



Sustainable development of the local areas and communities

[GRI 2-23, 2-27, 3-3, 203-1, 413-1, 413-2, 416-1, G4-EU22, EU25]

Iren Group identifies the focus for progress and the creation of shared value in the communities and local areas of reference, as highlighted in the Sustainability Policy. The objective is to improve people’s quality of life, making businesses more competitive, looking to the growth of local areas through the eyes of change and making development and sustainability a single value: the realisation of this future represents the vision of Iren Group.

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Risks

- Failure to meet the targets set out in the Business Plan and consequent negative impacts (operational, economic and reputational)
- Disruption of relations with the representative subjects of the local areas with subsequent negative reputational impact
- Negative perception by the community related to the presence of the Group’s plants or managed activities
- Lack of perception of the Group’s investments for the development of regional infrastructures
- Lack of attention to stakeholder demands that may develop socio-economic tensions in communities
- Slowdown in the dissemination of sustainability culture in communities



Opportunities

- Policy and legislative framework increasingly oriented towards sustainable development
- Participation in national and international networks for sustainable development
- Brand promotion
- Enhancement of the local areas
- Changing consumption behaviour of customers and communities



Management methods

- Planning and monitoring of business plan objectives and targets (economic/financial and ESG)
- Code of Ethics
- Sustainability Policy
- Organisational Model 231 and information flows to the Supervisory Bodies
- MbO and LTI system with ESG objectives
- Structured communication plans on strategies, objectives, plants and services and territorial impacts
- Local Committees
- Eduiren educational programme
- Sustainability awareness programmes
- Monitoring activities and definition of corrective actions in case of claims/complaints
- Procedures: Sponsorship management; Media Relations management; Whistleblowing
- Plants open to visitors

Investments for the local areas

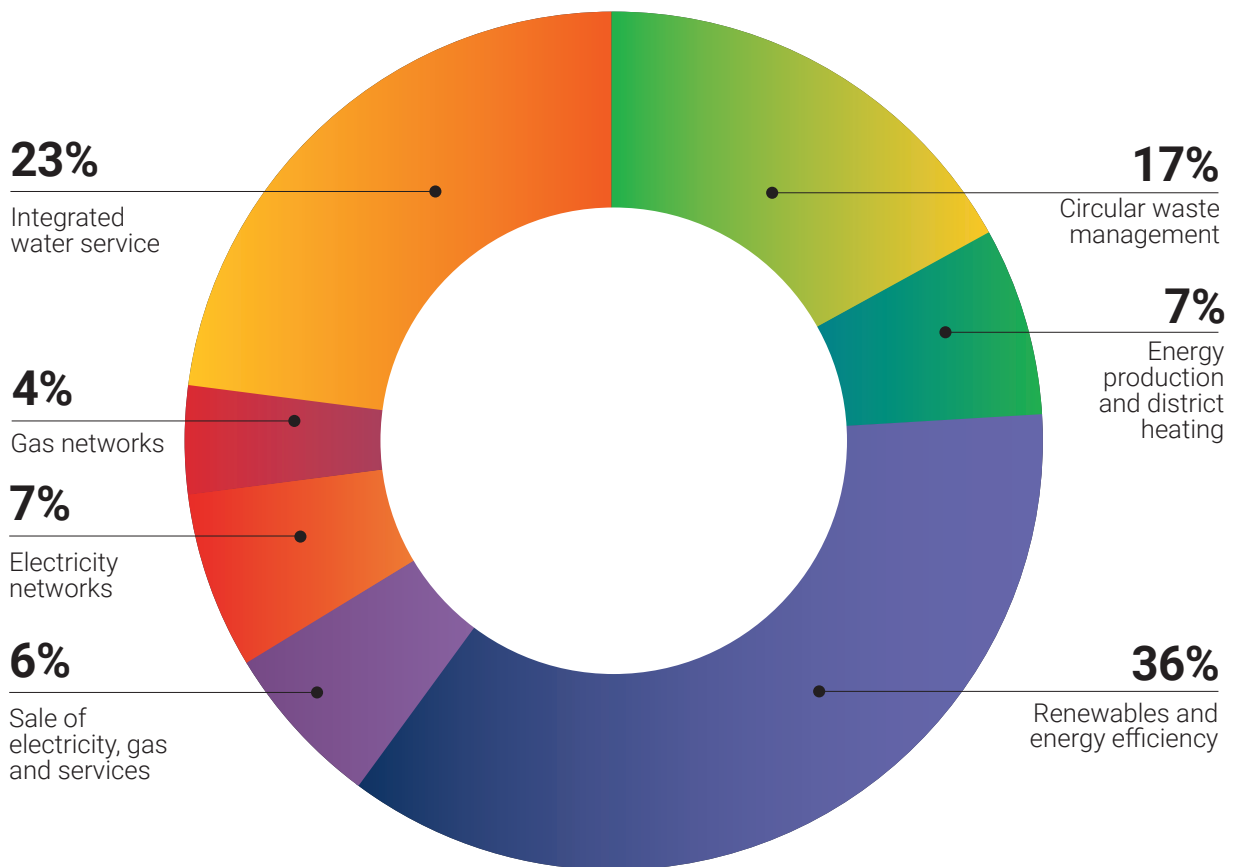
about
10
billion Euro
equal to
about
95%
of the total

Iren Group has been characterised by strong territorial roots, continuously confirmed by the value generated in the areas of operation, in terms of economic, occupational, social and cultural impacts. Local presence represents one of the pillars on which the Group’s growth strategy is based, understood as the growth of penetration in historical territories and the ambition to become a reference partner for communities, thanks to the expansion of the portfolio of services offered.

The Business Plan to 2030 foresees, in fact, that about 10 billion Euro, equal to 95% of the total investments, will be destined to the local areas to design a sustainable future to the benefit of the communities, increasing, compared to 2020, both the base of customers and citizens served in the various businesses and the territorial areas in which Iren is present with a plurality of services. The ambition of the Group to become the reference partner in the territories is pursued by expanding the range of services offered to municipalities, through the proposal of new services for smart cities, e-mobility, and urban and infrastructural redevelopment.

Also in 2023, the strategic guidelines of the Business Plan, oriented towards the local area, found concrete expression in the amount of investments made to increase the efficiency of infrastructures and services and to maximise the opportunities for business development at the service of the local areas.

This is **1,254 million Euro** gross (including works for customers in the area carried out by Iren Smart Solutions and approximately 67 million of financial investments aimed at development through merger and acquisition transactions), representing about 96% of the total gross investment, as broken down below:



Sector analysis shows:

- in **Circular waste management**, the largest share of investments relates to the construction and development of material recovery plants in Piedmont (wood, plastic and organic with biomethane production) and in Emilia (treatment of organic waste with biomethane production) and the development of home collection with investments in Emilia, Tuscany and Piedmont. In addition, there are initiatives for the implementation and digitalisation of collection systems with punctual pricing in all the areas served;
- in the **Integrated water service**, the most significant investments regard the efficiency of the aqueduct networks, the upgrading, construction and renovation of wastewater treatment plants, as well as the installation of smart meters to improve the monitoring of water supplies and consumption and growth, through the consolidation of Acquaenna, in Sicily;
- in the **Electricity distribution networks**, the most significant investment initiatives in all the areas managed are related to the resilience, the renewal and adaptation of electrical stations and the widespread use of new generation smart meters (2G);
- in **Gas distribution**, the most significant investments concern ordinary and extraordinary maintenance for the efficiency and safety of the network and the installation of digital meters;
- in the **Sale of energy and innovative services**, the commitment is focused on the ever-increasing service quality to customers in all the local areas, thanks to investments in the digitalisation of operations and the gradual expansion of the service portfolio for home automation, energy efficiency, e-mobility, internet connectivity and insurance;
- in the production from **Renewable sources**, in the local areas, investments are aimed at maintaining existing hydroelectric plants and expanding the plant park to increase installed capacity and photovoltaic production, particularly in southern Italy (Basilicata and Sicily), and to enter the wind power sector through the acquisition of WFL in Liguria;
- in the area of **Energy efficiency**, also thanks to incentive systems, the most significant share of resources was allocated to the rebuilding and energy requalification of buildings of public and private customers in the Group's local areas;
- in **Energy production** and **District heating**, most of the investments are related to the construction of new production lines from cogeneration at the Moncalieri (Turin) plant and from thermoelectric production at the Turbigo (Milan) plant, the renewal of the cogeneration and heat production plants in the Turin area, the renewal of substations in all areas served by District heating (Turin, Parma, Piacenza, Reggio Emilia, Genoa), the extension of the Turin network and the saturation of the Reggio Emilia, Parma and Turin networks.

