

## SAFETY OF WASTE MANAGEMENT SERVICES

The Group has developed tools for monitoring performance, also in terms of sustainability and environmental protection, such as the assessment of environmental impacts, analytical controls, internal audits and legislative compliance checks. The continuous evolution of customer expectations and needs, strongly reinforced by market competitiveness, requires flexible organisational models and lean management systems, whose effectiveness in terms of results must be monitored. The organisational and procedural set-up of each activity or project takes into account all aspects that may impact on the health and safety of stakeholders. 100% of products and services in the environment sector undergo health and safety impact assessments.

### ACOUSTIC IMPACT

In all the areas managed, sound level checks are periodically carried out on waste collection, street sweeping and collection centres. In particular, in the waste collection sector, the Group is adopting new methods with vehicles with low acoustic impacts, such as electric vehicles. For waste-to-energy plants, periodic acoustic monitoring campaigns are carried out. To date, the results of the investigations conducted show that the limits have been respected.

## District heating

Iren Group's district heating service produces and supplies the thermal energy required by customers for heating rooms and producing hot water.

ARERA started regulating the sector as of 2018 on aspects of commercial quality, technical quality, quotation, measurement, transparency and pricing. The Group has taken steps to adapt its technical-administrative processes and update 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.

Iren 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 » SEE PAGE 257.

## DISTRICT HEATING TARIFFS

District heating prices were, for the whole of 2023, predominantly constructed on the principle of "avoided cost", i.e. on the construction of a price, expressed in Euro/MWh, that corresponds to the price the customer would have paid for the unit of heat produced with a methane gas-fired boiler or by adopting the most widespread competing technological solution. The prices were updated on the basis of the increases applied monthly by ARERA to the sum of the tariff components related to the gas raw material for the protected market (supply, sale, infrastructure costs) and the updates of the tax components.

In December 2023, ARERA (Resolution 638/2023/R/tlr1) approved the "District Heating Tariff Method for the transitional period from 1 January to 31 December 2024" and, at the same time, commenced proceedings to define the tariff regulation to be applied from 1 January 2025, the development of which includes data collection activities, the preparation of consultation documents and the performance of in-depth studies.

## DISTRICT HEATING BONUS

In consideration of the continuing international energy crisis that has produced a strong increase in the price of raw materials, in 2023, Iren Group renewed and expanded its actions to support its customers in situations of greater difficulty, confirming, inter alia, the District Heating Bonus for the 2022/2023 and 2023/2024 thermal seasons, in consideration of the fact that district heating does not benefit from government subsidies (social bonuses) that are instead applied to other energy sources.

The measure, to be paid for in full by the Group, is a discount on the district heating service granted on the bill to end customers who meet the following requirements:

- **domestic utility** for heating service or mixed heating with individual district heating contract or centralised district heating with split service or centralised district heating;
- **residence** in one of the municipalities where the Group provides district heating service (Beinasco, Collegno, Genoa, Grugliasco, Moncalieri, Nichelino, Parma, Piacenza, Reggio Emilia, Rivoli, Turin);
- **ISEE** not exceeding 25,000 Euro (for the 2022/2023 heating season); by band (less than 9,530 Euro, between 9,530 and 15,000 Euro and not exceeding 20,000 Euro) and household members (for the 2023/2024 heating season).

The Group took an active role in facilitating families to submit applications, with numerous supporting initiatives such as press releases, dissemination of digital content (information video), leaflets and assistance at all counters in the area. In addition, a dedicated section was set up on its website and all municipalities involved in the initiative were directly involved in collecting applications. This allowed customers to apply for the bonus via a method often already used to apply for other benefits. In addition, to ensure the reliability and security of information, access to online forms was made conditional on authentication with a digital signature. The initiative was widely embraced and the bonuses were all disbursed during the year 2023.

## DISTRICT HEATING SAFETY

The Department of Environmental, Territorial and Infrastructure Engineering (DIATI) of the Polytechnic University of Turin has carried out, since 2017, some studies on the consequences of the possible environmental benefits, in terms of air quality, of district heating systems in the cities of Turin, Reggio Emilia, Parma and Piacenza. Analyses were conducted by comparing the environmental impacts of a scenario with a district heating system to a past scenario with a heating system based on decentralised stand-alone systems. The results showed a substantial reduction in the environmental impacts on the atmosphere through the extension of district heating networks powered by co-generation plants. The magnitude of this reduction and the average concentrations of pollutants in the atmosphere were also calculated in economic terms, i.e. by estimating the social costs avoided due to the reduction of adverse health effects.

Iren is constantly striving to ensure efficiency and reliability in the management of the district heating network, 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 users. 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 were drawn up to respond promptly to critical situations, minimising service impacts, and security measures were 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 service interruptions and their response times.

The district heating network managed by Iren Group in the municipalities of Turin, Nichelino, Beinasco, Grugliasco, Collegno, Rivoli, Moncalieri, Genoa, Reggio Emilia, Piacenza and Parma is 1,134 km long and 52% of its extension was inspected in 2023.