, additional monthly salaries (Art. 47, national labour agreement for the sector), the loyalty bonus paid to employees and contributions paid to the Premungas fund.
The present value of the liability is calculated for each employee using the projected unit credit method. The total liability is calculated by estimating the amount payable on termination of the employment relations, considering economic, financial and demographic factors. This amount is recognised on a proportional basis over the period of service matured. For post-employment benefits accrued as at 31 December 2006 (or the date chosen by the employee if opting for allocation to supplementary funds), the proportional basis is not applied because at the reporting date the benefits can be considered accrued in full.
The demographic, economic and financial variables are validated annually by an independent actuary.
As regards presentation in the financial statements, the changes in liabilities connected with the obligation related to a defined benefit plan are broken down into three components:
1) operating (service costs), personnel expense;
2) financial (financial expense), net interest income/expense;
3) measuring (remeasurement costs), actuarial gains/losses.

Gains and losses resulting from actuarial calculations for post-employment benefits are immediately recognised in Other comprehensive income, except for the loyalty bonus which is entirely recognised in profit or loss.
As regards disclosures, information is given on the characteristics of the plans and related amounts entered in the financial statements, as well as on the risk resulting from the plans and including a sensitivity analysis of fluctuations in demographic risk.

Provisions for risks and charges

Provisions for risks and charges are set aside to cover liabilities of uncertain amount or maturity that must be recognised when, and only when, the following conditions are met:
- the company has a present obligation (legal or constructive) as a result of a past event at the reporting date;
- it is likely that an outflow of resources embodying economic benefits will be required to settle the obligation;
- a reliable estimate can be made of the amount of the obligation.

Risks for which the related liability is only potential are disclosed in the notes to the financial statements, and no provision is made.
No additional information is provided for events that are remote, i.e. where it is very unlikely they will arise, and no provision is made.
The provisions are recognised at the amount representing the best estimate of the total that the company would pay to settle the obligation, or transfer it to third parties at year end. If the discounting effect on the value of money is significant, the provisions are calculated by discounting expected future cash flows at a pre-tax discount rate that reflects the current market assessment of the time value of money.
On discounting, the time-related increase in the provision is recognised as financial expense.

Revenue from goods and services

Revenue is measured at fair value with respect to the amount received or due, taking account of any trade discounts and reductions connected with quantity. A distinction is made between revenue from operating activities and any financial income accruing up to the date of collection.
For correct recognition of revenue from contracts with customers, reference is made to IFRS 15 which provides for a revenue recognition model based on 5 steps:
1. identify the contract with the customer. Contract means a commercial agreement approved by two or more parties that creates enforceable rights and obligations. A contract is valid when the following conditions are jointly met: a) the parties have approved the contract (in writing or according to usual commercial practices); b) it is possible to identify the customer's rights as regards the goods or services that must be transferred; c) the payment terms are identifiable; d) the contract has commercial substance; e) it is probable that the price will be collected (only the customer's ability and intention to pay are considered);
2. identify the "Performance Obligations" contained in the contract. Where a contract provides for the supply/provision of multiple goods and services, it is assessed whether these should be recognised separately or together, considering their individual characteristics.
   Activities carried out to execute the contract, such as administrative formalities for preparing the contract itself, do not transfer separate goods and services to the customer, and therefore do not represent performance obligations. Non-refundable initial expenses charged to the customer are not revenue unless they refer to separate goods and services.

If under a contract an entity grants the customer an option to purchase future goods or services, that option is a separate performance obligation only if it provides the customer with a benefit that it could not otherwise obtain, such as a greater discount than is typically given for those particular goods or services. An option to purchase goods or services at a price that reflects its stand-alone selling price, is not a separate performance obligation even if it can be obtained only by signing the contract in question.
In this context, it is determined whether the entity is acting as "principal" or "agent," depending on whether or not, respectively, it controls the promised good or service before control thereof is transferred to the customer. When the entity acts as an "agent," particularly with respect to gas and electric grid connection services, revenue is recognised on a net basis;

3. determine the "Transaction Price". The following elements must be considered in determining the transaction price: a) any amounts collected on behalf of third parties, which must be excluded from the price; b) variable components of the price (such as performance bonuses, penalties, discounts, refunds, incentives, etc.); c) financial component, if the payment terms grant the customer a significant extension;
4. allocate the price to the Performance Obligations on the basis of the "Relative Stand Alone Selling Price". For any bundled supplies, the selling price is generally allocated on the basis of the stand-alone price of each good or service, i.e., the price at which the company would sell such good or service separately to the customer;
5. recognise revenue when the Performance Obligation is satisfied. The asset or service is transferred when the customer obtains control over the asset or service and that is when it has the ability to decide and/or direct its use and obtain substantially all its benefits. The transfer of control, and consequently the recognition of revenue may occur at a certain point in time or over time.
   For each obligation fulfilled over time, revenue is recognised by evaluating progress toward complete fulfilment of the obligation. On the asset side, contract assets, specifically identified in the financial statements, represent the right to the price for goods and services transferred to the customer when said right is subject to a condition other than the passage of time.
   When said right is unconditional, i.e. collection of the price depends solely on the passage of time, an asset is recognised.
   If the customer pays the price before the transfer of goods or services occurs, a contract liability is recognised at the time payment is made (or payment is due); this liability is recognised as revenue when the obligation under the contract is fulfilled.

With reference to the specific activity of Iren S.p.A., i.e. the provision of corporate and technical-administrative services to its investees, the related revenue is recognised upon provision of the services. For each contract, the fees for the individual services rendered are identified and recorded separately.

In the event of contractual amendment, that is a change in the subject and/or the price of the contract approved by the parties, if the amendment introduces new separate goods and/or services and the increase in the contractual price is equal to the stand-alone selling price of the new goods and/or services, the contractual amendment is accounted for as a new contract. If the two aforementioned conditions are not met and the goods and/or services still to be delivered are separate with respect to what has already been transferred to the customer before the amendment, the change is treated as cancellation of the old contract and introduction of a new contract with prospective effect on revenue; otherwise the amendment is treated as continuation of the original contract with retrospective effect on revenue.
The costs of obtaining contracts with customers are capitalised in accordance with the provisions of IFRS 15 and are amortised over the duration of the relationship with the customer. In order to determine this expected period, reference is made to historical experience with churn rates.

Grants related to assets and grants related to income

Grants related to assets are recognised, when they become payable, as deferred revenue and systematically taken as income to profit or loss over the useful life of the asset to which they refer. The deferred revenue related to the grants is recognised in the statement of financial position, under Other liabilities, with suitably separated current and non-current amounts.
Grants related to income are recognised in profit or loss when the recognition criteria are met, i.e. when their recognition as a balancing entry of supply costs related to the grants is certain.

Other income

Other income includes all kinds of revenue not included in the previous types and not of a financial nature.
Income is measured at the fair value of the price received or due and is recognised when:

- the amount of revenue can be estimated reliably;
- it is probable that the economic benefits associated with the transaction will flow to the company.

Costs for the purchase of goods and services

Costs are measured at the fair value of the amount paid or to be paid. Costs for the acquisition of goods and services are recognised when their amount can be reliably determined. Costs for the purchase of assets are recognised upon delivery which, based on outstanding agreements, identifies the moment of transfer of the related risks and rewards. Costs for services are recognised on an accruals basis upon receipt.

Financial income and expense

Financial income and expense are recognised when they accrue on the basis of the interest earned on the net amount of the related financial assets and liabilities using the effective interest rate.
Borrowing costs directly attributable to the acquisition, construction or production of a plant are capitalised when:

- it is likely that it will result in future economic benefits for the company;
- it can be reliably measured.

Income taxes

Income taxes comprise all the taxes calculated on the company's taxable income.
Current and deferred taxes are recognised as income or expense and included in the profit or loss for the year, except to the extent that the tax arises from a transaction or event that is recognised, in the same or a different year, directly in equity.
Current tax is the expected tax payable on the taxable income for the year, applying the tax legislation enacted or substantially enacted at the reporting date. Deferred tax liabilities are calculated based on the temporary differences between the carrying amounts of assets and liabilities in the financial statements and the amounts used for taxation purposes.
Deferred tax assets are recognised only when their recovery is probable. The amendments to IAS 12 approved by the European Commission with Regulation (EU) 2017/1989 of 6 November 2017 provide some clarifications on the criteria to be adopted to determine whether there are sufficient future taxable incomes against which to use the deductible temporary differences.
Deferred tax assets and liabilities are calculated at the tax rates that are expected to apply for the year in which the differences will be paid.

The Group also exercised the option for the tax consolidation scheme, pursuant to Art. 118 of the new Consolidated Law on Income Tax. This requires that the consolidated companies transfer their IRES debit/credit positions to the Parent Iren S.p.A. The latter then calculates IRES on the algebraic sum of taxable profits/losses of each company taking part in the tax consolidation scheme.
In return for the taxable income earned and transferred to the parent, the consolidated company commits to paying "tax settlements" to the parent equal to the amount of taxes owed on the income transferred, net of the transferred IRES assets.

Uncertainty of income tax treatment
The definition of uncertainty should consider whether a given tax treatment would be acceptable to the Tax Authority. If it is considered probable that the Tax Authority will accept the tax treatment (the term "probable" being understood as "more likely than not"), then the Company recognises and measures its current or deferred tax assets and liabilities by applying the provisions of IAS 12.
Conversely, if the Company believes that it is not likely that the Tax Authority will accept the tax treatment for income tax purposes, it reflects the effect of such uncertainty by using the method that best provides for the resolution of the uncertain tax treatment. The Company decides whether to consider each uncertain tax treatment separately or in conjunction with one or more uncertain tax treatments, choosing the approach that best provides for resolution of the uncertainty. In assessing whether and how uncertainty affects tax treatment, the Company assumes that the Tax Authority does or does not accept uncertain tax treatment on the assumption that the Tax Authority, on audit, will check the amounts it is entitled to examine and that it will be fully aware of all relevant information. The Company reflects the effect of uncertainty in determining current and deferred income taxes, using either the expected value method or the most probable amount method, depending on which method best provides for resolution of the uncertainty. Since uncertain tax positions relate to the definition of income taxes, the Company reports uncertain tax assets/liabilities as current taxes or deferred taxes.

ACCOUNTING STANDARDS, AMENDMENTS AND INTERPRETATIONS APPLIED FROM 1 JANUARY 2025

As of 1 January 2025, the following accounting standards and amendments to accounting standards, issued by the IASB and endorsed by the European Union, are obligatorily applicable:

Amendments to IAS 21 – Lack of exchangeability
Issued on 15 August 2023, it amends IAS 21, which did not contain explicit provisions for determining the exchange rate. The amendments introduce requirements for determining when a currency is convertible into another currency and when it is not. The amendment is applicable as of 1 January 2025.

The application of the amendments to the aforementioned IFRS did not have any consequences or, in any case, significant effects on the Group's financial position and performance.

ACCOUNTING STANDARDS, AMENDMENTS AND INTERPRETATIONS ENDORSED BUT NOT YET APPLICABLE AND NOT ADOPTED IN ADVANCE BY THE GROUP

Amendments to IFRS 9 and IFRS 7 – Amendments to the classification and measurement of financial instruments
Issued in May 2024, in response to questions on the derecognition *of* financial liabilities, the classification of financial assets and related disclosures. The amendments are applicable from 1 January 2026.

Amendments to IFRS 9 and IFRS 7 - Contracts referencing nature-dependent electricity
On 18 December 2024, the IASB issued amendments to improve the reporting by companies of the financial effects of contracts referencing nature-dependent electricity, often structured as power purchase agreements (PPA). The amendments are applicable from 1 January 2026.

IFRS 18 - Presentation and Disclosure of Financial Statements
Published by the IASB on 9 April 2024, it supersedes IAS 1 Presentation of Financial Statements and establishes significant new requirements for the presentation of financial statements, with the intention of improving the comparability and transparency of companies' performance reporting. It is effective for annual reporting periods beginning on or after 1 January 2027.

During 2025, the process of assessing the impacts of adopting IFRS 18 was initiated. This process involves a systematic analysis of the new accounting standard, the changes to the format of the financial statements, and any potential impact on the structure of the chart of accounts. At present, there is no need to make any significant changes to the chart of accounts, nor to undertake any structural changes to the accounting processes or the related information systems. Activities will continue throughout 2026 with a view to ensuring the timely implementation of the new standard.

ACCOUNTING STANDARDS, AMENDMENTS AND INTERPRETATIONS NOT YET ENDORSED BY THE EUROPEAN UNION

IFRS 19 Subsidiaries without Public Accountability: Disclosure
Issued on 9 May 2024, it allows eligible subsidiaries (i.e. reporting to a parent that prepares consolidated financial statements in accordance with the IFRS) to apply reduced disclosure requirements when complying with the recognition, measurement and presentation requirements of the IFRS. It is effective for annual reporting periods beginning on or after 1 January 2027.

III. Financial Risk Management of Iren S.p.A.

A summary of the risk management methods is shown hereunder for the risk management and control with respect to the financial instruments (liquidity risk, interest rate risk, credit risk).
As part of its Risk Management activities, the Company uses non-speculative hedging contracts to limit interest rate risk.

LIQUIDITY RISK
Liquidity risk is the risk that financial resources available to the company will be insufficient to cover financial and trade commitments in accordance with the agreed terms and deadlines.
The current and forecast financial position and the availability of adequate credit facilities are constantly monitored, and no critical points have emerged regarding the coverage of short-term financial commitments. At the end of the year short-term bank credit facilities used by the company totalled 1 million euro.
In addition, having assessed the convenience and advisability from time to time in the context of optimising available financial resources, the Company carries out non-recourse factoring of tax assets, benefiting from the liquidity advance arising therefrom.

In this context, to support the company's liquidity profile and rating level, in addition to current liquid assets, Iren has medium/long-term credit lines agreed and/or committed, available but not drawn down, totalling 450 million euro.

The table below illustrates the nominal cash flows required to settle financial liabilities:

thousands of euro

Data as at 31/12/2025	Carrying amount	Contractual cash flows	Within 12 months	1-5 years	Over 5 years
Loan and bond liabilities (*)	4,273,923	(4,876,486)	(142,643)	(2,520,669)	(2,213,174)
Hedging of interest rate risk (**)	(10,597)	10,613	3,468	7,092	53
Lease liabilities	12,282	(13,489)	(5,089)	(8,196)	(204)

(*) The carrying amount of "Loan and bond liabilities" includes both current and non-current portions.
(**) The carrying amount of "Hedging of interest rate risk" includes the fair value of hedging contracts (both positive and negative).

Cash flows required to settle remaining financial liabilities, other than those shown in the above tables, do not differ significantly from the recognised carrying amount.
Financial debt at the reporting date consisted of 30% loans and 70% bonds; it is also noted that 89% of total debt is financed by sustainable funds.
For details of the liquidity risk management policies, reference is made to the Notes to the Consolidated Financial Statements included in this report.

INTEREST RATE RISK
Iren is exposed to interest rate fluctuations especially with regard to the measurement of borrowing costs. The strategy is to limit exposure to the risk of interest rate volatility, maintaining at the same time a low cost of funding.
For non-speculative purposes, the risks associated with the increase in interest rates are monitored and, if necessary, reduced or eliminated by swap and collar contracts with financial counterparties of high credit standing, for the sole purpose of hedging. At the end of the year, all the contracts entered into meet the requisite of limiting the exposure to the risk of fluctuations in interest rates and they also meet the formal requirements for the application of hedge accounting.

The total fair value of the aforementioned interest rate hedges was a positive 10,597 thousand euro as at 31 December 2025.
The hedging contracts entered into, together with fixed-rate loans, hedge approximately 96% of loans against interest rate risk, in line with the goal of maintaining adequate protection against significant increases in the interest rate.

For a more complete understanding of the interest rate risks to which the Company is exposed, stress testing was performed on the sensitivity of net financial expense and evaluation portions in derivatives contracts to changes in interest rates. As regards financial expense, this analysis was performed on the basis of reasonable assumptions as follows:

- a theoretical increase and decrease of 100 basis points in the Euribor interest rates over the year was applied to net financial debt;
- if there was any existing hedge, interest rate shock was applied to both the debt position and related hedging derivative with an extremely limited net effect on the income statement;
- the change in interest rates is also applied to any portion of interest expense capitalised in the year.

With regard to hedging derivatives at year end, a 100 basis points theoretical increase and decrease was applied to the forward curve of interest rates used to measure the fair value of the hedges.

The table below illustrates the results of the above sensitivity analysis performed with reference to 31 December 2025.

thousands of euro

	Financial expense		Hedging Reserve	
	100 bps increase	100 bps decrease	100 bps increase	100 bps decrease
Cash flow sensitivity (net)				
Net financial debt				
(including hedging contracts)	(1,162)	1,020	-	-
Change in fair value				
Hedging contracts				
(evaluation portions only)	2	(36)	32,983	(34,772)
Total impact from sensitivity analysis	**(1,160)**	**984**	**32,983**	**(34,772)**

RECOGNITION OF DERIVATIVES

Financial derivatives are measured at fair value, determined on the basis of market values or, if unavailable, according to an internal measurement technique.

In order to recognise derivatives, it is necessary to distinguish between transactions that meet all of the IFRS 9 requirements in order to account for them in compliance with the hedge accounting rules and transactions that do not fulfil all of the aforesaid requirements.

Transactions recognised in compliance with hedge accounting rules

These transactions may include:

- fair value hedges: the derivative and the hedged item are recognised at fair value in the statement of financial position and the change in their fair values is recognised directly in the income statement;
- cash flow hedges: the derivative is recognised at fair value with a balancing entry in a specific equity reserve for the effective portion of the hedge and in the income statement for the ineffective portion; when the hedged item arises, the amount suspended in equity is reversed to the income statement.

  Classification in the income statement of the ineffective portion and the deferred amount transferred from equity is based on the nature of the underlying instrument. Specifically, in the case of interest rate risk hedges in financial income and expense.

Transactions not recognised in compliance with hedge accounting rules

The derivative is recognised at fair value in the statement of financial position. The change in the fair value of the derivative is recognised in the income statement and is classified based on the type of underlying instrument; in the case of interest rate risk hedges, in financial income and expense.

As regards the measurement of the derivative in the statement of financial position items, the fair value of the derivative is recognised in non-current financial assets and liabilities if the related underlying item is non-current. Conversely, the derivative is recognised in current financial assets and liabilities if the underlying item is settled within the reporting period.

FAIR VALUE

The following table shows, for each financial asset and liability:
- the carrying amount, including the method of accounting;
- the fair value, including the Level in the relative hierarchy.

In this regard, the various levels were defined as shown below:
- Level 1: Quoted prices (unadjusted) on active markets for identical assets or liabilities;
- Level 2: Inputs other than Level 1 quoted prices which are observable for the asset or liability, either directly (as in the case of prices), or indirectly (i.e. derived from prices);
- Level 3: Inputs for the asset or liability which are not based on observable market data.

Loans and bonds

The fair value of loans, level 2, is determined as the sum of estimated future cash flows associated with assets or liabilities, including the related component of financial income or expense, discounted with reference to the reporting date. This present value is determined by applying the forward interest rate curve at the reporting date.
With regard to bonds, the relative fair value (level 1) is derived from the quotation on the regulated markets of the Irish Stock Exchange (Euronext Dublin) and on the ExtraMOT Pro market of Borsa Italiana.

Derivative hedging contracts

All Iren S.p.A. hedging financial instruments have a fair value which can be classified as level 2. This level is measured through valuation techniques, that take, as a reference, parameters that can be observed on the market (e.g. interest rates, commodity prices) and are different from the prices of the financial instruments, or in any case that do not require a significant adjustment based on data which cannot be observed on the market.

Finally, it should be noted that there have been no transfers between the various levels of the fair value hierarchy and that information on the fair value of financial assets and liabilities not measured at fair value is excluded when their carrying amount is reasonably representative of their fair value.

In order to provide a disclosure as complete as possible, the corresponding figure from the previous year is also indicated.

thousands of euro

31.12.2025	Carrying amount				
	Fair value of hedging instruments	Fair Value Through Profit or Loss	Financial assets measured at amortised cost	Other financial liabilities	TOTAL
Financial assets measured at fair value					
Interest rate derivative hedging contracts	16,554				16,554
Assets for variable portion of transfer price OLT Offshore LNG Toscana		21,642			21,642
Other equity investments		3,163			3,163
Total Financial assets measured at fair value	**16,554**	**24,805**	-	-	**41,359**
Financial assets not measured at fair value					
Non-current financial assets with related parties			3,833,900		3,833,900
Trade receivables			102,761		102,761
Loan assets			302,113		302,113
Sundry assets and other assets (*)			108,074		108,074
Cash and cash equivalents			164,015		164,015
Total Financial assets not measured at fair value	-	-	**4,510,863**	-	**4,510,863**
Financial liabilities measured at fair value					
Derivative hedging contracts (rate and commodities)	(5,957)				(5,957)
Total Financial liabilities measured at fair value	**(5,957)**	-	-	-	**(5,957)**
Financial liabilities not measured at fair value					
Bonds				(2,998,177)	(2,998,177)
Loans				(1,275,746)	(1,275,746)
Other financial liabilities (**)				(231,164)	(231,164)
Trade payables				(129,698)	(129,698)
Sundry liabilities and other liabilities (*)				(137,541)	(137,541)
Total Financial liabilities not measured at fair value	-	-	-	**(4,772,326)**	**(4,772,326)**
TOTAL	10,597	24,805	4,510,863	(4,772,326)	(226,061)

(*) Prepaid expenses and deferred income are excluded are excluded
(**) Lease payables recognised in accordance with IFRS 16 are excluded

thousands of euro

31.12.2025	Fair value Level 1	Level 2	Level 3	TOTAL
Financial assets measured at fair value				
Interest rate derivative hedging contracts		16,554		16,554
Assets for variable portion of transfer price OLT Offshore LNG Toscana			21,642	21,642
Other equity investments				-
Total Financial assets measured at fair value	**-**	**16,554**	**21,642**	**38,196**
Financial assets not measured at fair value				
Non-current financial assets with related parties		3,487,059		3,487,059
Trade receivables				-
Loan assets				-
Sundry assets and other assets (*)				-
Cash and cash equivalents				-
Total Financial assets not measured at fair value	**-**	**3,487,059**	**-**	**3,487,059**
Financial liabilities measured at fair value				
Derivative hedging contracts (rate and commodities)		-		-
Total Financial liabilities measured at fair value	**-**	**-**	**-**	**-**
Financial liabilities not measured at fair value				
Bonds	(2,903,279)			(2,903,279)
Loans		(1,279,550)		(1,279,550)
Other financial liabilities (**)				-
Trade payables				-
Sundry liabilities and other liabilities (*)				-
Total Financial liabilities not measured at fair value	**(2,903,279)**	**(1,279,550)**	**-**	**(4,182,829)**
TOTAL	(2,903,279)	2,224,063	21,642	(657,574)

(*) Prepaid expenses and deferred income are excluded
(**) Lease payables recognised in accordance with IFRS 16 are excluded

The non-current portion of "Financial assets measured at fair value" includes at Level 3 the asset relating to the variable portion of the sale price of OLT Offshore LNG Toscana, amounting to 21,642 thousand euro as at 31 December 2025, the fair value of which is determined on the basis of the application of the price formula provided for in the contract, taking into account the average profitability of the company relating to its historical financial statements and the discount rates inferred from its financial statements. In this regard, a sensitivity on the fair value of this item is reported, expressing the change in it when the expected profitability and discount rate increase/decrease by one percentage point.

thousands of euro

	+1%	-1%
Profitability (flows)	960	(960)
Discount rate	(308)	319

The fair value level of "Other equity investments" (which refer to companies not listed on regulated markets) is not reported, since the related carrying amount is a reasonable approximation.

thousands of euro

31.12.2024	Carrying amount				
	Fair value of hedging instruments	Fair Value Through Profit & Loss	Financial assets measured at amortised cost	Other financial liabilities	TOTAL
Financial assets measured at fair value					
Interest rate derivative hedging contracts	21,185				21,185
Assets for variable portion of transfer price OLT Offshore LNG Toscana		21,744			21,744
Other equity investments		2,479			2,479
Total Financial assets measured at fair value	**21,185**	**24,223**	-	-	**45,408**
Financial assets not measured at fair value					
Non-current financial assets with related parties			3,632,576		3,632,576
Trade receivables			119,019		119,019
Loan assets			495,398		495,398
Sundry assets and other assets (*)			62,780		62,780
Cash and cash equivalents			225,452		225,452
Total Financial assets not measured at fair value	-	-	**4,535,225**	-	**4,535,225**
Financial liabilities measured at fair value					
Derivative hedging contracts (rate and commodities)	(12,736)				(12,736)
Total Financial liabilities measured at fair value	**(12,736)**	-	-	-	**(12,736)**
Financial liabilities not measured at fair value					
Bonds				(3,468,195)	(3,468,195)
Loans				(1,298,828)	(1,298,828)
Other financial liabilities (**)				(269,161)	(269,161)
Trade payables				(122,681)	(122,681)
Sundry liabilities and other liabilities (*)				(98,107)	(98,107)
Total Financial liabilities not measured at fair value	-	-	-	**(5,256,972)**	**(5,256,972)**
TOTAL	**8,449**	**24,223**	**4,535,225**	**(5,256,972)**	**(689,074)**

(*) Prepaid expenses and deferred income are excluded
(**) Lease payables recognised in accordance with IFRS 16 are excluded

thousands of euro	Fair value			
31.12.2024	Level 1	Level 2	Level 3	TOTAL
Financial assets measured at fair value				
Interest rate derivative hedging contracts		21,185		21,185
Assets for variable portion of transfer price OLT Offshore LNG Toscana			21,744	21,744
Other equity investments				-
Total Financial assets measured at fair value	**-**	**21,185**	**21,744**	**42,929**
Financial assets not measured at fair value				
Non-current financial assets with related parties		3,487,059		3,487,059
Trade receivables				-
Loan assets				-
Sundry assets and other assets (*)				-
Cash and cash equivalents				-
Total Financial assets not measured at fair value	**-**	**3,487,059**	**-**	**3,487,059**
Financial liabilities measured at fair value				
Derivative hedging contracts (rate and commodities)		-		-
Total Financial liabilities measured at fair value	**-**	**-**	**-**	**-**
Financial liabilities not measured at fair value				
Bonds	(3,352,358)			(3,352,358)
Loans		(1,302,001)		(1,302,001)
Other financial liabilities (**)				-
Trade payables				-
Sundry liabilities and other liabilities (*)				-
Total Financial liabilities not measured at fair value	**(3,352,358)**	**(1,302,001)**	**-**	**(4,654,359)**
TOTAL	(3,352,358)	2,206,243	21,744	(1,124,371)

(*) Prepaid expenses and deferred income are excluded
(**) Lease liabilities recognised in accordance with IFRS 16 are excluded

CREDIT RISK
From a business point of view, Iren S.p.A. is not particularly exposed to credit risk as it mainly provides professional services to the subsidiaries, according to their needs, based on service agreements signed by the parties.
Financial assets with subsidiaries arise from the centralised procurement of financial resources in order to optimize their use. In particular, centralised management of cash flows at Iren makes it possible to allocate the funds available at the Group level according to the needs that from time to time arise among the individual Companies. Cash movements are recognised in intra-group accounts along with intra-group interest income and expense. A number of investees have an independent financial management structure in compliance with the guidelines provided by the Parent.
For details of the credit risk management policies, reference is made to the Notes to the Consolidated Financial Statements included in this report.

IV. Information on transactions with related parties

As indicated in the Directors' Report, contained in this document, the information on main transactions with related parties, carried out for Iren S.p.A. is provided below.

Transactions with subsidiaries

Intra-group Services
In order to make the most of the organisational synergies that can be achieved, Iren's configuration is based on the model of an industrial holding company, with staff structures that are adequate to support the Group's strategic, development, financial, IT, administrative, and control activities. Therefore, Iren is able to provide professional services of a technical-administrative nature in favour of its subsidiaries, which operate in the relevant business field. All these activities are governed by special supply contracts at arm's length.

Financial management
Organisational solutions were adopted with the aim of centralising financial management for the entire Group under the direct responsibility of Iren S.p.A., in order to optimise the structure and conditions of access to third party financing. For this purpose, loans have been contracted by Iren with financial institutions, whereby the funds are subsequently transferred to the Group's companies to support the investments made by these companies based on intra-group facility agreements.
The conditions of intra-group loan agreements have been defined according to the conditions at which the Parent procures on the financial market.

Tax consolidation
The Group also exercised the option for the tax consolidation scheme, pursuant to Art. 117 of the new Consolidated Law on Income Tax. This requires that the consolidated companies transfer their IRES debit/credit positions to the parent IREN S.p.A. The latter then calculates IRES on the algebraic sum of taxable profits/losses of each company taking part in the tax consolidation scheme.
In return for the taxable income earned and transferred to the parent, the consolidated company commits to paying "tax settlements" to the parent equal to the amount of taxes owed on the income transferred, net of the transferred IRES assets.
The companies in the domestic tax consolidation for 2025, not including the parent Iren Spa, are as follows: Iren Energia S.p.A., Ireti S.p.A., Territorio e Risorse S.r.l., Iren Acqua (merged into Ireti S.p.A.), Iren Mercato S.p.A., Iren Ambiente S.p.A., Iren Smart Solution S.p.A., Acam Ambiente S.p.A., Acam Acque S.p.A., Maira S.p.A., Amiat S.p.A., Amiat V S.p.A., Formaira S.p.A., Alfa Solutions S.p.A., Recos S.p.A., Iren Laboratori S.p.A., Iren Ambiente Parma S.r.l., Iren Ambiente Piacenza S.r.l., ASM Vercelli S.p.A., Atena Trading S.r.l., Gia in liquidazione S.r.l. (a company dissolved in 2025), San Germano S.p.A., Rigenera Materiali S.r.l., Bonifiche Servizi Ambientali S.r.l., Uniproject S.r.l., Manduriambiente S.p.A., Scarlino Energia S.p.A., Iren Ambiente Toscana S.p.A., TB S.p.A. (merged into Valdarno Ambiente S.r.l.), Futura S.p.A., Ireti Gas S.p.A., Valle Dora Energia S.r.l., Alegas S.r.l., Iren Green Generation S.r.l., Iren Green Generation Tech S.r.l., Valdarno Ambiente S.r.l., Dogliani Energia S.r.l., I Blu S.r.l., Sei Toscana S.r.l., Semia Green S.r.l., Re,mat S.r.l., Limes 20 S.r.l., Limes 2 S.r.l, Limes 1 S.r.l., Agrovoltaica S.r.l., Am.ter S.p.A. (merged into Ireti S.p.A.), C.R.C.M. S.r.l., Iren Acqua Reggio S.r.l. e Iren Acqua Piacenza S.r.l.

VAT Group
In September 2019, Iren S.p.A. exercised the option for establishment of the VAT Group, with effect from 1 January 2020.
The companies that take part in the VAT Group for 2025, not including the Parent Iren S.p.A., are as follows: Iren Energia S.p.A., Ireti S.p.A., Iren Mercato S.p.A., Iren Ambiente S.p.A., Amiat S.p.A, Iren Smart Solutions S.p.A., Iren Acqua Tigullio S.p.A., Iren Acqua S.p.A. (merged into Ireti S.p.A.), Iren Acqua Reggio S.r.l., Iren Laboratori S.p.A., Bonifica Autocisterne S.r.l., ASM Vercelli S.p.A., Atena Trading S.r.l, Acam Ambiente S.p.A., Acam Acque S.p.A., Recos S.p.A., Alfa Solutions S.p.A., TRM S.p.A, San Germano S.p.A., Maira S.p.A., Formaira S.r.l., Territorio e Risorse S.r.l., Rigenera Materiali S.r.l., Re.Mat S.r.l., Bonifiche Servizi Ambientali S.r.l., Uniproject S.r.l., Manduriambiente S.p.A., Iren Ambiente Toscana S.p.A., TB S.p.A. (merged into Valdarno Ambiente S.r.l.), Futura S.p.A., I Blu S.r.l., Iren Ambiente Parma S.r.l., Iren Ambiente Piacenza S.r.l., Asti Energia e Calore S.p.A, Ireti Gas Spa , Sei Toscana S.p.A., Valdarno Ambiente S.r.l., Iren Green Generation Tech S.p.A., Valle Dora S.r.l., Dogliani Energia S.r.l., Alegas S.r.l. (merged into Iren Mercato S.p.A.), Ekovision S.r.l., Limes 20 S.r.l., Limes 1 S.r.l., Limes 2 S.r.l., Acquaenna S.c.p.a., Am.ter S.p.A. (merged into Ireti S.p.A.), Iren Acqua Piacenza S.r.l., Semia Green S.r.l. , Agrovoltaica Srl, C.R.C.M. S.r.l..

Transactions with owners

Iren S.p.A.'s main transactions with owners concern not only property taxes, but also costs for sponsorships, including of a technical nature, within the scope of which the Group's activities were promoted.

Transactions with joint ventures and associates

Among the main transactions carried out by Iren S.p.A. with joint ventures and associates, we can note:
- the reversible fees paid to Iren S.p.A. for the participation of its employees in the Boards of Directors of the related companies;
- the supply of administrative services.

Quantitative information on transactions with related parties is provided in the chapter "X. Annexes to the Separate Financial Statements", considered an integral part of this Note.

Finally, as regards the Directors and Statutory Auditors of Iren S.p.A. with the exception of payment of the fees envisaged for the performance of duties in the management and control bodies, we can report that there were no transactions.
Transactions that consist of assigning remunerations and economic benefits, in any form, to members of the management and control bodies of Iren S.p.A. and Executives with Strategic Responsibilities of IREN Group are also subject to the provisions of the RPT Procedure.
The remuneration of key management (members of the Board of Directors - including members that ceased to hold office in 2025 - and Executives with Strategic Responsibilities) totals 5.193 thousand euro, and refers to fixed remuneration (3.236 thousand euro), remuneration for participation in committees (173 thousand euro), bonuses and other incentives (1.742 thousand euro) and non-cash benefits (42 thousand euro).

V. Significant events after the reporting date

EIB loan to support the circular economy and energy efficiency

In March 2026, Iren signed a 225 million euro financing agreement with the European Investment Bank (EIB) to support its investment programme for the period 2025–2028. The initiative aims to support a series of measures designed to promote the circular economy and energy efficiency by upgrading waste collection systems and implementing measures to reduce energy consumption in buildings.

The loan supports investments in municipal waste management, including new containers, collection vehicles, recycling centres and infrastructure to support the introduction of 'Pay-As-You-Throw' (PAYT) systems, which link charges to the quantity of waste actually generated and encourage improved waste separation at source. At the same time, funding is being provided for energy efficiency measures aimed at reducing consumption in buildings, with a particular focus on social care facilities, such as residential homes for the elderly and mental health centres, managed by non-profit organisations.

The investments will be made primarily in the three regions of Northwest Italy where the Group has historically operated (Piedmont, Emilia-Romagna, Liguria), as well as in Tuscany and other Italian regions, particularly by Iren Ambiente and Iren Smart Solutions.

Conflict in the Middle East

Recent geopolitical tensions in the Middle East, resulting from the ongoing conflict between the United States, Israel and Iran, have caused the blockade of the Strait of Hormuz, hindering the transit of ships carrying oil, petroleum products and LNG to Asia and Europe. Attacks on energy infrastructure in the Gulf countries have also been recorded, resulting in significant damage to extraction, refining and transportation processes. These events led to a significant increase in oil and natural gas prices, with direct repercussions on European energy prices. The blockade of ship transit through the Strait of Hormuz could also generate delays and price increases on additional supply chains.

The effects of higher energy prices on the Group's profitability, as well as on macroeconomic scenarios related to inflation and interest rates, will be monitored and assessed in light of the duration of the conflict and the attacks on the region's energy infrastructure.

VI. Other information

CONSOB COMMUNICATION NO. DEM/6064293 of 28 July 2006

Significant non-recurring events and transactions

During the financial year 2025, the Company was not affected by "non-recurring" events and did not carry out significant transactions identified as such on the basis of the definitions contained, in the Communication. In particular, it was not affected by events which do not reoccur frequently during the normal performance of the business.

Positions or transactions deriving from atypical and/or unusual transactions

In 2025, the Company was not involved in atypical and/or unusual transactions, as defined in the Communication, i.e. transactions that may, due to their significance/relevance, nature of the counterparties, subject of the transaction, methods for determining the transfer price and timing of the event (near year end), give rise to concerns about the correctness/completeness of the financial statements disclosures, conflict of interest, safeguard of the company's assets or protection of non-controlling investors.

DISCLOSURE ON PUBLIC DISBURSEMENTS

With reference to what is provided for on the subject of transparency in the system of public disbursements pursuant to article 35 of Italian Decree Law no. 34/2019 ('growth decree') we can specify that the National Register of State Aid includes aid, in favour of the company, which must be disclosed. For the related details please see the aforementioned Register, under the terms of article 35, paragraph 125-quinquies.

VII. Notes to the statement of financial position

Unless otherwise stated, the tables below are in thousands of euro.

ASSETS

NON-CURRENT ASSETS

NOTE 1_PROPERTY, PLANT AND EQUIPMENT

The breakdown of property, plant and equipment, including right-of-use assets, is shown in the table

thousands of euro

	Cost as at 31/12/2025	Accumulated depreciation as at 31/12/2025	Carrying amount as at 31/12/2025	Cost as at 31/12/2024	Accumulated depreciation as at 31/12/2024	Carrying amount as at 31/12/2024
Land	14,356	(1,052)	13,304	15,077	(1,130)	13,947
Buildings	168,493	(37,019)	131,474	150,755	(34,142)	116,613
Plant and machinery	41,153	(11,915)	29,238	20,268	(7,920)	12,348
Industrial and commercial equipment	1,917	(988)	929	1,794	(838)	956
Other assets	95,038	(64,273)	30,765	87,151	(53,914)	33,237
Assets under construction and payments on account	3,153	-	3,153	50,901	-	50,901
Total	**324,110**	**(115,247)**	**208,863**	**325,946**	**(97,944)**	**228,002**

below:

The variation in the historical cost of property, plant and equipment, including the right-of-use assets, is as follows:

thousands of euro

	31/12/2024	Increases	Decreases	Other changes	Reclassifica-tions	31/12/2025
Land	15,077	3	(124)		(600)	14,356
Buildings	150,755	4,327	(281)	(6,267)	19,959	168,493
Plant and machinery	20,268	2,686			18,199	41,153
Industrial and commercial equipment	1,794	123				1,917
Other assets	87,151	8,602	(2,137)		1,422	95,038
Assets under construction and payments on account	50,901	2,371		(124)	(49,995)	3,153
Total	**325,946**	**18,112**	**(2,542)**	**(6,391)**	**(11,015)**	**324,110**

Changes in related accumulated depreciation are shown below:

thousands of euro

	31/12/2024	Depreciation for the year	Decreases	Other changes	Reclassifica-tions	31/12/2025
Land	(1,130)	(9)	56		31	(1,052)
Buildings	(34,142)	(6,102)	281		2,944	(37,019)
Plant and machinery	(7,920)	(3,995)				(11,915)
Industrial and commercial equipment	(838)	(150)				(988)
Other assets	(53,914)	(12,488)	2,129			(64,273)
Total	**(97,944)**	**(22,744)**	**2,466**	-	**2,975**	**(115,247)**

The main categories refer to:

- Land and buildings: this item mainly includes buildings relating to management offices or in support of operating activities;
- Plant and machinery: this item includes the auxiliary systems of buildings, air conditioning systems, telecommunications equipment and some prototypes for development activities;
- Other assets: include motor vehicles and cars, furniture, office machines and IT equipment;
- Assets under construction and payments on account: this item includes all expenses incurred for investments in progress and not yet in operation.

Finally, no assets are pledged against liabilities.

Increases

The increases in the year, of 18,112 thousand euro, refer mainly to:

- extraordinary maintenance, also during realisation, of buildings and auxiliary plants at the various company offices;
- upgrading of hardware infrastructure and telecommunications equipment;
- investments in motor vehicles, including those leased and recorded in accordance with IFRS 16;
- investments for the purchase of equipment and furnishings;
- the costs incurred for the building renovation of the Piazza Raggi office in Genoa.

Impairment losses

In 2025, impairment losses totalling 6,266 thousand euro were recorded in relation to the decommissioned building used as the headquarters in Genoa, Via Santi Giacomo e Filippo.

Depreciation

Ordinary depreciation for 2025, amounting to 22,744 thousand euro, was calculated on the basis of the rates indicated in the section “Accounting policies” and deemed representative of the residual useful life of the assets.

Reclassifications

For 2025, this item includes, in addition to reclassifications related to the normal entry into operation of investments made in the previous year, the reclassification to “Assets held for sale” of the carrying amount of the building located in the Municipality of Genoa, which was used as the Company’s head office until February 2025.

Right-of-use assets - IFRS 16

IFRS 16 provides for recognition in the statement of financial position of the assets and related financial liabilities for all lease contracts with a term of more than 12 months unless the underlying asset is of low value. The contracts in which Iren S.p.A. acts as lessee refer to property leases and long-term hires of cars and other motor vehicles.
The breakdown of right-of-use assets, divided between historical cost, accumulated depreciation and carrying amount is provided in the table below:

thousands of euro

	Cost as at 31/12/2025	Accumulated depreciation as at 31/12/2025	Carrying amount as at 31/12/2025	Cost as at 31/12/2024	Accumulated depreciation as at 31/12/2024	Carrying amount as at 31/12/2024
Land	-	-	-	121	(47)	74
Buildings	22,234	(13,316)	8,918	23,101	(11,232)	11,869
Other assets	8,713	(5,827)	2,886	10,483	(5,209)	5,274
Total	**30,947**	**(19,143)**	**11,804**	**33,705**	**(16,488)**	**17,217**

The variation in the historical cost of right-of-use assets, is as follows:

thousands of euro

	31/12/2024	Increases	Decreases	Reclassifica-tions	31/12/2025
Land	121	3	(124)	-	-
Buildings	23,101	1,531	(281)	(2,117)	22,234
Other assets	10,483	217	(1,987)	-	8,713
Total	**33,705**	**1,751**	**(2,392)**	**(2,117)**	**30,947**

Finally, changes in the accumulated depreciation of right-of-use assets are shown below:

thousands of euro

	31/12/2024	Depreciation for the year	Decreases	Reclassifica-tions	31/12/2025
Land	(47)	(9)	56		-
Buildings	(11,232)	(2,780)	282	414	(13,316)
Other assets	(5,209)	(2,605)	1,987		(5,827)
Total	**(16,488)**	**(5,394)**	**2,325**	**414**	**(19,143)**

Finally, it is noted that the net amount of 1,703 thousand euro, reported in the 'Reclassifications' column, refers to the repurchase of ownership of a building in 2025, the lease contract for which was recognised as a right-of-use asset in accordance with IFRS 16.

NOTE 2_ INTANGIBLE ASSETS WITH A FINITE USEFUL LIFE

The breakdown of intangible assets, divided between historical cost, accumulated amortisation and carrying amount is as follows:

thousands of euro

	Cost as at 31/12/2025	Accumulated amortisation as at 31/12/2025	Carrying amount as at 31/12/2025	Cost as at 31/12/2024	Accumulated amortisation as at 31/12/2024	Carrying amount as at 31/12/2024
Development costs	47	(47)	-	47	(47)	-
Industrial patents and intellectual property rights	337,819	(224,681)	113,138	286,048	(179,102)	106,946
Concessions, licences, trademarks and similar rights	34	(4)	30	34	(4)	30
Other intangible assets	9,601	(9,601)	-	9,601	(9,600)	1
Assets under development and payments on account	4,293	-	4,293	6,627	-	6,627
Total	**351,794**	**(234,333)**	**117,461**	**302,357**	**(188,753)**	**113,604**

The change in the historical cost of intangible assets is as follows:

thousands of euro

	31/12/2024	Increases	Decreases	Reclassifica-tions	31/12/2024
Development costs	47				47
Industrial patents and intellectual property rights	286,048	48,379	(76)	3,468	337,819
Concessions, licences, trademarks and similar rights	34				34
Other intangible assets	9,601				9,601
Assets under development and payments on account	6,627	2,556		(4,890)	4,293
Total	**302,357**	**50,935**	**(76)**	**(1,422)**	**351,794**

Changes in the accumulated amortisation are shown below:

thousands of euro

	31/12/2024	Amortisation for the year	Decreases	Reclassifica-tions	31/12/2024
Development costs	(47)				(47)
Industrial patents and intellectual property rights	(179,102)	(45,628)	49		(224,681)
Concessions, licences, trademarks and similar rights	(4)				(4)
Other intangible assets	(9,600)	(1)			(9,601)
Total	**(188,753)**	**(45,629)**	**49**	**-**	**(234,333)**

The main categories refer to:

- Industrial patents and intellectual property rights: the item consists of software use licenses and costs incurred for the internal production of software created in order to adapt and update the licensed applications; these assets are generally amortised over five years, except in cases of specific contractual durations.
- Assets under development: this item consists mainly of costs incurred for new implementations and studies relating to IT projects, concerning applications supporting operating and administrative activities.

Increases

Increases in the year, amounting to 50,935 thousand euro, primarily refer to the purchase, internal development (including ongoing development), implementation and adaptation of software for administrative, commercial and customer management within the Group.

Decreases

Decreases for the year of 76 thousand euro relate to the revision of certain estimates recorded in previous years.

NOTE 3_INVESTMENTS IN SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES

Equity investments in subsidiaries

The item amounted to a total of 2,735,578 thousand euro (2,650,574 thousand euro as at 31 December 2024).

Data on investments in direct subsidiaries, i.e., the lead companies of the Group's business chains, as at 31 December 2025 can be found in the appropriate section of the Annexes.

The carrying amounts of the equity investments had already increased during 2024, as Iren S.p.A. had completed the acquisition of 50% of the share capital of EGEA Holding S.p.A., a NewCo, into which the operating branches of EGEA S.p.A., EGEA Commerciale S.r.l. and EGEA Produzioni e Teleriscaldamento S.r.l. ("EGEA PT") were previously transferred, as part of the negotiated crisis settlement procedure pursuant to Legislative Decree 14/2019 ("Crisis Code") of the same companies.

Following the receipt of Antitrust and Golden Power clearances, on 10 January 2025, Iren S.p.A. subscribed and paid a capital increase of 10 million euro in EGEA Holding (2,941 euro in share capital and 9,997,059 euro in share premium), increasing its investment from 50% to 52.77%.
Also with regard to this transaction, on 31 March 2025, Iren S.p.A. notified the other shareholder, MidCo 2024 S.r.l., of its decision to exercise the call option, as contractually stipulated in the investment agreement, for the acquisition of the remaining 47.23% of EGEA Holding. The price for the exercise of the option was 74.8 million euro. In accordance with the agreed terms, a portion of the price (68.9 million euro) was paid at the closing (22 May 2025), while the payment of the remaining portion of 6.7 million euro, including financial expense in consideration of the unwillingness of certain creditor parties to apply the so-called 'minimum price discount mechanism', will be deferred until 31 March 2029.

A comparison of the book cost with the value of Equity, for all subsidiaries, both with reference to the Shareholders' Equity of the separate financial statements and with reference to the Shareholders' Equity of the sub-consolidated financial statements, shows in all cases a Shareholders' Equity higher than the cost. Therefore, no trigger events have been identified that require impairment testing.

thousands of euro

	Cost of equity investment	Equity at 31/12/2025	Delta SE - Cost of equity investment
Subsidiaries			
Iren Ambiente	243,437	339,723	96,286
IRETI	1,039,100	1,324,044	284,944
Iren Energia	1,139,112	1,331,113	192,001
Iren Mercato	142,383	198,614	56,231
Egea Holding	171,546	178,470	6,924
Overall total	**2,735,578**	**3,371,964**	**636,386**

Despite this, since the subsidiaries are the lead companies of the Business Units for which the calculation of the value in use is processed for the purposes of the impairment test, since the groups of CGUs to which the goodwill has been allocated in the consolidated financial statements are the same, the impairment test prepared for the purposes of the consolidated financial statements is also used for the valuation of investments in subsidiaries held by Iren S.p.A. and allows the conclusion that, no impairment has been identified with reference to these investments. This test is also considered valid for the investment in EGEA Holding, given the corporate reorganization operation underway at the end of 2025 which provides for the statutory allocation of CGUs and groups of CGUs within the Iren Group's Business Units.

NOTE 4_OTHER EQUITY INVESTMENTS

This item relates to investments in companies over which Iren S.p.A. has neither control nor significant influence. These equity investments are measured at fair value but, as the most recent information available for measuring the fair value is insufficient and the cost represents the best estimate of the fair value, they are recognised at cost.
As of the date of these separate financial statements, the item refers to the investments held in the consortium company Competence Industry Manufactoring 4.0 in the amount of 225 thousand euro (200 thousand euro at 31 December 2024), in the company Tech4planet in the amount of 2,093 thousand euro (2,010 thousand euro at 31 December 2024) and in the limited partnership MITO Tech Ventures SLP RAIF-SICAV, organised as a reserved alternative investment fund, in the amount of 844 thousand euro (269 thousand euro at 31 December 2024).

NOTE 5_NON-CURRENT FINANCIAL ASSETS

The total of the item amounted to 4,142,367 thousand euro (3,687,506 thousand euro as at 31 December 2024).

thousands of euro

	31/12/2025	31/12/2024
Cash pooling arrangement - subsidiaries	3,837,459	3,585,848
Loan assets with subsidiaries	266,712	58,729
Fair value of derivatives – non-current portion	16,554	21,185
Other financial assets	21,642	21,744
Total	**4,142,367**	**3,687,506**

For details on the item "Cash pooling arrangement", see the table showing "Transactions with related parties" in the Annexes to this document.
The fair value of derivative contracts, for the non-current portion, amounted to 16,554 thousand euro (21,185 thousand euro as at 31 December 2024). For comments please see the chapter "Financial risk management of IREN S.p.A.".
The item "Other financial assets" consists of the variable portion of the sale price of the investment in OLT Offshore LNG Toscana and the related loan, measured at fair value with changes recognised in profit or loss.

NOTE 6_OTHER NON-CURRENT ASSETS

They amounted to 1,091 thousand euro (1,222 thousand euro as at 31 December 2024) and mainly consisted of grants accrued for innovation projects in the amount of 1,034 thousand euro (1,165 thousand euro as at 31 December 2024) and amounts due from owners in the amount of 41 thousand euro related to administrative services (unchanged from 31 December 2024).

NOTE 7_DEFERRED TAX ASSETS

This item refers to taxes related to temporary differences between the carrying amount and tax base of assets and liabilities in the statement of financial position. These taxes were calculated by applying the rates envisaged when the temporary differences reverse.
In accordance with IAS 12, the item includes the net effect of deferred tax assets and deferred tax liabilities for IRES.
As at 31 December 2025, the item amounted to 11,145 thousand euro (8,777 thousand at 31 December 2024).
For further information, reference is made to the note to the income statement "Income taxes" and to the Annexes concerning the details on temporary differences related to deferred taxation.

CURRENT ASSETS

NOTE 8_INVENTORIES

The item amounted to 4,888 thousand euro (5,643 thousand euro as at 31 December 2024). Inventories include stocks of articles used by all Group companies (technical clothing, hardware, stationery and signs).
The inventory write-down provision, which was established in 2020 with the aim of taking into account the technical obsolescence and slow movement of certain materials, amounted to 219 thousand euro (287 thousand euro at 31 December 2024).

NOTE 9_TRADE RECEIVABLES

thousands of euro

	31/12/2025	31/12/2024
Customers	982	982
Subsidiaries	102,225	117,178
Joint ventures and associates	269	1,650
Other related parties	-	2
Loss allowance	(715)	(793)
Total	**102,761**	**119,019**

Trade receivables from customers
These relate to receivables for services rendered to third-party customers.

Trade receivables from subsidiaries
These relate to normal trade transactions performed at arm's length, and refer mainly to corporate services, of a technical/administrative nature provided to the Group companies. The details of these receivables by counterparty are annexed in the "Transactions with related parties" section of the Annexes to the Separate Financial Statements.

Trade receivables from joint ventures and associates
This item refers to fees that may be charged back for offices held by Iren employees at associates, as well as to the charge-back of insurance costs borne by the Parent.
The details by counterparty are annexed in the section "Transactions with related parties".

Loss allowance

The item amounted to 715 thousand euro (793 thousand euro as at 31 December 2024). No accrual was made during the year, but a release was made in order to adjust the allowance to the amount of expected credit losses on the basis of the simplified approach envisaged by IFRS 9, where "loss" means the present value of all future cash shortfalls, considering forward-looking information, taking into due consideration historical data.

thousands of euro

	31/12/2024	Provisions	Decreases	31/12/2025
Loss allowance	(793)	-	78	(715)

NOTE 10_CURRENT TAX ASSETS

This item was not measured as at 31 December 2025. At 31 December 2024, it amounted to 6,337 thousand euro and referred to IRES advances for 3,972 thousand euro, to IRES assets for 2,310 thousand euro and to IRAP advances for 55 thousand euro.

NOTE 11_SUNDRY ASSETS AND OTHER CURRENT ASSETS

These are as follows:

thousands of euro

	31/12/2025	31/12/2024
From subsidiaries for VAT group	19,391	25,193
From subsidiaries for tax consolidation scheme	32,645	14,565
VAT assets	47,382	15,765
Other tax assets	3,884	3,105
Current tax assets	**103,302**	**58,628**
Advances to suppliers	692	991
From others	2,989	1,857
Other current assets	**3,681**	**2,848**
Prepaid expenses	13,390	11,051
Total	**120,373**	**72,527**

As noted in the chapter "Transactions with related parties", in September 2019 Iren exercised the option for establishment of the VAT Group with effect from 1 January 2020.

The option for the Group tax consolidation scheme was exercised by the Group. This requires that the consolidated companies transfer their IRES assets/liabilities to the Parent Iren S.p.A.
The other tax assets shown in the table consist mainly of amounts due from the tax authorities for tax assets, while prepaid expenses relate largely to the portion pertaining to future IT services.

NOTE 12_CURRENT FINANCIAL ASSETS

The item amounted to a total of 31,842 thousand euro (483,398 thousand euro as at 31 December 2024). All financial assets recognised in this item are due within 12 months. The carrying amount of these assets approximates their fair value as the impact of discounting is negligible.

Current financial assets relate to:

thousands of euro

	31/12/2025	31/12/2024
Subsidiaries	30,578	25,576
Others	1,264	457,822
Total	**31,842**	**483,398**

Loan assets with subsidiaries
These refer to interest accrued on financing, particularly on the cash pooling arrangement.

Loan assets with others
These amounted to 1,264 thousand euro (457,822 thousand euro as at 31 December 2024) and mainly referred to loan assets with banks for 547 thousand euro (3,146 thousand euro as at 31 December 2024) and prepayments of a financial nature for 353 thousand euro (497 thousand euro as at 31 December 2024). As at 31 December 2024, financial deposits amounting to 450,000 thousand euro were also recognised, consisting of funds invested in the form of 'time deposits', created from the proceeds of the Bonds issued in September 2024 and maturing in July 2025, together with assets for interest on fixed-term deposits amounting to 4,027 thousand euro.

NOTE 13_CASH AND CASH EQUIVALENTS

Cash and cash equivalents may be analysed as follows:

thousands of euro

	31/12/2025	31/12/2024
Bank and postal deposits	164,015	225,452
Cash and similar on hand	-	-
Total	**164,015**	**225,452**

Cash and cash equivalents consist of available bank and postal deposits.
Iren S.p.A. does not hold cash equivalents, intended as short-term and highly liquid investments readily convertible into known amounts of cash and subject to an insignificant risk of changes in value.

NOTE 14_ASSETS HELD FOR SALE

This item amounts to 9,462 thousand euro (none as at 31 December 2024) and refers to the fair value of a property located in the Municipality of Genoa, used until February 2025 as the Company's head office, the carrying amount of which will be recovered primarily through a sale transaction rather than through its continued use.

LIABILITIES

NOTE 15_EQUITY

Equity may be analysed as follows:

thousands of euro

	31/12/2025	31/12/2024
Share Capital	1,300,931	1,300,931
Reserves and Retained Earnings	1,315,330	773,269
Profit for the year	218,475	212,507
Total	**2,834,736**	**2,286,707**

Share capital

Share capital amounts to 1,300,931,377 euro (unchanged compared to 31 December 2024), which is fully paid up and comprises 1,300,931,377 ordinary shares with a nominal value of 1 euro each.
In 2020 and 2021, following the relative shareholders' resolutions, the Company repurchased treasury shares for a total of 17,855,645 for a price of 38,690 thousand euro recognised as a reduction of equity in the item "Reserves and Retained Earnings".

Reserves and Retained Earnings

The breakdown of this item is as follows:

thousands of euro

	31/12/2025	31/12/2024
Treasury shares	(38,690)	(38,690)
Perpetual hybrid bonds reserve	495,282	-
Share premium reserve	133,020	133,020
Legal reserve	130,332	119,707
Hedging reserve	(1,186)	(4,095)
Other reserves and Retained earnings	596,572	563,327
Total	**1,315,330**	**773,269**

Treasury shares
In November 2021, the share buyback transaction authorised by the Board of Directors in the year 2020 was concluded.
The Ordinary Shareholders' Meeting held 04 May 2023 once again authorised the Board of Directors to repurchase and dispose of treasury shares, also on a fractional basis, pursuant to article 2357 et seq. of the Italian Civil Code.
The Board of Directors could have carried out transactions for the repurchase and disposal of treasury shares for a maximum of 45,532,598 shares, such as not to exceed a further 3.5% of the share capital, in addition to the 17,855,645 shares already present in the portfolio equal to 1.37% of the share capital. The share buy-back programme, valid for eighteen months from the date of the shareholders' resolution, ended in November 2024.
During 2025, no transaction was carried out in this regard and as at 31 December 2025, there were 17,855,645 shares for a total consideration of 38,690 thousand euro (unchanged compared to 31 December 2024), exposed to a reduction in equity in the item "Reserves and retained earnings".

Perpetual hybrid bonds
This reserve includes the nominal value, net of transaction costs and the related tax effect, of non-convertible subordinated hybrid perpetual bonds.
On 16 January 2025, Iren SpA placed "Hybrid Bonds" with a nominal value of 500 million euro, issued in a single tranche for the entire amount with a settlement date of 23 January 2025. The fixed annual coupon, payable annually in arrears in April starting from April 2025 upon the occurrence of certain conditions, is equal to 4.5% and will be paid until the first reset date of 23 April 2030. From that date, unless fully redeemed, the bonds will bear interest at the five-year Euro Mid Swap rate plus

an initial margin of 221.2 basis points. The margin will increase by 25 basis points from 2035, and by a further 75 basis points from 2050, for a total cumulative increase of 100 basis points.
The issue price was set at 99.448%, resulting in an effective yield of 4.625% per annum at the first *reset date*.
During 2025, Iren S.p.A. paid coupons to holders of perpetual hybrid bonds in the amount of 5,550 thousand euro.

Hedging reserve
Changes in the fair value of effective hedging derivatives are recognised with a corresponding balancing item directly in equity under the hedging reserve. These contracts were concluded to hedge exposure to the risk of interest rate fluctuations on floating rate loans.

Other reserves and Retained earnings
These comprise mainly the goodwill arising on the merger of AMGA into AEM Torino and the subsequent merger of Enìa into Iride, from retained earnings, and the actuarial reserve consisting of actuarial gains and losses on the measurement of post-employment benefits.
The increase in 2025 is mainly due to the carrying forward of profits for the previous year not distributed (37,263 thousand euro).

Dividends
On 24 April 2025, the Ordinary Shareholders' Meeting of Iren S.p.A. approved the Company's separate financial statements at 31 December 2024 and the Directors' Report, and resolved to distribute a dividend of 0.1283 euro per ordinary share, confirming the proposal made by the Board of Directors. At the ex-dividend date, the number of outstanding shares was 1,283,075,732 and, consequently, the total amount of dividends distributed was 164,618,616 euro.

CAPITAL MANAGEMENT
The capital management policies of the Board of Directors involve maintaining a high level of capital to uphold relations of trust with investors, creditors and the market, and also allowing future business development.
The Board of Directors monitors the return on capital and the level of dividends for distribution to shareholders, and aims to maintain a balance between achieving extra yield by recourse to indebtedness and the benefits and security offered by a solid financial position.

For further details, reference should be made to the statement of changes in equity.

NON-CURRENT LIABILITIES

NOTE 16_NON-CURRENT FINANCIAL LIABILITIES

Non-current financial liabilities amounted to 4,244,096 thousand euro (4,272,105 thousand euro as at 31 December 2024) and consist of:

Bonds
These amounted to 2,998,177 thousand euro due after 12 months (2,992,913 thousand euro as at 31 December 2024). The item consisted of positions referred to Public and Private Bond issues, accounted for at amortised cost, against a total nominal amount in issue at 31 December 2025 of 3,024,000 thousand euro (unchanged compared to 31 December 2024).
The details of Bonds with maturity after 12 months are as follows:

- Green Bonds maturing October 2027, coupon 1.5%, amount 500 million euro, all outstanding (amount at amortised cost 498,046 thousand euro);
- Green Private Placement maturing August 2028, coupon 2.875%, outstanding amount 40 million euro (amount at amortised cost 39,822 thousand euro);
- Green Bonds maturing October 2029, coupon 0.875%, amount 500 million euro, all outstanding (amount at amortised cost 497,881 thousand euro);
- Bonds maturing July 2030, coupon 1%, outstanding amount 484 million euro (amount at amortised cost 479,088 thousand euro).
- Green Bonds maturing January 2031, coupon 0.25%, amount 500 million euro, including TAP issue of October 2021, all outstanding (amount at amortised cost 492,050 thousand euro);
- Green Bonds maturing July 2032, coupon 3.875%, amount 500 million euro, all outstanding (amount at amortised cost 496,356 thousand euro);
- Green Bonds issued maturing September 2033, coupon 3.625%, amount 500 million euro, all outstanding (amount at amortised cost 494,934 thousand euro);

The bonds were subscribed by Italian and foreign institutional investors, are listed on the Irish Stock Exchange and were assigned Fitch and S&P ratings.
The change in the total carrying amount compared to 31 December 2024 is due to the recognition of accrued interest expense, calculated using the amortised cost method.

Non-current bank loans

Non-current bank loans relate exclusively to the non-current portion of loans/credit lines due after 12 months granted by banks, and amounted to 1,226,183 thousand euro (1,254,865 thousand euro as at 31 December 2024).
Non-current bank loans, all at floating rate, can be analysed by maturity (referring to the portion due after 12 months), as follows:

thousands of euro

	TOTAL
min/max rate	2.478% - 3.572%
maturity	2027-2043
2027	59,499
2028	470,545
2029	71,866
2030	86,151
subsequent	538,122
Total after 12 months as at 31/12/2025	**1,226,183**
Total after 12 months as at 31/12/2024	**1,254,865**

All loans are denominated in euro.

The changes in non-current loans during the year are summarised as follows:

thousands of euro

	31/12/2024 Total after 12 months	Increases	Decreases	Adjustment of amortised cost	31/12/2025 Total after 12 months
TOTAL	1,254,865	270,000	(299,563)	881	1,226,183

Total non-current loans at 31 December 2025 decreased compared to 31 December 2024, as a combined result of:

- increase of 270,000 thousand euro in non-current loans for disbursements on CEB (Council of Europe Development Bank) and EIB (European Investment Bank) lines;
- reduction of 299,563 thousand euro, owing to the reclassification of the portions of loans maturing within the next 12 months as current and for the early repayment of existing positions for 250,000 thousand euro;
- increase of 881 thousand euro due to recognition of the loans at amortised cost.

Non-current lease liabilities

This item refers to the portion of Company rental and hire liabilities due after 12 months, recognised in accordance with IFRS 16, and amounted to 7,731 thousand euro (11,590 thousand euro at 31 December 2024). This figure will be gradually reduced on the basis of repayment of the lease principal.

Other financial liabilities

The item amounts to 12,005 thousand euro (12,736 thousand euro at 31 December 2024) and refers to the fair value of derivative contracts entered into by Iren to hedge its exposure to the risk of interest rate fluctuations on floating-rate loans for 5,957 thousand euro (12,736 thousand euro at 31 December 2024) and to the exercise of the call option for the acquisition of the residual investment in EGEA Holding S.r.l. for 6,048 thousand euro (not present at 31 December 2024).

NOTE 17_EMPLOYEE BENEFITS

Changes in this item in 2024 were as follows:

thousands of euro

	31/12/2024	Obligations accrued during the year	Financial expenses	Disbursements for the year	Intra-group transfers	Actuarial (gains)/losses	31/12/2025
Post-employment benefits	10,033	-	300	(749)	37	(186)	9,435
Additional salary payments	833	25	26	(57)	-	(34)	793
Loyalty bonus	347	16	10	(43)	-	(15)	315
Tariff discounts	1,593	-	49	(134)	-	(71)	1,437
Premungas	430	-	13	(125)	-	27	345
Total	**13,236**	**41**	**398**	**(1,108)**	**37**	**(279)**	**12,325**

The tariff discounts include benefits related to the supply of natural gas for domestic use. Following the signing of specific agreements with the trade unions, the "Energy discount" awarded up to 30 September 2017 to employees in service was converted into other forms of employee benefits. The "Energy discount" awarded up to 30 September 2017 to retired employees was revoked unilaterally and replaced with lump sums included in provisions for former employee benefits.

Actuarial assumptions

The above-mentioned liabilities are measured by independent actuaries. The liability relating to the defined benefit plans is calculated in accordance with actuarial assumptions and is recognised on an accruals basis in line with the service necessary to obtain benefits.
For the purpose of defining the present value of the obligations, the future service is estimated based on assumptions related to changes in the total number of employees and employee remuneration. Future service represents the amount that would be paid out to each employee in the event of continuing working activity with another company, retirement, death, resignation or a request for an advance.
The following factors were considered in deciding which discount rate to adopt in the measurement approach provided by IAS 19:

- stock market of reference;
- the measurement date;
- expected average term of the liabilities.

The average residual term of liabilities was obtained as the weighted average residual term of liabilities related to all benefits.
The economic and financial assumptions adopted in the calculations are the following:

Annual discount rate	3.37%
Annual inflation rate	2.00%
Annual rate of increase of Post-employment benefits	3.00%

In accordance with the provisions of IAS 19, the following additional information is supplied:

- sensitivity analysis for each material actuarial assumption at year end, showing the effects that would have resulted from changes in the actuarial assumptions reasonably possible at that date, in absolute terms;
- contributions for the following year;
- indication of the average maturity of the obligation for defined benefit plans.

This information is shown in the following table.

	Change in liabilities according to changes in discount rate		Service cost 2025	Duration of the plan	Disbursements 2026
	+0.25%	-0.25%			
Post-employment benefits	(123)	126	-	6.00	1,458
Additional salary payments (seniority bonus)	(12)	13	23	8.06	48
Loyalty bonus	(4)	4	14	8.95	27
Tariff discounts	(25)	26	-	7.41	121
Premungas	(3)	4	-	4.60	62

NOTE 18_PROVISIONS FOR RISKS AND CHARGES

Details and changes are shown in the table below:

thousands of euro

	31/12/2024	Increases	Decreases	Reclassifications	31/12/2025	Non-current portion
Provision for early retirement	7,863	645	(1,030)		7,478	4,964
Other provisions for risks and charges	9,972	2,094	(564)	(4,579)	6,923	6,923
Total	**17,835**	**2,739**	**(1,594)**	**(4,579)**	**14,401**	**11,887**

Provision for early retirement

The provision refers to expenses associated with early retirement of some personnel that provide for retirement incentives for some employees, on a voluntary basis among the Group's personnel who are potentially involved. The transaction should be seen in the wider context of professional and demographic rebalancing of Iren Group's personnel, in view of a plan to recruit young individuals.
The incentive, completely chargeable to Iren Group (in application of Art. 4 of Law no. 92/2012), will enable the personnel who meet the legal requisites to retire ahead of the date of eligibility.
The provisions represent the estimated payment to the employees involved in the Plan, through the social security institution, of a benefit of an amount equal to the pension that would be payable on the basis of the current rules ("early retirement") with payment to the social security institution of the contribution until the minimum requirements for retirement are reached (in accordance with the aforementioned Law 92/2012), and a sum, for each of the employees involved, as a one-off payment as an incentive.

Other provisions for risks and charges

Among other provisions, the increases mainly refer to the adjustment of the provision for long-term incentive plans and for Inps contributions referring to previous years (former Inpdap management); the decreases mainly refer to releases due to the termination of labour disputes and litigation with suppliers for which there is no longer a need to maintain the relative provisions and to utilisations for the year.

NOTE 19_DEFERRED TAX LIABILITIES

Deferred tax liabilities are due to temporary differences between the carrying amount and tax base of assets and liabilities recognised in the financial statements and have been calculated by applying the rates expected when the temporary differences will reverse.
In accordance with IAS 12, the item includes the net effect of deferred tax assets and deferred tax liabilities for IRES.
As at 31 December 2025, the items fully offset each other, similar to as at 31 December 2024.
For further information, reference is made to the note to the income statement "Income taxes" and to the Annexes concerning the details on temporary differences related to deferred taxation.

NOTE 20_SUNDRY LIABILITIES AND OTHER NON-CURRENT LIABILITIES

This item amounts to 934 thousand euro (1,305 thousand euro as at 31 December 2024) and mainly refers to portions of grants received on innovation projects, relating to future years for an amount of 932 thousand euro (1,280 thousand euro as at 31 December 2024).

CURRENT LIABILITIES

NOTE 21_CURRENT FINANCIAL LIABILITIES

All financial liabilities recognised in this item are due within 12 months. The carrying amount of these liabilities approximates their fair value as the impact of discounting is negligible.
Current financial liabilities can be analysed as follows:

thousands of euro

	31/12/2025	31/12/2024
Bank loans	72,294	544,112
Financial liabilities with subsidiaries	202,374	244,235
Current lease liabilities	4,550	5,411
Other financial liabilities	10	58
Total	**279,228**	**793,816**

Bank loans

The related amounts are as follows:

thousands of euro

	31/12/2025	31/12/2024
Loans - current portion	49,563	43,962
Other current loans	-	475,282
Other current borrowings from banks	1,180	500
Accrued expenses and deferred income	21,551	24,368
Total	**72,294**	**544,112**

Other current loans

This item has a nil balance as at 31 December 2025. As at 31 December 2024, this item related to Green Bonds maturing in September 2025, the outstanding amount of which was 476 million euro, while the carrying amount shown at amortised cost was 475,282 thousand euro.

Financial liabilities with subsidiaries

Current financial liabilities with subsidiaries, amounting to 202,374 thousand euro as at 31 December 2025 (244,235 thousand euro as at 31 December 2024) refer to the cash pooling arrangement with Group companies that have a credit position with Iren S.p.A. The amount includes an estimate of the related accrued interest expense still to be paid.

Current lease liabilities

Current lease liabilities refer to the portion of the Company's lease, rental and hire liabilities due within 12 months; they amounted to 4,550 thousand euro (5,411 thousand euro as at 31 December 2024).

Other financial liabilities

These amount to 10 thousand euro (58 thousand euro at 31 December 2024) and primarily relate to other financial services (10 thousand euro at 31 December 2024). As at 31 December 2024, there were also liabilities relating to commissions on committed credit lines and amounts due to shareholders for dividends.

Accrued expenses and deferred income

These amounted to 21,551 thousand euro (24,368 thousand euro as at 31 December 2024) and were generated by the recognition of the portion of interest expense relating to bonds, derivative contracts and loans accruing in the reporting period.

NOTE 22_TRADE PAYABLES

thousands of euro

	31/12/2025	31/12/2024
Suppliers	113,443	105,921
Subsidiaries	15,694	16,243
Joint Ventures	16	
Associates	-	22
Owners	536	464
Other related parties	9	31
Total	**129,698**	**122,681**

All trade payables are due within 12 months. The carrying amount of these payables approximates their fair value as the impact of discounting is negligible.

NOTE 23_SUNDRY LIABILITIES AND OTHER CURRENT LIABILITIES

All amounts recognised in this item are due within 12 months. The carrying amount of these liabilities approximates their fair value as the impact of discounting is negligible.

thousands of euro

	31/12/2025	31/12/2024
Amounts due to subsidiaries for VAT group	54,042	33,470
Amounts due to subsidiaries for tax consolidation scheme	39,807	23,390
IRPEF liability	214	345
Other tax liabilities	4,330	4,136
Current tax assets	**98,393**	**61,341**
Amounts due to employees	12,435	12,438
Amounts due to social security institutions	5,898	5,745
Sundry liabilities	19,881	17,300
Other current liabilities	**38,214**	**35,483**
Deferred income	34	34
Total	**136,641**	**96,858**

Amounts due to social security institutions consist mainly of withholdings and contributions to be paid to INPS and INPDAP.
Deferred income, amounting to 34 thousand euro (unchanged compared to 31 December 2024), refers to reimbursements for surety expenses.
Sundry liabilities refer mostly to adjustments of premiums related to insurance policies entered into in favour of the Group.

NOTE 24_CURRENT TAX LIABILITIES

This item amounted to 949 thousand euro (nil balance as at 31 December 2024) and relates to 629 thousand euro in IRAP liabilities and 320 thousand euro in IRES liabilities.

NOTE 25_PROVISIONS FOR RISKS AND CHARGES - CURRENT PORTION

The current portion of the provisions for risks and charges amounted to 2,514 thousand euro (128 thousand euro as at 31 December 2024) and refers to the provision for early retirement.

For more details on the breakdown see Note “Provisions for risks and charges”.

FINANCIAL POSITION

Net financial debt, calculated as the difference between current and non-current financial debt and current and non-current financial assets, can be broken down as follows:

thousands of euro

	31/12/2025	31/12/2024
Non-current financial assets	(4,142,367)	(3,687,506)
Non-current financial debt	4,244,096	4,272,105
Non-current net financial debt	**101,729**	**584,599**
Current financial assets	(195,857)	(708,850)
Current financial debt	279,228	793,816
Current net financial debt	**83,371**	**84,966**
Net financial debt	**185,100**	**669,565**

Net Financial position with related parties

Non-current financial assets relate to the cash pooling arrangement and loans to subsidiaries and associates for 4,092,171 thousand euro.
Current financial assets relate to invoices issued (902 thousand euro) and to be issued (28,676 thousand euro) to subsidiaries for interest on the cash pooling arrangement and loans.
Current financial liabilities for 202,374 thousand euro refer to amounts due to subsidiaries for cash pooling arrangements and loans and related interest.

For additional information, see the annexed tables on transactions with related parties.

The net financial position according to the structure proposed by ESMA in the document of 04 March 2021 *Guidelines on disclosure requirements under the Prospectus Regulation and* implemented by Consob with *Attention Reminder No. 5/21 of 29 April 2021* is shown below.

thousands of euro

	31/12/2025	31/12/2024
A. Cash	(164,015)	(225,452)
B. Cash equivalents	-	-
C. Other current financial assets		(450,000)
D. Liquidity (A) + (B) + (C)	**(164,015)**	**(675,452)**
E. Current financial debt (including debt instruments, but excluding the current portion of non-current financial debt)	225,115	744,443
F. Current portion of the non-current financial debt	54,113	49,373
G. Current financial debt (E + F)	**279,228**	**793,816**
H. Net current financial debt (G - D)	**115,213**	**118,364**
I. Non-current financial debt (excluding current portion and debt instruments)	1,245,919	1,279,191
J. Debt instruments	2,998,177	2,992,914
K. Commercial and other non-current debt	-	-
L. Non-current financial debt (I + J + K)	**4,244,096**	**4,272,105**
M. Total financial debt (H + L)	**4,359,309**	**4,390,469**

The table below reports on the changes during the year in current and non-current financial liabilities.

	thousands of euro
Current and non-current financial liabilities 31.12.2024	**5,065,921**
Monetary changes as reported in the statement of cash flows	
New non-current loans	270,000
Repayment of non-current loans	(769,962)
Repayment of finance leases	(6,401)
Change in other financial liabilities	(12,309)
Interest paid	(113,539)
Dividends paid	(181,132)
Non-monetary changes	
New finance leases	1,681
Fair value change in derivatives	(6,779)
Interest and other financial expense	111,225
Dividends resolved	164,619
Current and non-current financial liabilities 31.12.2025	**4,523,324**

VIII. Notes to The Income Statement

Unless otherwise stated, the tables below are in thousands of euro.

REVENUE

NOTE 26_REVENUE FROM GOODS AND SERVICES

Revenue from services provided can be broken down as follows:

thousands of euro

	FY 2025	FY 2024
Services to subsidiaries	333,659	318,120
Services to joint ventures and associates	16	1,176
Services to others	69	203
Total	**333,744**	**319,499**

Revenue from services mainly refers to corporate, administrative and technical services provided to Group companies, including the companies of the EGEA Group, which became subsidiaries in January 2025, as well as similar services provided to associates.
For additional information, see the annexed tables on transactions with related parties.

NOTE 27_OTHER INCOME

Other income includes:

thousands of euro

	FY 2025	FY 2024
Revenue for personnel at other companies	7,560	7,151
Sale of materials	2,261	2,604
Lease income	579	557
Grants related to income	698	943
Insurance settlements	74	54
Capital gains on sale of assets	28	43
Penalties to suppliers	5,097	72
Revenue from previous years	534	189
Other revenue and income	117	185
Total	**16,948**	**11,798**

Revenue for personnel at other companies refer to rechargeable fees for director positions held by Iren employees at Group companies and to the charge-back of costs relating to personnel seconded to subsidiaries.
The sale of materials mainly relates to sales to subsidiaries, as a result of the procurement and centralised management of materials for common use by the Group's businesses.
Revenue from previous years mainly regards the settlement of prior items with reference to estimates made in previous years and adjustments also to prior years' invoices.
Grants related to income mainly refer to grants of a fiscal nature related to investments made by the company and to grants accrued in respect of innovation projects.
Penalties are mainly deriving from agreements with suppliers who oversaw the renovation of the new headquarters in Genoa, in use since March 2025

COSTS

NOTE 28_RAW MATERIALS, CONSUMABLES, SUPPLIES AND GOODS

Costs for raw materials, consumables, supplies and goods are as follows:

thousands of euro

	FY 2025	FY 2024
Raw materials and inventory materials	7,891	4,264
Purchase of fuels	3,927	4,313
Change in inventories	823	408
Accrual/(use) of inventory write-down provision	(68)	(55)
Total	**12,573**	**8,930**

These costs refer mainly to the purchase of materials for common use by subsidiaries (technical clothing, hardware, stationery and signs) and fuel for Group vehicles.
The inventory write-down provision amounting to 219 thousand euro (287 thousand euro in 2024) was set up in order to take into account the technical obsolescence and slow movement of certain materials.

NOTE 29_SERVICES AND USE OF THIRD-PARTY ASSETS

Costs for services are broken down as follows:

thousands of euro

	FY 2025	FY 2024
Technical and administrative services from subsidiaries and Group companies	16,232	16,196
Third-party works, maintenance and industrial services	23,490	24,986
Snow ploughing	1,701	1,539
Expenses related to personnel (canteen, training, business travel)	14,804	14,332
Technical, administrative and commercial consulting and advertising expenses	22,225	23,681
Legal and notary fees	2,638	3,429
Insurance	21,863	23,709
Bank and postal expenses	322	353
Telephone expenses	4,498	4,178
Internal utilities (electricity, water, gas, cleaning, etc.)	13,438	12,960
IT expenses	62,633	57,612
Board of Statutory Auditors' feesn	220	181
Other costs of services	2,755	640
Total	**186,819**	**183,796**

Use of third-party assets amounted to 539 thousand euro (926 thousand euro in 2024) and relates mainly to short-term rentals of technical equipment as well as the rental of exhibition space for promotional events.
Secondarily, this item includes short-term leases or when the underlying asset is of low value, which the group has decided to exclude from the scope of application of IFRS 16.

NOTE 30_OTHER OPERATING EXPENSES

Other operating expenses are as follows:

thousands of euro

	FY 2025	FY 2024
Membership fees	2,726	2,804
General expenses	1,671	1,720
Taxes and duties	2,463	2,198
Capital losses on sale of assets	-	2
Prior year expenses	(232)	(27)
Charitable donations	2,406	2,441
Other sundry operating expenses	351	322
Total	**9,385**	**9,460**

The item "taxes and duties" mainly refers to the charges for IMU property tax on the Company's plants and buildings, as well as vehicle circulation taxes.

NOTE 31_CAPITALISED EXPENSES FOR INTERNAL WORK

Capitalised expenses for internal work amounted to 8,394 thousand euro (8,064 thousand euro in 2024) and refer to labour costs mainly for the study, creation and implementation of software and IT projects.

NOTE 32_PERSONNEL EXPENSE

thousands of euro

	FY 2025	FY 2024
Gross remuneration	63,569	63,777
Social security contributions	18,594	19,054
Other long-term employee benefits	41	42
Other personnel expense	6,656	11,521
Directors' fees	596	556
Total	**89,456**	**94,950**

Other personnel expense includes social security and recreational contributions, the contribution paid to the supplementary health care fund, insurance for accidents occurring outside working hours, the portion of post-employment benefits, and contributions to be paid by the employer to supplementary pension funds.

The composition of personnel is as follows:

	31/12/2025	31/12/2024	Yearly average
Executives	51	50	51
Junior managers	140	144	144
White collar workers	897	894	894
Blue collar workers	59	62	60
Total	**1,147**	**1,150**	**1,149**

NOTE 33_AMORTISATION AND DEPRECIATION

Amortisation and depreciation for the year amounted to 68,374 thousand euro (57,876 thousand euro in 2024).

thousands of euro

	FY 2025	FY 2024
Property, plant and equipment	22,745	19,492
Intangible assets with a finite useful life	45,629	38,384
Total	**68,374**	**57,876**

Depreciation of property, plant and equipment includes the depreciation for the year of right-of-use assets recognised in accordance with IFRS 16.
For further details on amortisation and depreciation, refer to the tables of changes in property, plant and equipment and intangible assets.

NOTE 34_PROVISIONS AND IMPAIRMENT LOSSES

thousands of euro

	FY 2025	FY 2024
Impairment losses on loans and receivables	(75)	(192)
Net impairment losses	6,266	-
Release of provisions	(25)	(1,817)
Total	**6,166**	**(2,009)**

No impairment losses on loans and receivables were recognised during 2025, similarly to 2024. However, a release was made to the loss allowance in order to adjust it to the amount of expected credit losses on the basis of the simplified approach envisaged by IFRS 9, where “loss” means the present value of all cash shortfalls considering forward looking information.

The item “Net impairment losses” relates to the revaluation, carried out by an independent expert, of the disused Genoa headquarters, which is held for sale.

Details of changes in provisions are provided in the note to the Statement of financial position item “Provisions for risks and charges”.

NOTE 35_FINANCIAL INCOME AND EXPENSE

Financial income

The breakdown of financial income is as follows:

thousands of euro

	FY 2025	FY 2024
Dividends	218,242	222,346
Bank interest income	11,604	23,338
Interest income from subsidiaries	114,191	98,485
Other financial income	681	184
Total	**344,718**	**344,353**

Interest income on receivables/loans from subsidiaries increased due to the higher interest rate and credit stock for intra-group loans; the decrease in bank interest income is due to the lower stock and rate of invested liquidity.

Financial expense

The breakdown of financial expense is shown in the following table:

thousands of euro

	FY 2025	FY 2024
Interest expense on loans	37,416	62,900
Interest expense on bonds	69,508	59,704
Hedging effect of derivatives	(8,254)	(16,770)
Interest expense on bank current accounts	2,197	1,082
Interest expense committed lines	634	666
Expense incurred on derivatives	4,162	1,197
Interest expense with subsidiaries	4,769	5,250
Interest cost – Employee benefits	499	415
Financial expense on lease liabilities	512	595
Financial expense from discounting	319	158
Other financial expense	179	189
Total	**111,941**	**115,386**

Interest expense on loans and bonds includes the expense relating to the measurement at amortised cost.
Interest expense on loans, net of the effect of derivative contracts, decreased as a result of lower debt.
Interest expense on bonds increased due to the rise in the average outstanding amount.
Interest expense on bank current accounts increased as a result of the higher stock compared to the previous year.

NOTE 36_GAINS (LOSSES) ON EQUITY INVESTMENTS

This caption had a nil balance in both 2025 and 2024.

NOTE 37_INCOME TAXES

Income taxes amounted to 75 thousand euro (1,890 thousand euro in 2024) and can be broken down as follows:

- IRES for 3,803 thousand euro (2,669 thousand euro in 2024);
- IRAP for 945 thousand euro (nil in 2024);
- deferred tax expense, given by the reversal of taxable temporary differences, of 3,233 thousand euro (1,490 thousand in 2024);
- taxes related to previous years, a positive 1,440 thousand euro (a negative 711 thousand euro in 2024).

Under the terms of Art. 96 of the Consolidated Law on Income Tax, the interest expense rules provide for their deductibility up to a maximum of 30% of the Gross Operating Profit ("fiscal" GOP) with the option to carry forward any surpluses of non-deductible interest expense to subsequent years and, if Group taxation is implemented, with the right to offset such surpluses with any "fiscal" GOP surpluses accrued from other group companies.
For Iren S.p.A., in 2025, application of the rules pursuant to Art. 96 of the Consolidated Law on Income Tax entailed forming surpluses of net non-deductible interest expense.

The table below shows the reconciliation between standard and effective IRES and IRAP tax rates.

Only current taxes and not deferred taxes are included in the table. Therefore, the changes made to the theoretical tax relate to both temporary and final changes.

The table below also shows the breakdown of the tax rate for 2025 and 2024.

	Ires rate reconciliation	FY 2025	FY 2024
A)	Pre-tax profit	218,551	214,397
B)	Theoretical tax charge (24% rate)	52,452	51,455
C)	Temporary differences taxable in future years		
	Alloc. loss allowance – tax assets		
D)	Temporary differences deductible in future years	17,777	13,706
	Fees to independent auditors and directors	*44*	-
	Plus minus amortisation	*3,332*	*694*
	Alloc. Provisions and interest expense	*2,170*	*5,544*
	MBO and Remuneration Policies	*5,321*	*6,976*
	Other	*6,911*	*492*
		-	-
E)	Reversal of previous year temporary differences	(12,806)	(6,835)
	MBO and Remuneration Policies	(5,712)	(3,950)
	Use of provisions and interest expense	(6,389)	(2,207)
	Plus minus amortisation	(580)	(418)
	Other	(125)	(260)
F)	Differences which will not carry forward	(217,486)	(208,323)
	Non-taxable share of dividends (95%) received as at 31/12	(207,330)	(211,229)
	Hybrid Bonds	(11,758)	-
	Other	*1,602*	*2,906*
G)	Taxable income (A)+C)+D)+E)+F))	6,036	12,944
H)	Current taxes for the year	1,917	2,669
	Income/expenses from consolidation	*1,449*	*3,107*
	Art Bonus	*468*	(437)
M)	Rate	1%	1%

	Irap rate reconciliation	*FY 2025*
A)	Production value (net of provision for risks)	95,592
B)	Theoretical tax charge (5.570% rate)	5,324
C)	Temporary differences taxable in future years	-
D)	Temporary differences deductible in future years	-
	Amortisation and Depreciation	
E)	Reversal of previous year temporary differences	237
	Portion of impairment losses Non-deductible and Other	*237*
F)	Differences which will not carry forward	7,374
	Directors' fees	*869*
	Others	*6,505*
G)	Taxable income (A)+C)+D)+E)+F))	103,203
		-
H)	*Deduction for employees*	(85,385)
		-
I)	Current taxes for the year	945
		-
L)	Effective rate	0

The table below shows the composition of deferred tax assets and liabilities for the two years, broken down by type of temporary difference, and the resulting effects.

thousands of euro

	FY 2025	FY 2024
Deferred tax assets		
Non-taxable provisions	4,632	5,431
Differences in non-current assets	2,545	423
Derivatives	(18)	783
Other	4,865	3,030
Total	**12,024**	**9,667**
Deferred tax liabilities		
Differences in non-current assets	819	819
Derivatives	(383)	(383)
Loss allowance	-	11
Other	443	443
Total	**879**	**890**
Net deferred tax assets	**11,145**	**8,777**

NOTE 38_OTHER COMPREHENSIVE INCOME

Other comprehensive income amounted to 3,108,686 thousand euro (other comprehensive expense of 10,343 thousand euro in 2024).
Specifically, other comprehensive income that will be subsequently reclassified to profit or loss relates to:

- the effective portion of fair value gains on cash flow hedges, 3,710 thousand euro, which refers to derivatives hedging changes in interest rates;
- the tax effect of 801 thousand euro.

Other comprehensive income that will not be subsequently reclassified to profit or loss relates to:

- actuarial losses on defined benefit plans, of 264 thousand euro;
- the tax effect of 63 thousand euro.

IX. Guarantees and contingent liabilities

GUARANTEES PROVIDED

Personal guarantees amounted to 1,190,051 thousand euro (1,098,205 thousand euro as at 31 December 2024) broken down as follows:

- 40,056 thousand euro of bank and insurance sureties provided to various Entities. Among the above, it is worth noting sureties granted in favour of:
  - Revenue Agency for 9,368 thousand euro to guarantee VAT refund requests for 2023 and pending charges;
  - Municipality of Turin, for 27,476 thousand euro, as definitive guarantee in the AMIAT/TRM tender
  - AMIAT/TRM;
  - FCT Holding for 2,000 thousand euro, as definitive guarantee in the Amiat/TRM tender procedure;
  - Atersir/Ato for 320 thousand euro to guarantee the management of the integrated water service

- 1,148,695 thousand euro in guarantees granted on behalf of subsidiaries, primarily to guarantee credit facilities and their transactions (mainly commercial contracts/Parent Guarantees on behalf of Iren Mercato Spa);

- 1,300 thousand euro of guarantees given on behalf of Associates.

CONTINGENT LIABILITIES

Claim for damages for occupational disease

It should be noted that during the 2025 financial year, Iren received a claim for damages from the heirs of AMGA's former employee, for a total amount of approximately 2 million euro, related to the death due to an occupational disease allegedly attributable to the period of employment at AMGA.

The case is currently pending before the Court of Reggio Emilia. At the first hearing on 10 October 2025, the Judge granted the plaintiff a deadline of 40 days to take a position on the preliminary objections raised by Iren and, subsequently, to the latter a deadline of 20 days for the filing of replies, holding the case in reserve.

To dissolve the reservation, the Judge, with an order – considering that the dispute can be settled in relation to the absorbing issue of Iren's passive legitimacy – set a hearing for discussion, to be held in paperwork mode, originally for 10 March 2026 and subsequently postponed to 17 May 2026 due to role requirements.

In the light of the foregoing and, specifically, of the aforementioned order, defeat risk is to be considered possible.

X. Annexes to the separate financial statements

LIST OF INVESTMENTS IN SUBSIDIARIES, JOINT VENTURES AND ASSOCIATES

STATEMENT OF EQUITY WITH ADDITIONAL INFORMATION

DEFERRED TAX ASSETS AND LIABILITIES

RELATED PARTY TRANSACTIONS

RECONCILIATION OF IFRS FINANCIAL STATEMENTS WITH RECLASSIFIED FINANCIAL STATEMENTS (Consob Communication no. 6064293 of 26 July 2006)

RECONCILIATION BETWEEN TOTAL FINANCIAL DEBT (ESMA COMMUNICATION OF 4 MARCH 2021) AND NET FINANCIAL DEBT

INDEPENDENT AUDITORS' FEES

List of investments in subsidiaries, joint ventures and associates

Company	Registered office	Currency	Share capital	% interest
SUBSIDIARIES				
Iren Ambiente S.p.A.	Piacenza	Euro	63,622,002	100.00
IReti S.p.A.	Reggio Emilia	Euro	196,832,103	100.00
Iren Energia S.p.A.	Turin	Euro	918,767,148	100.00
Iren Mercato S.p.A.	Genoa	Euro	61,356,220	100.00
Egea Holding S.p.A.	Alba (CN)	Euro	52,941	100.00

Statement of Equity with additional information

Item/Description	31.12.2025	31.12.2024	31.12.2023
SHARE CAPITAL	1,300,931,377	1,300,931,377	1,300,931,377
EQUITY-RELATED RESERVES			
Share premium reserve (1)	133,019,647	133,019,647	133,019,647
Negative goodwill	56,792,947	56,792,947	56,792,947
Treasury shares negative reserve	(38,690,317)	(38,690,317)	(38,690,317)
INCOME-RELATED RESERVES			
Legal reserve	130,332,185	119,706,828	111,092,597
Other reserves:			
Extraordinary reserve	53,766,557	53,766,557	53,766,557
Hedging reserve	(1,186,246)	(4,094,593)	6,209,267
Actuarial reserve	(3,163,268)	(3,363,608)	(3,324,248)
Other untaxed reserves	1,402,976	1,402,976	1,402,976
Perpetual hybrid bonds reserve	495,281,645		
Perpetual hybrid bond coupons reserve	(4,218,000)		
Retained earnings	491,991,723	454,728,567	443,487,570
TOTAL	2,616,261,226	2,074,200,381	2,064,688,373
Non-distributable amount	2,016,656,537	1,514,967,535	1,506,353,304
Distributable residual amount	599,604,689	559,232,846	558,335,069

(1) Distributable to shareholders after the legal reserve has reached one fifth of the share capital

KEY:
A: share capital increase
B: payments to cover losses
C: shareholder distribution

Amounts in euro

Possible utilisation	Available portion	Summary of uses over the last three years	
		For loss coverage	Other reasons
B	1,300,931,377		
A, B	133,019,647		
A, B, C	56,792,947		
	(38,690,317)		
B	130,332,185		
A, B, C	53,766,557		
	(1,186,246)		
	(3,163,268)		
A, B, C	1,402,976		
	495,281,645		
	(4,218,000)		
A, B, C	491,991,723		
	2,616,261,226		
	2,016,656,537		
	599,604,689		

Deferred tax assets and liabilities 2025

	Opening balance	formation	differences Change in consolidation scope	reversal	Closing balance
Deferred tax assets					
Non-taxable provisions	22,629	2,702	-	6,031	19,299
Differences in non-current assets	1,763	9,421	-	580	10,605
Derivatives	3,264	-	(3,339)	-	(75)
Other	12,624	5,390	(265)	3,979	13,770
Total taxable amount/deferred tax assets	40,280	17,514	(3,604)	10,590	43,599
Deferred tax liabilities					
Differences in non-current assets	3,411				3,411
Loss allowance	44			44	0
Derivatives	(1,597)				0
Other	1,852				1,852
Total taxable amount/deferred tax liabilities	3,708	-	-	44	3,664
Net deferred tax assets (liabilities)	36,572	17,514	(3,604)	10,546	39,935

thousands of euro

taxes to profit or loss	taxes E	IRES (Corporate income tax)	IRAP (Regional business tax)	total
(799)		4,632		4,632
2,122		2,545		2,545
	(801)	(18)		(18)
1,899	(64)	3,305	1,560	4,865
3,222	**(865)**	**10,464**	**1,560**	**12,025**
		819		819
(11)				
		(383)		(383)
		444		444
(11)	**-**	**880**	**-**	**880**
3,233	**(865)**	**9,584**	**1,560**	**11,145**

Deferred tax assets and liabilities 2024

		differences		
	Opening balance	formation	reversal	Closing balance
Deferred tax assets				
Non-taxable provisions	19,672	5,874	2,917	22,629
Differences in non-current assets	1,487	694	418	1,763
Derivatives	3,264	-	-	3,264
Other	9,599	7,009	3,984	12,624
Total taxable amount/deferred tax assets	**34,022**	**13,577**	**7,319**	**40,280**
Deferred tax liabilities				
Differences in non-current assets	3,411			3,411
Loss allowance	44			44
Derivatives	11,960		13,558	(1,598)
Other	1,852			1,852
Total taxable amount/deferred tax liabilities	**17,266**	**-**	**13,558**	**3,708**
Net deferred tax assets (liabilities)	**16,756**	**13,577**	**(6,239)**	**36,572**

thousands of euro

taxes to profit or loss	taxes to equity	IRES (Corporate income tax)	IRAP(Regional business tax)	total
697	12	5,431		5,431
66		423		423
-		783		783
726		3,030		3,030
1,490	**12**	**9,667**	**-**	**9,667**
		819		819
		11		11
	(3,254)	(383)		(383)
		444		444
-	**(3,254)**	**890**	**-**	**890**
1,490	**3,266**	**8,777**	**-**	**8,777**

Related party transactions

thousands of euro

	Trade Receivables	Loan assets, Cash and cash equivalents	Sundry assets	Trade Payables	Financial liabilities
OWNERS					
Municipality of Genoa	-	-	-	227	-
Municipality of Parma	-	-	-	31	-
Municipality of Piacenza	-	-	-	8	-
Municipality of Reggio Emilia	-	-	-	130	-
Municipality of Turin	-	-	-	140	-
FSU - Finanziaria Sviluppo Utilities S.r.l.	-	41	-	-	-
SUBSIDIARIES					
ACAM Acque S.p.A.	3,053	93,611	37	60	-
ACAM Ambiente S.p.A.	828	242,509	275	202	-
Acquaenna S.c.p.a.	181	61,839	-	-	-
Agrovoltaica S.r.l.	1	15,665	-	-	-
Alegas S.r.l.	34	8,083	292	-	-
Alfa Solutions S.p.A.	977	-	496	283	25,083
AMIAT S.p.A.	5,643	78,459	-	3,233	-
AMIAT V. S.p.A.	18	14,810	-	-	-
AMTER S.p.A.	-	-	-	44	-
ASM Vercelli S.p.A.	2,018	69,843	1,013	1,344	-
Asti Energia e Calore S.p.A.	11	1,679	-	-	-
ATENA Trading S.r.l.	175	134	428	29	51
Bonifica Autocisterne S.r.l.	39	-	6	-	7,832
Bonifiche Servizi Ambientali S.r.l.	773	-	1,057	24	9,691
Consorzio GPO	-	-	-	-	485
CRCM S.r.l.	23	-	-	-	(118,170)
Dogliani Energia S.r.l.	4	4,901	-	-	-
Ekovision S.r.l.	2	151	54	-	-
Formaira S.r.l.	1	-	2	-	7,085
Futura S.p.A.	348	23,079	-	93	-
I. Blu S.r.l.	460	34,254	-	39	-
Iren Acqua Piacenza S.r.l.	1,624	118,973	2,296	39	0
Iren Acqua Tigullio S.p.A.	1,139	28,266	1,042	-	-
Iren Acqua Reggio S.r.l.	3,954	107,803	-	-	0
IREN Ambiente S.p.A.	11,861	462,989	9	811	-
IREN Ambiente Parma S.r.l.	576	4	-	16	26,303
IREN Ambiente Piacenza S.r.l.	259	831	-	-	0
Iren Ambiente Toscana S.p.A.	97	69,870	-	57	-
IREN Energia S.p.A.	19,967	339,679	18,840	2,695	-
Iren Green Generation S.r.l.	23	30,691	-	-	-
Iren Green Generation Tech S.r.l.	-442	121,215	102	-	-
IREN Mercato S.p.A.	18,170	513	11,279	3,048	61,403
Iren Smart Solutions S.p.A.	4,989	321,708	829	2,173	-
IRETI S.p.A.	15,559	1,349,864	6,360	1,025	-
Iren Laboratori S.p.A.	677	-	109	21	4,688
Iren Acqua S.p.A.	323	-	-	-	-
IRETI Gas S.p.A.	4,025	11,678	6,334	-	-

Related party transactions

thousands of euro

	Sundry liabilities	Revenue and income	Costs and other charges	Financial income	Financial expense
OWNERS					
Municipality of Genoa	-	-	441	-	-
Municipality of Parma	-	-	37	-	-
Municipality of Piacenza	-	-	91	-	-
Municipality of Reggio Emilia	-	2	259	-	-
Municipality of Turin	-	-	293	-	-
FSU - Finanziaria Sviluppo Utilities S.r.l.	-	-	-	-	-
SUBSIDIARIES					
ACAM Acque S.p.A.	769	8,292	245	5,772	-
ACAM Ambiente S.p.A.	872	3,526	261	335	-
Acquaenna S.c.p.a.	775	181	-	2,040	-
Agrovoltaica S.r.l.	96	1	-	358	-
Alegas S.r.l.	842	260	-	287	-
Alfa Solutions S.p.A.	-	1,868	1,245	-	190
AMIAT S.p.A.	5,314	29,587	3,896	2,741	-
AMIAT V. S.p.A.	137	173	-	389	-
AMTER S.p.A.	-	-	-	-	-
ASM Vercelli S.p.A.	166	4,903	1,359	2,391	-
Asti Energia e Calore S.p.A.	12	16	-	63	-
ATENA Trading S.r.l.	105	1,014	29	62	-
Bonifica Autocisterne S.r.l.	-	74	-	-	10
Bonifiche Servizi Ambientali S.r.l.	2,248	181	24	-	404
Consorzio GPO	-	-	-	-	47
CRCM S.r.l.	112	23	-	-	11
Dogliani Energia S.r.l.	128	16	-	103	-
Ekovision S.r.l.	32	2	-	5	-
Formaira S.r.l.	-	7	-	1	-
Futura S.p.A.	352	393	93	620	-
I. Blu S.r.l.	3,807	686	336	1,069	-
Iren Acqua Piacenza S.r.l.	359	8,172	560	2,461	6
Iren Acqua Tigullio S.p.A.	1,293	2,526	-	1,017	-
Iren Acqua Reggio S.r.l.	4,080	10,641	182	2,667	-
IREN Ambiente S.p.A.	12,087	36,637	1,010	24,169	-
IREN Ambiente Parma S.r.l.	720	2,254	125	9	173
IREN Ambiente Piacenza S.r.l.	1,224	1,868	-	29	60
Iren Ambiente Toscana S.p.A.	573	99	57	1,821	-
IREN Energia S.p.A.	5,612	49,679	2,791	61,022	-
Iren Green Generation S.r.l.	199	56	-	820	-
Iren Green Generation Tech S.r.l.	984	846	-	3,249	-
IREN Mercato S.p.A.	4,497	75,131	5,838	80,487	2,332
Iren Smart Solutions S.p.A.	11,659	11,740	2,153	8,017	-
IRETI S.p.A.	1,278	60,949	2,615	112,041	65
Iren Laboratori S.p.A.	390	2,658	272	-	135
Iren Acqua S.p.A.	-	5,124	75	1,422	-
IRETI Gas S.p.A.	30	12,903	-	1,359	-

Related party transactions

thousands of euro

	Trade Receivables	Loan assets, Cash and cash equivalents	Sundry assets	Trade Payables	Financial liabilities
Limes 1 S.r.l.	3	6,921	-	-	1
Limes 2 S.r.l.	3	9,921	44	-	0
Limes 20 S.r.l.	137	25,552	-	-	-
Maira S.p.A.	16	-	-	-	(792)
Manduriambiente S.p.A.	414	-	1,011	-	219
Nord Ovest Servizi S.p.A.	21	-	-	-	-
ReCos S.p.A.	273	42,792	-	-	-
RE MAT S.r.l	121	3,842	-	-	-
Rigenera Materiali (Ri. Ma.) S.r.l.	80	14,593	133	-	-
Salerno Energia Vendite S.p.A.	84	775	-	-	-
San Germano S.p.A.	1,502	38,545	-	193	-
Scarlino Energia S.p.A.	56	12,000	-	10	(123)
SEI Toscana S.r.l.	155	89,272	-	10	-
Semia Green S.r.l.	86	3,039	-	-	-
Siena Ambiente S.p.A.	-	2,771	-	-	-
TB S.p.A.	-	-	-	-	1,529
Territorio e Risorse S.r.l.	63	22,852	-	-	-
TRM S.p.A.	473	12,250	-	51	-
Uniproject S.r.l.	6	-	21	-	-
Valdarno Ambiente S.r.l.	280	5,539	-	-	-
Valle Dora Energia S.r.l.	1	9,548	-	-	-
Egea Holding S.r.l.	552	22,415	-	67	-
Reti Metano Territorio S.r.l.	3	25,389	-	25	-
Egea Acque S.p.A.	9	63,570	-	-	-
Tecnoedil Lavori S.r.l.	14	-	-	-	707
Egea Ambiente S.r.l.	295	9,428	-	2	-
Sisea S.r.l.	63	6,630	-	-	-
Olmo Bruno S.r.l.	-	920	-	-	-
Egea New Energy S.p.A.	2	16,789	-	-	-
Edis S.r.l.	6	1,918	-	-	-
Ardea S.r.l.	1	5,744	-	-	-
Tlrnet S.r.l.	24	4,447	-	-	-
Acqui Energia S.p.A.	1	5,647	-	-	-
Alessandria Calore S.r.l.	1	1,450	-	-	-
Bra Energia S.p.A.	-	13,581	-	-	-
Carmagnola Energia S.r.l.	1	6,146	-	-	-
Monferrato Energia S.p.A.	-	4,707	-	-	-
Sep S.p.A.	-	991	-	-	-
Valbormida Energia S.p.A.	-	407	-	-	-
Telenergia S.r.l.	1	31,142	-	-	-
Egea Energie S.r.l.	91	-	-	110	48,496
Capo dell'Acqua s.r.l.	-	110	-	-	-
JOINT VENTURES					
Acque Potabili S.p.A.	69	-	-	-	-
Acqui Rete Gas S.r.l.	1	-	-	-	-

Related party transactions

thousands of euro

	Sundry liabilities	Revenue and income	Costs and other charges	Financial income	Financial expense
Limes 1 S.r.l.	70	3	-	260	12
Limes 2 S.r.l.	70	3	-	356	10
Limes 20 S.r.l.	587	181	-	505	-
Maira S.p.A.	189	79	-	-	97
Manduriambiente S.p.A.	754	438	-	-	404
Nord Ovest Servizi S.p.A.	-	15	-	-	-
ReCos S.p.A.	1,773	789	-	1,025	-
RE MAT S.r.l	973	121	-	152	-
Rigenera Materiali (Ri. Ma.) S.r.l.	149	79	-	425	-
Salerno Energia Vendite S.p.A.	-	34	-	3,034	-
San Germano S.p.A.	2,862	2,079	368	1,084	-
Scarlino Energia S.p.A.	7,274	59	10	58	290
SEI Toscana S.r.l.	12,912	61	61	2,887	-
Semia Green S.r.l.	197	100	-	101	-
Siena Ambiente S.p.A.	-	-	-	21	-
TB S.p.A.	-	-	-	-	-
Territorio e Risorse S.r.l.	1,312	212	-	678	-
TRM S.p.A.	1,649	975	51	-	-
Uniproject S.r.l.	1,637	6	-	-	-
Valdarno Ambiente S.r.l.	395	308	-	116	-
Valle Dora Energia S.r.l.	329	73	-	293	-
Egea Holding S.r.l.	-	1,478	67	2,096	-
Reti Metano Territorio S.r.l.	-	3	25	336	-
Egea Acque S.p.A.	-	17	-	842	-
Tecnoedil Lavori S.r.l.	-	14	-	-	18
Egea Ambiente S.r.l.	-	303	2	130	-
Sisea S.r.l.	-	63	-	71	-
Olmo Bruno S.r.l.	-	8	-	8	-
Egea New Energy S.p.A.	-	10	-	137	-
Edis S.r.l.	-	14	-	24	-
Ardea S.r.l.	-	1	-	83	-
Tlrnet S.r.l.	-	24	-	56	-
Acqui Energia S.p.A.	-	1	-	65	-
Alessandria Calore S.r.l.	-	1	-	18	-
Bra Energia S.p.A.	-	-	-	202	-
Carmagnola Energia S.r.l.	-	1	-	78	-
Monferrato Energia S.p.A.	-	-	-	60	-
Sep S.p.A.	-	-	-	11	-
Valbormida Energia S.p.A.	-	-	-	9	-
Telenergia S.r.l.	-	1	-	384	-
Egea Energie S.r.l.	-	1,737	110	-	504
Capo dell'Acqua s.r.l.	-	-	-	1	-
JOINT VENTURES					
Acque Potabili S.p.A.	-	20	-	-	-
Acqui Rete Gas S.r.l.	-	1	-	-	-

Related party transactions

thousands of euro

	Trade Receivables	Loan assets, Cash and cash equivalents	Sundry assets	Trade Payables	Financial liabilities
ASSOCIATES					
ARCA S.r.l.	87	-	-	(8)	-
ASA Livorno S.p.A.	32	-	-	-	-
Asti Servizi Pubblici S.p.A.	-	-	-	-	-
CSAI - Centro Servizi Ambientali Impianti S.p.A.	-	-	-	-	-
EGUA S.r.l.	2	-	-	-	-
Mondo Acqua S.p.A.	-	-	-	-	-
Piana Ambiente S.p.A.	62	-	-	-	-
STU Reggiane S.p.A.	14	-	-	-	-
OTHER RELATED PARTIES					
Municipality of La Spezia	-	-	-	-	-
SUBSIDIARIES MUNICIPALITY OF GENOA	-	-	1	2	-
SUBSIDIARIES MUNICIPALITY OF PARMA	-	-	-	-	-
SUBSIDIARIES MUNICIPALITY OF PIACENZA	-	-	-	-	-
SUBSIDIARIES MUNICIPALITY OF REGGIO EMILIA	-	-	-	1	-
SUBSIDIARIES MUNICIPALITY OF TURIN	-	-	-	-	-
TOTAL	102,493	4,134,790	52,074	16,237	74,487

Related party transactions

thousands of euro

	Sundry liabilities	Revenue and income	Costs and other charges	Financial income	Financial expense
ASSOCIATES					
ARCA S.r.l.	-	246	9	-	-
ASA Livorno S.p.A.	-	32	-	-	-
Asti Servizi Pubblici S.p.A.	-	(7)	-	-	-
CSAI - Centro Servizi Ambientali Impianti S.p.A.	-	-	1	-	-
EGUA S.r.l.	-	2	-	-	-
Mondo Acqua S.p.A.	-	(1)	-	-	-
Piana Ambiente S.p.A.	-	-	-	-	-
STU Reggiane S.p.A.	-	14	-	-	-
OTHER RELATED PARTIES					
Municipality of La Spezia			1		
SUBSIDIARIES MUNICIPALITY OF GENOA	-	-	396	-	-
SUBSIDIARIES MUNICIPALITY OF PARMA	-	-	-	-	-
SUBSIDIARIES MUNICIPALITY OF PIACENZA	-	-	-	-	-
SUBSIDIARIES MUNICIPALITY OF REGGIO EMILIA	-	-	19	-	-
SUBSIDIARIES MUNICIPALITY OF TURIN	-	-	-	-	-
TOTAL	93,880	342,696	25,548	332,433	4,769

Reconciliation of IFRS financial statements with reclassified financial statements (Consob Communication no. 6064293 of 26 July 2006)

thousands of euro

IFRS STATEMENT OF FINANCIAL POSITION		RECLASSIFIED STATEMENT OF FINANCIAL POSITION	
Property, plant and equipment	208,863		
Intangible assets with a finite useful life	117,461		
Investment property	-		
Investments in subsidiaries, associates and joint ventures	2,735,577		
Other equity investments	3,163		
Total (A)	**3,065,064**	**Non-current Assets (A)**	**3,065,064**
Other non-current assets	1,091		
Other non-current liabilities	(934)		
Total (B)	**157**	**Other non-current assets (Liabilities) (B)**	**157**
Inventories	4,888		
Trade receivables	102,761		
Current tax assets	-		
Sundry assets and other current assets	120,373		
Trade payables	(129,698)		
Sundry liabilities and other current liabilities	(136,640)		
Current tax liabilities	(949)		
Total (C)	**(39,265)**	**Net working capital (C)**	**(39,265)**
Deferred tax assets	11,145		
Deferred tax liabilities	-		
Total (D)	**11,145**	**Deferred tax assets (Liabilities) (D)**	**11,145**
Employee benefits	(12,325)		
Provisions for risks and charges	(11,887)		
Provisions for risks and charges - current portion	(2,514)		
Total (E)	**(26,726)**	**Provisions for risks and employee benefits (E)**	**(26,726)**
Assets held for sale	9,462		9,462
Total (F)	**9,462**	**Assets held for sale (F)**	**9,462**
		Net invested capital (G=A+B+C+D+E+F)	**3,019,837**
Equity (G)	**2,834,737**	**Equity (G)**	**2,834,737**
Non-current financial assets	(4,142,367)		
Non-current financial liabilities	4,244,096		
Total (H)	**101,729**	**Non-current financial debt (H)**	**101,729**
Current financial assets	(31,842)		
Cash and cash equivalents	(164,015)		
Current financial liabilities	279,228		
Total (I)	**83,371**	**Current financial debt (I)**	**83,371**
		Net financial debt (L=H+I)	**185,100**
		Own funds and net financial debt (G+L)	**3,019,837**

Reconciliation between total financial debt (ESMA communication of 4 March 2021) and net financial debt

thousands of euro

	31/12/2025	31/12/2024
A. Cash	(164,015)	(225,452)
B. Cash equivalents	-	-
C. Other current financial assets	-	(450,000)
D. Liquidity (A) + (B) + (C)	**(164,015)**	**(675,452)**
E. Current financial debt (including debt instruments, but excluding the current portion of non-current financial debt)	225,115	744,443
F. Current portion of the non-current financial debt	54,113	49,373
G. Current financial debt (E + F)	**279,228**	**793,816**
H. Net current financial debt (G - D)	**115,213**	**118,364**
I. Non-current financial debt (excluding current portion and debt instruments)	1,239,871	1,279,191
J. Debt instruments	2,998,177	2,992,914
K. Commercial and other non-current debt	6,048	-
L. Non-current financial debt (I + J + K)	**4,244,096**	**4,272,105**
M. Total financial debt (H + L)	**4,359,309**	**4,390,469**
(-) C. Other current financial assets	-	450,000
(+) Non-current financial assets (statement of financial position item)	(4,142,367)	(3,687,506)
(+) Current financial assets (statement of financial position item net of fair value of commodity derivatives)	(31,842)	(483,398)
Net financial debt	**185,100**	**669,565**

Independent auditors' fees

Pursuant to art. 149-duodecies of the Regulation implementing Legislative Decree 58/1998, the fees for the year due to KPMG S.p.A. can be summarised as follows:

thousands of euro

	Statutory audit	Non-audit services		Total
		Services for the purpose of issuing an attestation	Other services	
Iren S.p.A.	310	306	-	616

STATEMENT REGARDING THE SEPARATE FINANCIAL STATEMENTS PURSUANT TO ART. 81-TER OF CONSOB REGULATION NO. 11971 OF 14 MAY 1999, AS SUBSEQUENTLY AMENDED AND SUPPLEMENTED

1. The undersigned Gianluca Bufo, Chief Executive Officer, and Giovanni Gazza, Financial Reporting Manager of Iren S.p.A., taking into account the provisions of art. 154-bis, paragraphs 3 and 4, of Legislative Decree 58 of 24 February 1998, hereby certify:

   - the adequacy in relation to the characteristics of the company and
   - the effective application of the administrative and accounting procedures in preparing the separate financial statements during 2025.

2. It is also hereby certified that:

   2.1 the separate financial statements:

   a) are prepared in compliance with the applicable International Financial Reporting Standards endorsed by the European Community pursuant to Regulation (EC) No. 1606/2002 of the European Parliament and Council, of 19 July 2002;

   b) correspond to the results of the books and accounting records;

   c) provide a true and fair representation of the financial position and performance of the Issuer and the group companies included in the consolidation scope;

   2.2 the Directors' Report includes a reliable analysis of the operating performance and results, and of the situation of the issuer and of all companies included in the consolidation scope, together with a description of the major risks and uncertainties to which they are exposed.

23 March 2026

The Chief Executive Officer	and Financial Reporting Manager under Law 262/05
Mr. Gianluca Bufo	Giovanni Gazza
(signed on the original)	(signed on the original)

Report of the Independent Auditors on the Separate Financial Statements

KPMG S.p.A.
Revisione e organizzazione contabile
Corso Vittorio Emanuele II, 48
10123 TORINO TO
Telefono +39 011 8395144
Email it-fmauditaly@kpmg.it
PEC kpmgspa@pec.kpmg.it

(The accompanying translated separate financial statements of Iren S.p.A. constitute a non-official version which is not compliant with the provisions of Commission Delegated Regulation (EU) 2019/815. This independent auditors' report has been translated into English solely for the convenience of international readers. Accordingly, only the original Italian version is authoritative.)

Independent auditors' report pursuant to article 14 of Legislative decree no. 39 of 27 January 2010 and article 10 of Regulation (EU) no. 537 of 16 April 2014

To the shareholders of
Iren S.p.A.

Report on the audit of the separate financial statements

Opinion

We have audited the separate financial statements of Iren S.p.A. (the "company"), which comprise the statement of financial position as at 31 December 2025, the income statement and the statements of comprehensive income, changes in equity and cash flows for the year then ended and notes thereto, which include material information on the accounting policies.

In our opinion, the separate financial statements give a true and fair view of the financial position of Iren S.p.A. as at 31 December 2025 and of its financial performance and cash flows for the year then ended in accordance with the IFRS Accounting Standards as issued by the International Accounting Standards Board and endorsed by the European Union.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISA Italia). Our responsibilities under those standards are further described in the "*Auditors' responsibilities for the audit of the separate financial statements*" section of our report. We are independent of the company in accordance with the ethics and independence rules and standards applicable in Italy to audits of financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

KPMG S.p.A.
è una società per azioni
di diritto italiano
e fa parte del network KPMG
di entità indipendenti affiliate a
KPMG International Limited,
società di diritto inglese.

Ancona Bari Bergamo
Bologna Bolzano Brescia
Catania Como Firenze Genova
Lecce Milano Napoli Novara
Padova Palermo Parma Perugia
Pescara Roma Torino Treviso
Trieste Varese Verona

Società per azioni
Capitale sociale
Euro 10.415.500,00 i.v.
Registro Imprese Milano Monza Brianza Lodi
e Codice Fiscale N. 00709600159
R.E.A. Milano N. 512867
Partita IVA 00709600159
VAT number IT00709600159
Sede legale: Via Giovanni Battista Pirelli, 38
20124 Milano MI ITALIA

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in the audit of the separate financial statements of the current year. These matters were addressed in the context of our audit of the separate financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Recoverability of the carrying amount of investments in subsidiaries

Notes to the separate financial statements: note II "Accounting policies" and note 3 "Investments in subsidiaries, joint ventures and associates"

Key audit matter	Audit procedures addressing the key audit matter
The separate financial statements at 31 December 2025 include investments in subsidiaries of €2,736 million, accounting for approximately 36% of total assets. The directors tested the carrying amount of the investments in subsidiaries, allocated to several cash-generating units ("CGUs") or groups of CGUs, for impairment for the purposes of the separate financial statements, in order to identify any impairment losses resulting from their carrying amount exceeding their recoverable amount. The directors have calculated the recoverable amount using the discounted cash flow model and the cash flows derived from the business plan approved by the company's board of directors on 13 November 2025 (the "plan"). Impairment testing is very complex and entails the use of estimates and assumptions which, by their very nature, are uncertain and subjective, particularly in relation to: • the expected cash flows, calculated by taking into account the general economic performance and that of the subsidiaries' sector, the actual cash flows for recent years and the projected growth rates; • the financial parameters used to calculate the discount rate. For the above reasons, we believe that the recoverability of the carrying amount of investments in subsidiaries is a key audit matter.	Our audit procedures, carried out partly by involving experts of the KPMG network, included the following: • analysing the process adopted by the company to prepare the impairment tests; • analysing the criteria used to identify the CGUs and tracing their carrying amounts to the separate financial statements; • assessing the consistency of the cash flows used for impairment testing with the cash flows forecast in the plan; • checking any discrepancies between the previous year business plans' figures and actual figures, in order to check the accuracy of the estimation process adopted by the directors; • analysing the expected cash flows and the reasonableness of the main assumptions used to calculate the investments in subsidiaries' value in use; • involving experts in the assessment of the reasonableness of the valuation models and related assumptions, including those relating to the key components of the energy scenario; • checking the sensitivity analysis presented in the notes in relation to the key assumptions used for impairment testing; • assessing the appropriateness of the disclosures provided in the notes.

Responsibilities of the company's directors and board of statutory auditors ("Collegio Sindacale") for the separate financial statements

The directors are responsible for the preparation of separate financial statements that give a true and fair view in accordance with the IFRS Accounting Standards as issued by the International Accounting Standards Board and endorsed by the European Union, as well as the Italian regulations implementing article 9 of Legislative decree no. 38/05 and, within the terms established by the Italian law, for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

The directors are responsible for assessing the company's ability to continue as a going concern and for the appropriate use of the going concern basis in the preparation of the separate financial statements and for the adequacy of the related disclosures. The use of this basis of accounting is appropriate unless the directors believe that the conditions for liquidating the company or ceasing operations exist, or have no realistic alternative but to do so.

The *Collegio Sindacale* is responsible for overseeing, within the terms established by the Italian law, the company's financial reporting process.

Auditors' responsibilities for the audit of the separate financial statements

Our objectives are to obtain reasonable assurance about whether the separate financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISA Italia will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these separate financial statements.

As part of an audit in accordance with ISA Italia, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- identify and assess the risks of material misstatement of the separate financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control;
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors;
- conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the separate financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the company to cease to continue as a going concern;
- evaluate the overall presentation, structure and content of the separate financial statements, including the disclosures, and whether the separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance, identified at the appropriate level required by ISA Italia, regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with the ethics and independence rules and standards applicable in Italy and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, the measures taken to eliminate those threats or the safeguards applied.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the separate financial statements of the current year and are, therefore, the key audit matters. We describe these matters in our auditors' report.

Other information required by article 10 of Regulation (EU) no. 537/14

On 13 June 2019, the company's shareholders appointed us to perform the statutory audit of its separate and consolidated financial statements as at and for the years ending from 31 December 2021 to 31 December 2029.

We declare that we did not provide the prohibited non-audit services referred to in article 5.1 of Regulation (EU) no. 537/14 and that we remained independent of the company in conducting the statutory audit.

We confirm that the opinion on the separate financial statements expressed herein is consistent with the additional report to the *Collegio Sindacale*, in its capacity as audit committee, prepared in accordance with article 11 of the Regulation mentioned above.

Report on other legal and regulatory requirements

Opinion on the compliance with the provisions of Commission Delegated Regulation (EU) 2019/815

The company's directors are responsible for the application of the provisions of Commission Delegated Regulation (EU) 2019/815 with regard to regulatory technical standards on the specification of a single electronic reporting format (ESEF) to the separate financial statements at 31 December 2025 to be included in the annual financial report.

We have performed the procedures required by Standard on Auditing (SA Italia) 700B in order to express an opinion on the compliance of the separate financial statements with Commission Delegated Regulation (EU) 2019/815.

In our opinion, the separate financial statements at 31 December 2025 have been prepared in XHTML format in compliance with the provisions of Commission Delegated Regulation (EU) 2019/815.

Opinion and statement pursuant to article 14.2.e)/e-bis)/e-ter) of Legislative decree no. 39/10 and article 123-bis.4 of Legislative decree no. 58/98

The company's directors are responsible for the preparation of a directors' report and a report on corporate governance and ownership structure at 31 December 2025 and for the consistency of such reports with the related separate financial statements and their compliance with the applicable law.

We have performed the procedures required by Standard on Auditing (SA Italia) 720B in order to:

- express an opinion on the consistency of the directors' report and certain specific information presented in the report on corporate governance and ownership structure required by article 123-bis.4 of Legislative decree no. 58/98 with the separate financial statements;

- express an opinion on the compliance of the directors' report, excluding the section that includes the consolidated sustainability statement, and certain specific information presented in the report on corporate governance and ownership structure required by article 123-bis.4 of Legislative decree no. 58/98 with the applicable law;
- issue a statement of any material misstatements in the directors' report and certain specific information presented in the report on corporate governance and ownership structure required by article 123-bis.4 of Legislative decree no. 58/98.

In our opinion, the directors' report and the specific information presented in the report on corporate governance and ownership structure required by article 123-bis.4 of Legislative decree no. 58/98 are consistent with the company's separate financial statements at 31 December 2025.

Moreover, in our opinion, excluding the section which includes the consolidated sustainability statement, the report on operations and the specific information presented in the report on corporate governance and ownership structure required by article 123-bis.4 of Legislative decree no. 58/98 have been prepared in compliance with the applicable law.

With reference to the above statement required by article 14.2.e-ter) of Legislative decree no. 39/10, based on our knowledge and understanding of the entity and its environment obtained through our audit, we have nothing to report.

Our opinion on compliance with the applicable law does not extend to the report on operations' section which includes the consolidated sustainability statement. Our conclusion on the compliance of this section with the legislation governing its preparation and with the disclosure requirements of article 8 of Regulation (EU) 2020/852 is included in the assurance report prepared in accordance with article 14-bis of Legislative decree no. 39/10.

Turin, 21 April 2026

KPMG S.p.A.

(signed on the original)

Fabio Monti
Director of Audit

Report of the Board of Statutory Auditors of the Shareholders' Meeting

"Report of the Board of Statutory Auditors to the Annual Shareholders' Meeting pursuant to Art. 153 of Legislative Decree No. 58 of 24 February 1998 (TUF) and Art. 2429, paragraph 2, of the Italian Civil Code"

To the Annual Shareholders' Meeting of Iren S.p.A.

Introduction: legislative, regulatory and professional ethics sources

The Board of Statutory Auditors was appointed by the Shareholders at the Shareholders' Meeting held on 27 June 2024, until such time as the Shareholders' Meeting is held to approve the financial statements for the year ending 31 December 2026, on the basis of two lists submitted, namely: (i) list 1, submitted by the Shareholders "Finanziaria Sviluppo Utilities" (FSU S.r.l.), "Finanziaria Città di Torino Holding S.p.A." (FCT Holding S.p.A.), Municipality of Reggio Emilia; ; (ii) list 2, submitted, under the umbrella of Assogestioni, by several Italian and foreign asset management companies, on behalf of their mutual funds.

The Auditors elected from the majority list are: Ugo Ballerini, Donatella Busso and Simone Caprari (standing members) and Lucia Tacchino (alternate member); the auditors elected from the minority list are Sonia Ferrero and Fabrizio Riccardo Di Giusto (standing members) and Carlo Bellavite Pellegrini (alternate member).

The Shareholders' Meeting also appointed Sonia Ferrero as Chairman of the Board of Statutory Auditors for FYs 2024, 2025 and 2026.

Pursuant to the TUF and Italian Legislative Decree No. 39/2010, the engagement for the statutory audit was assigned to KPMG S.p.A. by the Shareholders' Meeting of 13 June 2019 for the period 2021-2029. The assignment also included the asseveration of the sustainability disclosure, pursuant to article 3, paragraph 10 of Legislative Decree no. 254/2016. Pursuant to articles 8 and 18, paragraph 1 of Legislative Decree no. 125 of 6 September 2024, KPMG S.p.A. was appointed to perform the limited assurance engagement of Iren Group's consolidated sustainability report for the year ended 31 December 2024, presented in the specific section of the Report on Operations.

During FY 2025, the Board of Statutory Auditors, also in its capacity as Internal Control and Audit Committee, carried out the supervisory activities required by law (and, in particular, by article 149 of the TUF), by the Rules of Conduct of the Boards of Statutory Auditors of listed companies issued by the Consiglio Nazionale dei Dottori Commercialisti e degli Esperti Contabili (Italian Professional Order of Tax Advisors), by CONSOB recommendations on corporate controls and the activities of the Board of Statutory Auditors (in particular, Communication no. DAC/RM 97001574 of 20 February 1997 and communication no. DEM 1025564 of 6 April 2001, subsequently supplemented by communication no. DEM/3021582 of 4 April 2003 and communication no. DEM/6031329 of 7 April 2006) and by the indications contained in the Corporate Governance Code (January 2020), to which the Company adhered by resolution of the Board of Directors on 18 December 2020.

Supervision of compliance with the law and the articles of association

During the financial year ended 31 December 2025, the Board of Statutory Auditors monitored compliance with the law and the Articles of Association in force, as well as compliance with the principles of proper management.

To this end, the Board of Statutory Auditors made use of the information flows put in place by the Company, which are deemed suitable to ensure that the Statutory Auditors can verify the compliance of the organisational structure, internal procedures, corporate acts and resolutions of the corporate bodies with the applicable laws, statutory provisions and regulations.

In order to carry out its audits, the Board of Statutory Auditors held a total of 14 meetings in 2024, in one of them jointly with the Control, Risks and Sustainability Committee, and received information from the heads of the various corporate departments.

In addition, the Board of Statutory Auditors:

- attended the only Shareholders' Meeting;
- attended Board meetings (a total of 17 during 2025);
- attended all meetings of the Control, Risks and Sustainability Committee (a total of 13 in 2025);
- attended Appointments and Remuneration Committee meetings (a total of 13 in 2025);
- attended Related Party Transactions Committee meetings (a total of 9 in 2025).

Supervision of compliance with the principles of proper management

The Board of Statutory Auditors reports that, also through its attendance of Board of Directors' meetings from the directors, in compliance with the periodicity required by law, the due information on the activities performed and on the most significant economic, equity and financial transactions carried out by the Company and the Group.

Based on the information thus obtained by the Board of Statutory Auditors, the resolutions passed and the transactions consequently implemented comply with the law and the Articles of Association and do not show any potential conflicts of interest with the Company, are not manifestly imprudent, risky, atypical or unusual, nor do they conflict with the decisions taken by the Shareholders' Meeting or such as to compromise the integrity of the Company's assets or conflict with the Company's interests.

The Board of Statutory Auditors believes that the principles of proper management have been respected and, based on the information acquired, considers that management choices are inspired by the principle of correct information and reasonableness.

The Board of Statutory Auditors would like to draw the Shareholders' Meeting's attention to several significant events that occurred during FY 2025.

Water service of the province of Piacenza

Following the signing of the agreement for the management of the Integrated Water Service of the Province of Piacenza, which took place on 16 December 2024, starting from 1 January 2025 Iren Acqua Piacenza S.r.l.

is the new operator of the service for a duration of 16 years, taking over from the previous operator IRETI. Iren Acqua Piacenza is the specially established territorial operating company, 100% controlled by the same IRETI awarded the tender procedure, which provides in its business plan for significant investments in the networks and plants of the integrated water cycle (mainly aimed at reducing water losses and energy consumption).

Full consolidation of EGEA Holding S.p.A.

As regards to EGEA Holding S.p.A., following the acquisition of the Antitrust and Golden Power clearances, on 10 January 2025 Iren S.p.A. subscribed and paid a capital increase of 10 million euros (2,941 euros of share capital plus share premium of 9,997,059 euros) in EGEA Holding, increasing its stake from 50% to 52.77%. On the same date, the relevant shareholders' meeting was held, resolved with the election of a new director by Iren S.p.A., which, by appointing four members of the Board of Directors out of a total of seven, acquired control of EGEA Holding S.p.A. and its subsidiaries, with the consequent full consolidation. Finally, following the notice of exercise of the *call* option, which took place at the end of March, on 22 May 2025 Iren S.p.A. completed the acquisition of the remaining 47.23% of EGEA Holding S.p.A. held by the other shareholder MidCo 2024 S.r.l., becoming fully controlled. At the end of the transactions pictured since the agreements signed on 1 August 2024, MidCo 2024 S.r.l. and the financial creditors of the EGEA group have decided to accept the quantification of the minimum price of 74.8 million euros as indicated by Iren in the communication of exercise of the *call* option itself. The terms of the agreement provide for the payment of a portion of the price paid at closing of 68.9 million euros and a residual portion of 6.7 million euros deferred to 31 March 2029, including financial charges in consideration of the unavailability of some creditors to apply the so-called "minimum price discounting mechanism".

Hybrid Bond

On 16 January 2025, Iren S.p.A. placed its first "Hybrid Bond", with a nominal value of 500 million euros, issued in a single tranche for the entire amount: the settlement date was 23 January 2025. As set out in the relevant terms and conditions, it is a non-convertible, subordinated, perpetual financial instrument payable only in the event of dissolution or liquidation of the Company. The annual fixed coupon, payable annually in arrears starting from April 2025, is equal to 4.5% and will be paid until the first reset date of 23 April 2030. From that date, unless it has been redeemed in full, the bond will accrue interest equal to the five-year Euro Mid Swap rate, increased by an initial margin of 221.2 basis points. The margin will increase by 25 basis points from 2035 and by a further 75 basis points from 2050, for a cumulative amount of 100 basis points. The issue price has been set at 99.448% and, therefore, the effective yield at the first reset date is equal to 4.625% per annum. The securities, intended for qualified investors, are listed on the regulated market of the Irish Stock Exchange (Euronext Dublin) and have been assigned a BB+ rating by the agencies Standard & Poor's Global Ratings and Fitch Ratings as well as an equity content of 50%. The transaction is aimed at further strengthening the Group's capital structure and supporting the Group's financial flexibility, and is consistent with Iren's growth strategy aimed at integrating EGEA, new potential development opportunities through external lines and the implementation of the investments envisaged in the Business Plan, confirming Iren's commitment to maintaining the current investment grade rating.

Acquisition of the majority stake in Iren Acqua S.p.A.

On 20 February 2025, the subsidiary IRETI S.p.A. completed the acquisition of the remaining 40% of the share capital of Iren Acqua S.p.A. (operator of the Integrated Water Service in 39 municipalities of the Genoa ATO), held by F2i SGR through its own funds. The total amount of the transaction is equal to 282.5 million euros. The transaction reduces the outlay for minority interests' dividends and increases the group's net profit, with positive economic and financial impacts linked to the lower cost of the Group's debt compared to the dividends paid to the minority shareholder and, ultimately, to the increase in earnings per share for the benefit of Iren shareholders. Iren Acqua S.p.A. was finally merged by incorporation into IRETI S.p.A. staring from 1 July 2025, with accounting and tax effects backdated to 1 January.

Business Plan 2025-2030

On 13 November 2025, the Board of Directors approved the Business Plan to 2030, characterised by a balanced distribution of investments over the years, low execution risk, high predictability of results and high investments in sustainable projects and activities. Iren's growth strategy, which provides for the strengthening of the workforce through 2,400 new hires, is confirmed in the three fundamental pillars, such as (*i*) the ecological transition, which takes an even more targeted and resilient approach; (*ii*) creation of value for the territories, which translates into the development of infrastructures essential for local growth and the strengthening of the territorial presence, responding in a timely manner to the needs of the communities in which the Group operates; and (*iii*) the quality of the service, aiming to increase the resilience of distribution networks to minimise disruptions, improve the customer experience through widespread territorial controls and optimise business processes with a view to efficiency.

For other significant transactions and for further details regarding those reported in this document, the Board of Statutory Auditors refers to the Directors' Report.

About the significant events after the reporting date, the Statutory Auditors acknowledge that, in March 2026, Iren S.p.A. signed a 225-million-euro loan agreement with the European Investment Bank (EIB) to support the investment programme for the period 2025-2028. The operation aims at supporting a series of events aimed at promoting the circular economy and energy efficiency through the strengthening of waste collection systems and the implementation of measures to reduce buildings energy consumption. Investments will be made mainly in the North-West regions in which the Group historically operates (Piedmont, Emilia-Romagna, Liguria) as well as Tuscany and other Italian regions, by Iren Ambiente and Iren Smart Solutions.

The Statutory Auditors also highlight the "Utility Bill Decree 2026", published in the Gazzetta Ufficiale on 20 February 2026, which introduces extraordinary measures to support the costs of purchasing electricity for households and businesses.

The legislation aims at reducing the final cost of energy, eliminating system charges and the cost of CO2 (ETS), strengthen social bonuses and introduce transitional concessions. In particular, the removal of system charges and the ETS cost from pricing is a fundamental element for energy operators, as it could have structural effects on prices, the generation mix between technologies and the dynamics of cross-border energy flows.

Finally, attention is drawn to the recent geopolitical tension in the Middle East, resulting from the ongoing conflict between the United Stated of America, Israel and Iran, which have caused the blockage of the Strait

of Hormuz, hindering the transit of ships carrying oil, petroleum products and LNG to Asia and Europe. Attacks on energy infrastructure in the Gulf countries have also been reported resulting in significant damage to extraction, refining and transportation processes. These events led, naturally, to a significant increase in oil and natural gas prices, with direct repercussion to European energy prices. The blockage of the Strait of Hormuz could also generate delays and price increases on the supply chain. The effects of higher energy prices on the Group's profitability, as well as on macroeconomic scenarios linked to inflation and interest rates, will be monitored and assessed based on the duration of the conflict and on the region's energy infrastructure attacks.

Supervision of the adequacy of the organisational set-up

During its audits, the Board of Statutory Auditors monitored the adequacy of the organisational set-up - in terms of structure, procedures, competences and responsibilities - to the size of the Company and the nature and pursuit of its corporate purpose.

In this regard, the Board of Statutory Auditors believes that, to the extent of its competence, this organisational structure is, overall, adequate.

In particular, the Statutory Auditors recall that the Ordinary Shareholders' Meeting held on 24 April 2025 appointed the Board of Directors and its Chairman for the three-year period 2025-2026-2027 (expiry: date of approval of the financial statements for the year 2027) and determined the related remuneration.

The Board of Directors consisted of fifteen members, of whom thirteen are taken from list no. 1 presented by the public shareholders (F.S.U. S.r.l. FCT Holding S.p.A., the Municipality of Reggio Emilia and the Municipality of La Spezia, through the Secretary of the Company's Syndicate) and two members from list no. 2 presented, under Assogestioni, by various asset management companies under Italian and foreign law, on behalf of their mutual funds.

The newly appointed Board of Directors confirmed the management powers as follows: (i) to the Chief Executive Officer Gianluca Bufo: Environment, Energy, Markets and Networks businesses as well as powers for the Departments: Administration, Ordinary Finance and Control, Legal Affairs, Procurement, Logistics and Services, Information Technology and Services, Energy Management and Risk Management; (ii) to the Executive Chairman Luca Dal Fabbro: Communication and External Relations, Internationalisation, Public Affairs and Strategic Projects, Regulatory Affairs, Innovation, Finance and Investor Relations, Corporate Secretariat and M&A; to the Executive Vice President Moris Ferreri: Corporate Affairs, Corporate Social Responsibility and Local Committees, Internal Audit and Compliance, Personnel and Organisation.

The Board of Directors has also verified the existence of the integrity requirements of its members *pursuant to* Articles 147-quinquies and 148, paragraph 4, of the Consolidated Law on Finance. Considering the information provided by the individual Directors, the further checks carried out by the Company in response to the declarations made by them and carried out based on the information already available from the Company and/or acquired *ad hoc*, the Board of Directors also proceeded to verify the existence of the independence requirements provided for by current legislation for its members, having consulted the Board of Statutory Auditors in the area of competence.

The Directors Sandro Mario Biasotti, Stefano Borotti, Francesca Culasso, Daniele De Giovanni, Paola Girdinio, Giacomo Malmesi, Giuliana Mattiazzo, Patrizia Paglia, Cristina Repetto, Elisabetta Ripa, Elisa Rocchi, were found to meet the independence requirements provided for by Articles 147-ter, paragraph 4, and 148, paragraph 3, letters b) and c) of the Consolidated Law on Finance, as well as the independence requirements provided for by Recommendation no. 7 of the *Corporate Governance Code* (January 2020), to which Iren S.p.A. has declared its adherence.

The Board of Directors then formed the Board committees (on 24 April 2025) and appointed the *Lead Independent Director* (on 30 October 2025, in the person of Professor Giuliana Mattiazzo).

The Board Committees are the following:

- Control, Risk and Sustainability Committee: Stefano Borotti (independent), Daniele De Giovanni (independent), Paola Girdinio (independent) and Francesca Culasso (independent), the latter acting as Chairman;
- Remuneration and Appointments Committee: Giacomo Malmesi (independent), Patrizia Paglia (independent), Davide Piccioli and Elisa Rocchi (independent), the latter acting as Chairman;
- Committee for Transactions with Related Parties: Sandro Mario Biasotti (independent), Giuliana Mattiazzo (independent), Cristina Repetto (independent) and Elisabetta Ripa (independent), the latter acting as Chairman.

The Board of Statutory Auditors recalls that the Board of Directors is responsible for establishing the organisational structure of the company, defining the corporate structure of the group, and verifying the existence of the internal controls necessary to monitor the performance of the company and the group. The Directors' Report, to which reference is made, explains these aspects in detail.

The Board of Statutory Auditors reports that it has supervised the organisational and procedural activities implemented pursuant to Legislative Decree No. 231/2001, verifying the updating of the 231 Model and maintaining a periodic exchange of information with the Supervisory Board. The Board of Statutory Auditors also examined the half-yearly report and the annual report of the Supervisory Board for 2025, on which it has no observations to make.

Supervision of the adequacy of the internal control system

The Board of Statutory Auditors has verified that the Company has put in place an internal control and risk management system, also with reference to the Group, aimed at enabling the identification, measurement, management and monitoring of the main corporate risks.

In particular, the Board of Statutory Auditors notes that risks are detected and assessed in the Company's Enterprise Risk Management (ERM) process, in order to ensure the identification of appropriate controls of the organisation's main risks, which are also monitored by the Control, Risk and Sustainability Committee and periodically (at least once a year) submitted to the Board of Directors, which takes them into account when developing strategy.

To supervise the adequacy of the Company's internal control system, the Board of Statutory Auditors liaised and coordinated with the Risk and Sustainability Control Committee, the Directors with delegated powers, the head of the Internal Audit Department, the head of the Risk Management Department and the Supervisory Board.

The Board of Statutory Auditors attended the meetings of the Appointments and Remuneration Committee, acquiring useful information for the exercise of its supervisory activities.

The Board of Statutory Auditors also notes that the Control, Risks and Sustainability Committee operated in accordance with the provisions of the Corporate Governance Code. The cooperation with the Control, Risks and Sustainability Committee was fruitful and effective and, among other things, made it possible to coordinate the respective activities and ensured a joint assessment and effective coordination of the overall internal control and risk management system.

The Board of Statutory Auditors reviewed the half-yearly reports of the Internal Audit Department on its activities during 2025 and the audit reports.

The Statutory Auditors carried out their own checks on the process of preparing the half-yearly financial report and the annual financial statements and assessed, through periodic meetings with the auditors, the adequacy of the accounting statements and their consistency for the purposes of the half-yearly financial report and the annual financial statements.

The Board of Statutory Auditors also reports that, in compliance with Law 179/2017 on "Provisions for the protection of whistleblowers making reports of offences or irregularities of which they have become aware in the context of a public or private employment relationship" (referred to as the "Whistleblowing Law"), the Company has implemented an appropriate global and integrated group-wide whistleblowing system, with the aim of detecting and promptly handling any unlawful conduct and/or violations concerning suspicious conduct that does not comply with the Company's Code of Ethics.

The Board of Statutory Auditors met with the person responsible for activities related to the General Data Protection Regulation (EU) 2016/679 (GDPR) and reviewed the related periodic reports.

Furthermore, the Board of Statutory Auditors, in its capacity as the Internal Control and Audit Committee, not only established a continuous flow of information with the Risk and Sustainability Control Committee, but also held regular meetings with the independent auditors, taking note of the certification issued by the latter on the absence of significant deficiencies in the internal control system.

The Report on Corporate Governance and Ownership Structure for FY 2025 gives an account of the conclusions reached by the Directors regarding the confirmation of the adequacy and effectiveness of the organisational, administrative and accounting structure of the Company and its main subsidiaries.

The Directors prepared the Report on Remuneration Policy and Compensation Paid, which was approved by the Board of Directors on 21 April 2026. In this context, the Directors explained the principles adopted for determining the remuneration of the members of the management and control bodies and of key managers. Furthermore, the same report contains the table relating to the remuneration paid to the members of the board of directors and control bodies and to other key managers, as well as the table relating to the information on the shareholdings in the company's capital held by them.

The Board of Statutory Auditors, in consideration of the supervisory activities carried out, and taking into account the assessments of the adequacy, effectiveness and actual functioning of the internal control system formulated by the Risk and Sustainability Control Committee and the Board of Directors, considers, to the extent of its competence, that this system is, overall, adequate.

Supervision of the adequacy of the administrative accounting system and the statutory audit activities

The Board of Statutory Auditors monitored the Company's administrative and accounting system and its reliability in correctly representing management events, by obtaining information from the Financial Reporting Manager and the heads of the relevant departments, by examining the documentation prepared by the Company and by analysing the work carried out by the independent auditing firm.

In particular, the Board of Statutory Auditors notes that the Financial Reporting Manager has issued the certification that the financial statements provide a true and fair view of the financial position, results of operations and cash flows of the Company and the investees included in the scope of consolidation. On the basis of the information obtained, the declarations made by the Financial Reporting Manager are complete.

The Board of Statutory Auditors, in consideration of the supervisory activities carried out, and taking into account the assessments of the adequacy, effectiveness and actual functioning of the organisational, administrative and accounting structure formulated by the Board of Directors, considers, to the extent of its competence, that this system is, as a whole, adequate and reliable in representing management events.

During the financial year ended 31 December 2025, the Board of Statutory Auditors met regularly with the auditing company, KPMG S.p.A., for the purpose of exchanging relevant data and information pursuant to article 150, paragraph 3 of the TUF.

At these meetings, the independent auditing firm did not communicate any facts or anomalies of such significance that they should be reported in this report.

The supervision of the auditing activity referred to in article 19 of Legislative Decree no. 39 of 27 January 2010, was conducted by the Board of Statutory Auditors in the context of the aforementioned meetings with the appointed independent auditing firm, which illustrated the quarterly audits performed and their results, the auditing strategy, as well as the key issues encountered in the performance of the activity. These meetings did not reveal any critical issues that would affect the Company's individual financial statements or the consolidated financial statements.

The Board of Statutory Auditors also assessed the work plan prepared by KPMG S.p.A., finding it appropriate to the characteristics and size of the Group, and monitored the effectiveness of the statutory audit process, noting that it was carried out in accordance with the audit plan and according to the International Standards on Auditing applicable in Italy (ISA Italia).

The reports of the company KPMG S.p.A. on the annual and consolidated financial statements were issued, pursuant to article 14 of Legislative Decree no. 39 of 27 January 2010, and 10 of Regulation (EU) no. 537 of 16 April 2014, on 21 April 2026.

With regard to opinions and attestations, the independent auditing firm has:

- issued an opinion stating that the separate and consolidated financial statements of Iren S.p.A. give a true and fair view of the financial position of Iren and the Group as of 31 December 2025, of the results of operations and of cash flows for the year then ended in accordance with the International Financial Reporting Standards issued by the International Accounting Standards Board and adopted by the European Union, as well as with the measures issued in implementation of article 9 of Legislative Decree no. 38/2005;

- issued an opinion on the consistency of the report on operations and the specific information contained in the Report on Corporate Governance and Ownership Structure indicated in article 123-*bis*, paragraph 4, of Legislative Decree No. 58/1998 with the consolidated financial statements of Iren Group as of 31 December 2025;

- Issued an opinion on the compliance of the Directors' Report, excluding the section on consolidated sustainability reporting, and the specific information contained in the Report on Corporate Governance and Ownership Structure indicated in article 123-*bis*, paragraph 4, of Legislative Decree No. 58/1998 with legal requirements. However, this opinion of compliance with the law does not extend to the section of the report on operations relating to the consolidated sustainability report, the conclusions of which are formulated in the certification report pursuant to article 14-*bis* of Legislative Decree No. 39/2010 by KPMG S.p.A.;

- reported nothing to be reported with reference to the statement referred to in article 14, paragraph 2, letter e-*ter*), of Legislative Decree no. 39/2010, issued on the basis of the knowledge and understanding of the company and its context acquired in the course of the audit activity.

The audit report also includes an indication of the key aspects of the audit, in relation to which, however, no separate opinion is expressed, as they were addressed in the audit and in forming the opinion on the financial statements as a whole.

The Board of Statutory Auditors notes that article 154-*ter*, paragraph 1.1, of the TUF (effective as of 1 February 2022), requires the directors to take care of the application of the provisions of Commission Delegated Regulation (EU) 2019/815 of 17 December 2018 (the "ESEF Regulation"). Paragraph 1.2 of the aforementioned article 154-*ter* (also effective as of 1 February 2022) also provided that the independent auditing firm, in its audit report pursuant to article 14 of Legislative Decree No. 39/2010, shall express an

opinion on the compliance of the draft financial statements and the consolidated financial statements, included in the annual financial report, with the provisions of the ESEF Regulation.

The Board of Statutory Auditors monitored the application of the provisions of the ESEF Regulation by the Directors and confirms that the auditors have issued an opinion on the conformity of the draft annual financial statements and the consolidated financial statements, included in the annual financial report, with the provisions of the ESEF Regulation.

On 21 April 2026 the independent auditors also submitted to the Board of Statutory Auditors, in its capacity as Internal Control and Accounts Auditing Committee, the additional report required by article 11 of Regulation (EU) No. 537/2014, from which no significant shortcomings in the internal control system in relation to the financial reporting process were found to be worthy of being brought to the attention of those responsible for governance activities. The Board of Statutory Auditors shall inform the Company's Board of Directors of the results of the statutory audit, transmitting for this purpose the additional report, accompanied by any observations, pursuant to article 19 of Legislative Decree No. 39/2010. With regard to the previous year, the Board of Statutory Auditors informed the Board of Directors about the results of the statutory audit, as required by law.

As an annex to the additional report referred to in the previous paragraph, the auditing firm submitted to the Board of Statutory Auditors the declaration of independence, as required by article 6 of Regulation (EU) no. 537/2014, from which no situation emerged that could compromise its independence. Finally, the Board of Statutory Auditors took note of the transparency report prepared by the independent auditing firm and published on its website pursuant to article 18 of Legislative Decree no. 39/2010.

The Board of Statutory Auditors stresses that further tasks entrusted to the independent auditing firm are governed by a separate Guideline "Entrusting of assignment to the independent auditing firm" in compliance with the reference legislation. The amounts are shown in the Notes to the Separate Financial Statements and in the Notes to the Consolidated Financial Statements under the heading “Independent Auditors’ Fees”, where those relating to statutory audit services and those relating to services other than statutory audit services (services aimed at issuing a certification, which also include the certification of sustainability reporting pursuant to article 81-*ter*, paragraph 1, of Consob Regulation No. 11971 of 14 May 1999, as amended and supplemented) are indicated separately.

The Board of Statutory Auditors confirms that the latter do not exceed the limits laid down in the relevant regulations.

Following operations pursued during the year - that, in particular, increased the size of the Group with the entry of new companies - or other dynamics, resulting in the need to change (increasing or decreasing) the object and/or scope of the statutory or accounts auditing services, the Board of Directors - in accordance with the provisions of the Framework Agreement entered into with KPMG on 25 November 2019 and subsequently supplemented -, resolved on the signing, also on behalf of the affected consolidated subsidiaries as at 31 December 2025, of a supplementary agreement that, by way of acknowledgement, accounts for an increase in the fees in favour of the independent auditing firm to take into account, amongst other aspects, the above

change in the scope and the audit scope. The individual subsidiaries engaged KPMG by means of special acts of engagement, following resolutions by the competent bodies.

Taking into account the declaration of independence issued by KPMG S.p.A., the fact that the value of the non-audit assignments does not exceed the limit provided for in article 4 of Regulation (EU) 537/14, and the fact that no assignments have been given to companies belonging to its network by the Company and the Group companies, we consider that there are no critical aspects regarding the independence of KPMG S.p.A. (also as sustainability auditor).

The statutory auditor also declared that no non-audit services were provided as are prohibited under article 5, paragraph 1, of Regulation (EU) 537/2014.

Supervision of consolidated sustainability reporting (CSRD)

In recent years, the European Union has undertaken a series of reforms with the aim of achieving a leading position in sustainable transition compared to the rest of the world. With its commitment to climate neutrality to be achieved by 2050, the arrival of the structural measures linked to the Industrial Green Deal and the presentation of the roadmap for Sustainable Finance by the EBA (European Banking Authority), Europe is working towards the creation of an increasingly sustainable economic-financial system, aimed at making companies aware of and responsible for their impact on the planet. In the context of the European Green Deal is the approval and publication on 16 December 2022 in the EU Official Journal of Directive No. 2022/2464 on the Corporate Sustainability Reporting Directive (CSRD). The CSRD amended Directive 2013/34/EU on the disclosure of non-financial information for large companies. Italy implemented the Directive with Legislative Decree No. 125 of 6 September 2024, which was published in the Official Journal on 10 September 2024 and entered into force on 25 September 2024. (hereinafter, “Legislative Decree No. 125/2024”).

The main objective of CSRD is to improve sustainability reporting, thus not only equating the relevance of ESG results with those reported in traditional statutory financial statements, but also recognising their natural connection.

The Sustainability Statement has been included in the Report on Operations of the consolidated financial statements, in order to ensure greater integration between financial and non-financial information.

In order to ensure greater comparability between disclosures, it was necessary to adopt the ESRS (European Sustainability Reporting Standard, the development of which is entrusted to the EFRAG - European Financial Reporting Advisory Group).

A sustainability matter is material for a company when it fulfils the criteria defined for either impact materiality or financial materiality or both: companies are obliged to provide sustainability information both on the impact of their activities on people and the environment (inside-out approach) and on how sustainability factors affect them and their results (outside-in approach), with an approach defined as 'double materiality'.

Legislative Decree No. 125/2024 amended Legislative Decree No. 58/1998, adding paragraph 5-*ter* to article 154-*bis*, which provides that the delegated administrative bodies and the Financial Reporting Manager shall certify, in a specific report, that the sustainability statement included in the Report on Operations has been prepared in accordance with the reporting standards applied pursuant to Directive 2013/34/EU of the European

Parliament and of the Council of 26 June 2013 and the legislative decree adopted in implementation of article 13 of Law no. 15 of 21 February 2024 and with the specifications adopted pursuant to article 8, paragraph 4 of Regulation (EU) 2020/852 of the European Parliament and of the Council of 18 June 2020. The same attestation may be rendered by a manager other than the Financial Reporting Manager, with specific skills in sustainability reporting, appointed, subject to the mandatory opinion of the control body, in accordance with the procedures and in compliance with the professionalism requirements set out in the Articles of Association.
The Board of Statutory Auditors recalls that the Company (on 18 December 2024), amended the Articles of Association to introduce and regulate the right to appoint a manager responsible for certifying the Sustainability Report, identified as the Group's Head of Sustainability, Selina Xerra.
The Board of Statutory Auditors also notes that the responsibility for ensuring that the report is drawn up and published in accordance with the provisions of the law lies with the Directors.
The supervisory body must monitor compliance with the provisions of Legislative Decree No. 125/2024.
The supervisory body must monitor compliance with the provisions of Legislative Decree No. 125/2024.
As part of this activity, the Board of Statutory Auditors monitored the existence of an adequate organisational, administrative, reporting and control system set up by the Company to enable a correct and complete representation of the sustainability report. To this end, the Board met with the manager in charge of sustainability and part of the working party involved in the process of drafting the sustainability report , acquiring information on the materiality analysis carried out by the Company to define the areas of the sustainability report relevant to Iren Group, the involvement of subsidiaries, the procedures and operational tools adopted to collect data/information and their subsequent analysis, control and consolidation.
The Executive Deputy Chairman (as the delegated body in this regard) and the Executive in charge of certifying the Group's sustainability reporting attested that the sustainability reporting included in the Report on Operations was prepared in accordance with the reporting standards applied pursuant to directive 2013/34/EU of the European Parliament and of the Council of 26 June 2013and the legislative decree adopted in implementation ofarticle 13 of Law No. 15 of 21 February 2024 and with the specifications adopted pursuant toarticle 8, paragraph 4 of Regulation (EU) 2020/852 of the European Parliament and of the Council of 18 June 2020.
The *sustainability report* is subject to *limited assurance,* and the related task is assigned to the Group's statutory auditor.
Since the work performed by KPMG S.p.A. in connection with the sustainability report is a limited audit, the opinion is expressed in terms of negative assurance.
The report states, in fact, that based on the work carried out, KPMG S.p.A. did not receive any evidence to suggest that:

- Iren Group's consolidated sustainability reporting for the year ended 31 December 2024 was not prepared, in all material respects, in accordance with the reporting standards adopted by the European Commission pursuant to Directive 2013/34/EU(European Sustainability Reporting Standards, 'ESRS');

- the information contained in the "European Taxonomy" section of the consolidated sustainability report was not prepared, in all material respects, in accordance with article 8 of Regulation (EU) No. 852 of 18 June 2020 (hereinafter also referred to as the "Taxonomy Regulation").

The Board of Statutory Auditors will inform the Company's Board of Directors as to the outcome of the sustainability certification activity (as provided for by article 19, paragraph 1, letter a) of Legislative Decree No. 39/2010).

Supervision of the concrete implementation of corporate governance rules

The Company, as previously reported, has adhered to the Corporate Governance Code of listed companies of Borsa Italiana S.p.A., as set forth in the Report on Corporate Governance and Ownership Structure for FY 2025, approved by the Board of Directors on 1 April 2025 and made available on the Company's website by the legal deadline. This Report was prepared in accordance with the instructions of the Rules of the Markets organised and managed by Borsa Italiana S.p.A..

The Report in question details the governance system adopted by the Company. This system complies with and adheres to the rules of the governance model prescribed by the above-mentioned Corporate Governance Code, and the prescribed principles are effectively and correctly applied.

In particular, the Board of Statutory Auditors acknowledges that it has verified the evolution of governance also in light of the considerations contained in the Corporate Governance Report on the recommendations contained in the letter of the Chairman of the Corporate Governance Committee of 18 December 2025 and, and, in this context, that it has positively assessed the interest placed by the Company in the topics covered by said recommendations, such as the focus on pre-directory reporting. The Board of Statutory Auditors will ensure that the new recommendations for 2026, such as (*i*) the focus on the measurability of the components of the remuneration policy and (*ii*) the development of dialogue with relevant *stakeholders*, with an invitation - for large companies - to adopt a policy of dialogue with other relevant *stakeholders* (together or separate from the policy aimed at all shareholders) in 2026.

The Board of Statutory Auditors acknowledges that it has participated in all induction activities organised by the Company.

Supervision of transactions with subsidiaries and parent companies

In consideration of the model adopted by the Group with IREN S.p.A. as an industrial holding company equipped with adequate centralised staff structures, as well as the management and coordination activity carried out, the Company provides professional services of a technical-administrative nature in favour of the subsidiaries, operating in the reference businesses. These activities are governed by special supply contracts at arm’s length.

The Board of Statutory Auditors monitored the adequacy of the instructions issued by the Company to its subsidiaries pursuant to article 114, paragraph 2 of the TUF, and the proper flow of information between them, and considers that the Company is able to fulfil its disclosure obligations under the law. The information flow

to the central auditor, articulated on the various levels of the corporate control chain, active throughout the financial year and functional to the control of annual and infra-annual accounts, was deemed effective.
The Board of Statutory Auditors draws the attention of the Shareholders' Meeting to the fact that, on 26 February 2026, the Board of Directors approved, also at the instigation of the Board of Statutory Auditors, the Management and Coordination Guidelines, which represent an additional tool designed to contribute to the effectiveness of the directives given by the Parent Company to its subsidiaries.
The Board of Statutory Auditors also acknowledges that it has exchanged information, pursuant to article 151, paragraphs 1 and 2, of the TUF, with the boards of statutory auditors of the main subsidiaries; as a result of these exchanges of information, no critical issues worthy of mention emerged.
It is noted that the Parent Company does not control companies established and regulated by the laws of non-EU countries. Furthermore, it is noted that Iren S.p.A. is not subject to management and coordination by another company.

Supervision of related party transactions

The Board of Statutory Auditors did not find the existence of any atypical and/or unusual transactions with Group companies or with related parties, finding confirmation of this in the indications provided by the Board of Directors, the independent auditors and the head of the Internal Audit Department.
The Directors' Report on Operations contains adequate information on intra-group and related-party transactions, all of which are congruent, in the interest of the Company and settled at market conditions. Information relating to balance sheet and income statements with related parties is provided in the Notes to the Consolidated Financial Statements as at 31 December 2025 under chapters "VII. Information on transactions with related parties" and "XIV. Annexes to the Consolidated Financial Statements" as an integral part of the same and in the Notes to the Separate Financial Statements in chapter "IV. Information on transactions with related parties".
Their impact on cash flows is reported directly in the cash flow statement.
With reference to these transactions, the Board of Statutory Auditors considers the information provided by the Directors' Report and Notes to the financial statements to be adequate.

Omissions and reprehensible facts noted

No complaints pursuant to article 2408 of the Italian Civil Code or complaints of any kind from third parties were received during FY 2025.
The results of the supervision did not identify any omissions or reprehensible facts.

Opinions rendered

During the financial year ended 31 December 2025 and up to the date of preparation of this Report, the Board of Statutory Auditors issued the following favourable opinions:

- on the process of assessing whether independent directors meet the independence requirements, as set forth in the Corporate Governance Code and the TUF;
- where applicable, on services of the independent auditing firm KPMG other than the statutory audit;
- on the allocation of remuneration to directors holding special offices, pursuant to article 2389, paragraph three of the Italian Civil Code;
- on the approval of the annual activity plan prepared by the head of the Internal Audit Department, pursuant to article 6, Recommendation No. 33, letter c) of the Corporate Governance Code;
- on the assessment on the correct use of accounting standards and their uniformity for the purposes of preparing the consolidated financial statements, carried out by the Control and Risk Committee, pursuant to article 6, Recommendation No. 35, letter a) of the Corporate Governance Code, in agreement with the Financial Reporting Manager.

Self-assessment

The Board of Statutory Auditors carried out a self-assessment of the independence of its members, as a result of which it confirmed the existence of the requirements required by law and by the Corporate Governance Code; it is hereby acknowledged that no Statutory Auditor had any interest, on his own behalf or on behalf of third parties, in any transaction of the Company during FY 2025.

The Board of Statutory Auditors also started the self-assessment process, with reference to FY 2024, on the composition and functioning of the Board of Statutory Auditors, with the help of a consulting firm, the outcome of which will be reported to the Board of Directors.

The members of the Board of Statutory Auditors complied with the accumulation of offices provided for in article 144-*terdecies* of the Issuers' Regulation.

The Board of Statutory Auditors also verified the correct application of the assessment criteria and procedures adopted by the Board of Directors to evaluate the independence of its members in accordance with the criteria set forth by law and the Corporate Governance Code.

Proposals to the Shareholders' Meeting concerning the financial statements for the financial year ending 31 December 2025, their approval, the allocation of the period result and matters within the competence of the Board of Statutory Auditors

The Board of Statutory Auditors examined the draft financial statements as at 31 December 2025.

The Board of Statutory Auditors verified compliance with the legal provisions concerning the preparation of the Report on Operations and, also in this regard, there are no observations to report.

The financial statements for the year ended 31 December 2025, prepared by the Directors in accordance with the law and duly submitted by them to the Board of Statutory Auditors (together with the Report on Operations and the Notes to the Financial Statements), show a profit for the year of 218.475.126,39 euros.

The Board of Statutory Auditors, considering also the results of the activities performed by the independent auditors, for the profiles of its own competence, does not find any reasons to oppose the approval of the financial statements for the year ended 31 December 2025, as drafted and approved by the Board of Directors in the meeting of 23 March 2026, nor the proposal for the allocation of the period result as formulated by the same Board of Directors, as follows

- 10,923,756.32 euros, equal to 5% of the profit for the year, to the legal reserve;
- a maximum of 180,309,088.85 euros as a dividend to the Shareholders (corresponding to Euro 0.1386 for each of the maximum 1,300,931,377 ordinary shares constituting the Company's share capital, with the specification that any treasury shares will not benefit from the dividend);
- in a special reserve of retained earnings, the residual amount equal to at least 27,242,281.22 euros.

The dividend will be payable from 24 June 2026, with an ex-dividend date of 23 June 2026 and *a record date* of 23 June 2026.

Reggio Emilia, 21 April 2026

For the Board of Statutory Auditors

Sonia Ferrero - President

Iren S.p.A.
Via Nubi di Magellano, 30
42123 Reggio Emilia - Italy
www.gruppoiren.it