

The Group operates in a multi-regional area with more than 9,000 employees, a portfolio of over 2 million customers in the energy sector, 2.7 million residents served in the integrated water cycle and about 3 million residents in environmental services.

Iren Group



Iren: business model

[GRI 102-1, 102-2, 102-5, 102-16, 102-26, 102-45]

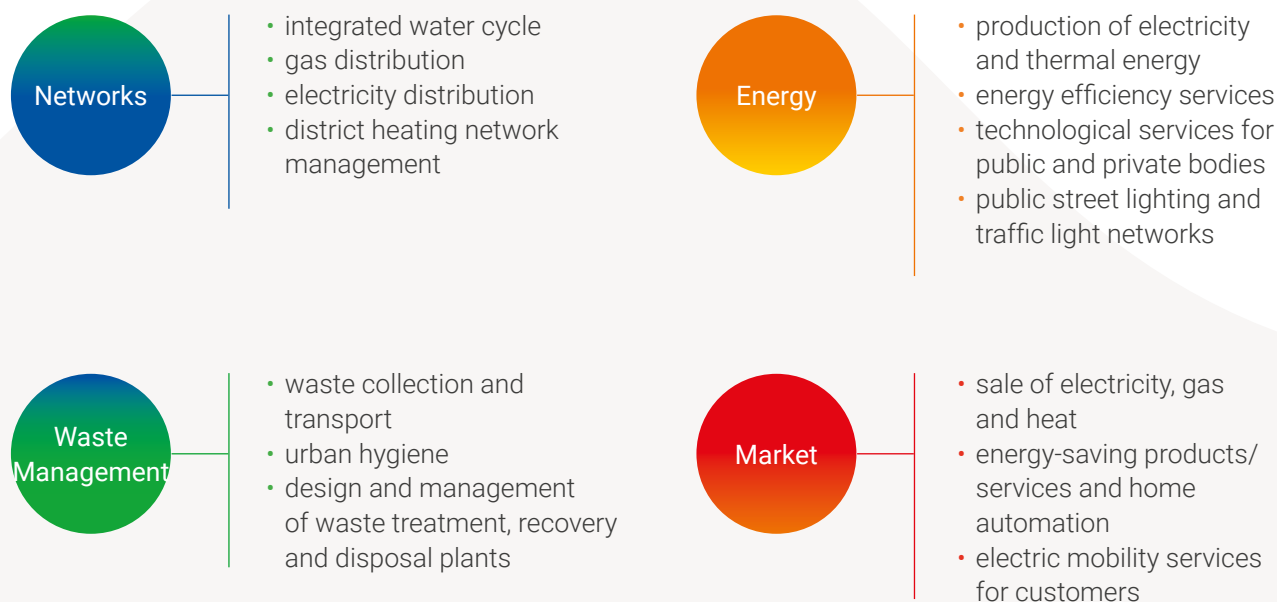
Iren, a multi-utility company listed on the Italian Stock Exchange (Borsa Italiana), operates in the following business areas: electricity (production, distribution and sale), district heating (production, distribution and sale), gas (distribution and sale), integrated water service management, environmental services (waste collection and disposal), integrated solutions for energy efficiency of public and private bodies and services for the Public Administrations.

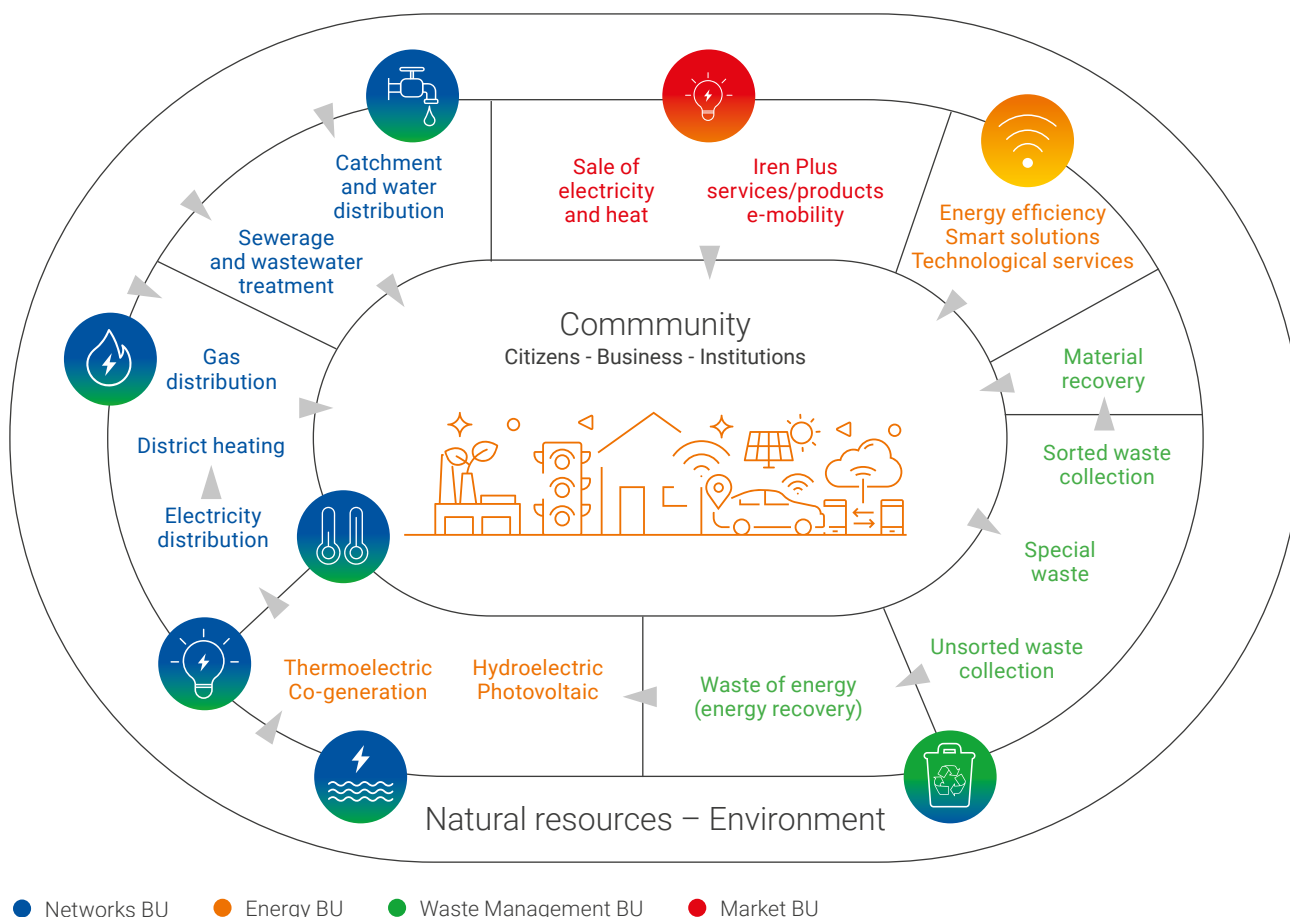
Boasting over a hundred years of experience in providing services to the community, Iren Group is structured according to an industrial holding model (the parent company Iren S.p.A.), which extends to all the Group's corporate staff activities, and four Business Units – governed by four parent companies – that oversee activities by business sector according to a scalable model with the immediate integration of all acquired companies.

Iren focuses on providing services and creating infrastructure to improve and enhance local territories, in full respect of natural resources, the environment and its customers.

The Group's structure aims to consolidate Iren's local presence and its integration in the various supply chains.

Business Units and areas of activity





The business model is designed to promote sustainable development, with the aim of creating shared value over time for the Group and for its stakeholders.

Thanks to the synergies between the different business areas, also in a logic of innovation, Iren Group works to reduce the environmental impact and meet the demands of customers and the communities in which it operates and it is committed to ensuring high safety standards for employees and suppliers.

The performance achieved by Iren also in 2021 testifies to the solidity and sustainability of its business model, capable of contributing to the achievement of the United Nations sustainable development goals, along with its resilience in facing a global socio-economic crisis, such as the Covid-19 pandemic.

The business model is based on the Group's mission, vision and values approved by the BoD.

Mission: offering our customers and our territories the best integrated management of energy, water and environmental resources, with innovative and sustainable solutions to create value over time. For everyone, every day.

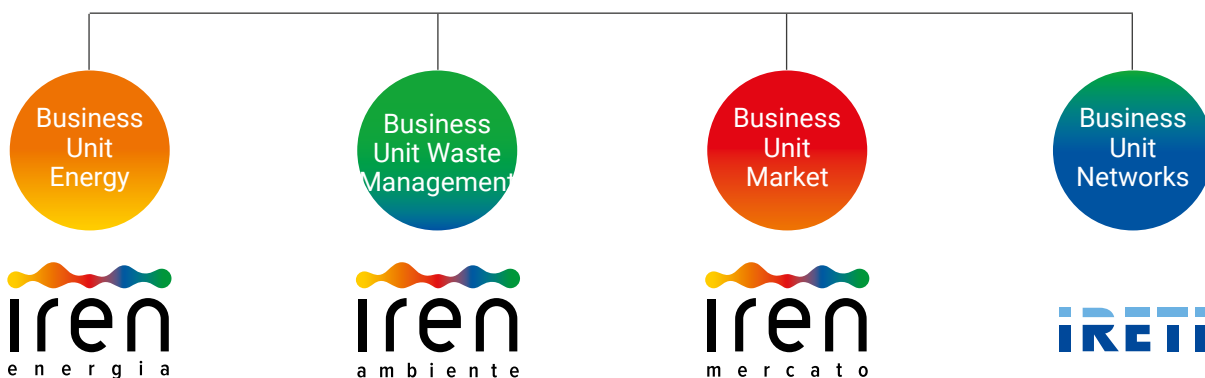
Vision: improving people's quality of life. Making companies more competitive. Looking at territorial growth with a focus on change. Merging development and sustainability into one unique value. We are the multi-utility company that wants to realise this future through innovative choices. For everyone, every day.

To consolidate its vision and mission, Iren has defined a system of values, strategies, policies and operating tools to guide the sustainable management of its businesses. In this direction is the Strategic Plan drafted by the Group (see page 47) to optimise the use and transformation of resources, defining objectives and targets for sustainable development.

The **values** on which Iren Group bases its strategy are: responsibility, belonging, customer satisfaction, growth and enhancement of employees, teamwork, transparency, change and flexibility and sustainability.

Mission, vision and values are an integral part of the Group's Code of Ethics.

Iren Group structure (31.12.2021)



Main Investee Companies

Asti Energia e Calore **62%**
 Iren Smart Solutions **60%**
 (+20% Iren Ambiente e 20% Iren Mercato)
 - Bosch Energy and Building Solutions Italy **100%**
 - Studio Alfa **86%**
 - Lab 231 **100%**
 Maira **66,23%**
 | - Formaira **100%**
 B.I. Energia **47,50%**
 Fratello Sole Energie
 Solidali **40%**
 Valle Dora Energia **49%**

ACAM Ambiente **100%**
 Amiat V **93,06%**
 | - Amiat **80%**
 Bonifica Autocisterne **51%**
 I.Blu **80%**
 ReCos **99,51%**
 Rigenera materiali **100%**
 San Germano **100%**
 Territorio e Risorse **65%**
 (+35% ASM Vercelli)
 TRM **80%**
 UHA **100%**
 | - Manduriambiente **95,28%**
 | - Picena Depur **100%**
 | - Iren Ambiente Toscana **64,71%** (+35,29% Iren Ambiente)
 | - Futura **40%** (+20% Iren Ambiente e 20% Sei Toscana)
 | - Produrre Pulito **100%**
 | - Scarlino Energia **89,54%** (+10,46% Sienambiente)
 | - Scarlino Immobiliare **100%**
 | - TB **90,09%** (+9,91% CSAI)
 | - Sienambiente **40%**
 | - Sei Toscana **30,96%** (+24,9% Sienambiente and 16,37% CSAI)
 | - CSAI **40,32%**
 Uniproject **100%**
 A.S.A. (BO) **49%**
 Gaia **45%**
 Seta **48,85%**

Salerno Energia Vendite **50%**
 | - Sidiren **100%**

ACAM Acque **100%**
 ASM Vercelli **59,97%**
 | - Atena Trading **100%**
 Consorzio GPO **62,35%**
 Iren Acqua **60%**
 | - Iren Acqua Tigullio **66,55%**
 | - AM.TER. **49%**
 Iren Laboratori **90,89%**
 Nord Ovest Servizi **45%**
 (+30% Amiat)
 Acquaenna **48,5%**
 ASA (LI) **40%**

Key: in *gray and italic* companies that are not fully consolidated but are considered relevant to sustainability and reported separately.

Scale of the organization

[GRI 102-4, 102-6, 102-7, 102-8, 102-9, 201-1, 203-1, 204-1, 302-1, 302-4, 303-3, 305-1, 305-2, 305-4, 305-5, 306-3, 401-1, 403-9, 404-1, 404-3, 405-1, G4 EU2, EU3, EU4]



Value

4,956 M€

Revenues

757.8 M€

Investments

95%

Investments in reference local areas

8.6 M€

Investments in innovation and research

1,534 M€

Added value distributed

0.105 €

Proposed dividend per share

2,000 M€

Green Bonds issued

1,580 M€

Orders to suppliers

59%

Ordered to local suppliers

1,332

Suppliers involved in ESG profile survey



Power generation

9,823 GWh_e

Electricity produced

3,329 GWh_t

Thermal energy produced

76%

Renewable and high-efficiency electricity on total

323 gCO_{2eq}/kWh

Power generation carbon intensity

556 TOE/000

Energy saving from electricity and heat production



Electricity and gas distribution

3,680 GWh

Electricity distributed

7,850 km

Electricity network

1,348 Mcm

Gas distributed

8,157 km

Gas network

98.4%

Gas network inspected



Integrated water service

2,748,268

Citizens served

175 Mcm

Water sold

20,088 km

Water mains network

32.6%

Water network leaks

1,337

Wastewater treatment
plants



Waste management

2,978,164

Citizens served

3,646,006 t

Total waste managed

70.3%

Sorted waste
collection

1,780,000 m³

Biomethane produced

1,267,740 tCO_{2eq}

Emissions avoided from
waste recovery



District heating

595,772

Citizens served

1,091 km

District heating
network

98.9 Mcm

District heated
volumes

2,623 GWh

Heat sold

100%

District heating networks
inspected



Customers and Communities

2,024,588

Energy service customers

3,799,412

Responses to customers
from call centres

2,927 Mcm

Gas sold

14,763 GWh

Electricity sold

271

Projects supported in
favour of communities

390

Projects for energy
requalification in public
and private buildings

92

Counters active
in local areas

62

Sustainability projects
carried out by Iren Local
Committees

46,072

People involved in
sustainability education
projects

35

Social cooperatives
operating for the
Group



People

9,055

Employees

22%

Women managers

98%

Permanent employees and apprenticeships

886

New hires during the year

40%

Female presence on Iren Board of Directors

53%

Employees evaluated on performance

43.5

Accident incidence index

44%

New hires under 30

94%

Employees involved in training activities

23

Average training hours per capita



Environmental impacts

3,978,362 tCO_{2eq}

Scope 1 emissions

31,074 tCO_{2eq}

Market-based scope 2 emissions

516,752 m³/000

Water withdrawals

60,142,518 GJ

Direct energy consumption

690,620 t

Waste produced

Main areas served



Business sectors

[GRI 102-2, 102-6, 102-7, G4 EU1, EU2, EU3, EU4]

Production of electricity and thermal energy

Main indicators	
Energy production plants (no.)	180
<i>of which hydroelectric</i>	31
<i>of which photovoltaic</i>	105
<i>of which thermoelectric cogeneration</i>	7
<i>of which thermoelectric</i>	1
<i>of which waste-to-energy</i>	3
<i>of which landfills (post-operation)</i>	3
<i>of which biogas</i>	4
<i>of which thermal</i>	25
<i>of which biomass</i>	1
Installed electrical power (electricity set-up)	2,846 MWe
<i>of which photovoltaic power</i>	20 MWe
Installed thermal power	2,581 MWt
Electricity produced	9,823 GWhe
Thermal energy (heat) produced	3,329 GWht

Electricity produced by plants fuelled by renewable or high-efficiency cogeneration sources, which account for 70% of the Group's plant portfolio, accounts more than 76% of all production (see page 142). Photovoltaic plants produced 20,808 MWh of electricity in 2021.

Market

The Group 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 of customers in the central-northern areas. The main sources available are the Group's production plants.

Sale of natural gas

Main indicators	
gas procured	2,927 million m ³
<i>gas sold to end customers</i>	1,028 million m ³
<i>gas consumption by the Group</i>	1,679 million m ³
<i>gas in storage as at 31/12</i>	220 million m ³
retail customers (no.)	954,419
<i>protected</i>	296,218
<i>free market</i>	658,201

Sale of electricity

Main indicators	
electricity sold	14,763 GWh
<i>to end customers and wholesalers</i>	7,354 GWh
<i>on the Stock Exchange</i>	7,409 GWh
retail customers (no.)	1,048,648
<i>protected market</i>	231,559
<i>free market</i>	817,089

Volumes sold to customers in protected market amounted to 318 GWh. In 2021, 1,035 GWh of certified green energy was sold.

Sale of heat for district heating

Main indicators	
heat sold	2,623 GWh
thermal energy purchased from third parties	12 GWh
customers served	54,139

Through its own co-generation and transport networks, the Group offers the service of district heating to Turin, Nichelino, Moncalieri, Beinasco, Collegno, Grugliasco, Rivoli, Reggio Emilia, Parma, Piacenza and Genoa. District heating helps to protect the environment with low running costs and greater reliability and safety compared to traditional heating plants.

Gas distribution

The distribution service, managed in 105 municipalities, guarantees the withdrawal of natural gas from Snam Rete Gas pipelines and its transportation through local networks for delivery to end users. Iren Group also manages the distribution and sale of LPG, especially in the province of Reggio Emilia and in the province of Genoa, via 21 and 7 storage plants respectively, located in various towns that are still not reached by the natural gas network. LPG distribution is closely connected to the gradual methanisation of the area.

Area	km of network	End customers	Gas distributed (Mcm)
Emilia-Romagna	6,121	398,917	931
Liguria	1,701	315,091	366
Piedmont	335	27,528	51
Total	8,157	741,536	1,348

Electricity distribution

City	km of network	End customers	Electricity distributed (GWh)
Parma	2,558	129,842	897
Turin	4,744	565,833	2,600
Vercelli	548	28,983	183
Total	7,850	724,658	3,680

In Turin and Parma, the distribution of electricity is carried out by Ireti, while in Vercelli, it is assigned to ASM Vercelli.

District heating

The Turin district heating network is the most extensive in Italy. In 2021, the development projects outlined in the Business Plan continued (see page 147).

Area	km of network	Volume (Mcm)	Residents served ¹
Turin and surrounding municipalities	726	73.2	489,129
Reggio Emilia	221	13.7	55,385
Parma	104	6.2	35,433
Piacenza	30	2.1	7,779
Genoa	10	3.7	8,046
Total	1,091	98.9	595,772

¹ Estimated data for residential utilities.

Integrated water service

Main indicators	
Water networks	20,088 km
Sewer networks	11,291 km
Wastewater treatment plants	1,337
Dams	7
Residents served	2,748,268
Municipalities served	238
Customers served	860,843
Water sold	175 Mcm

The integrated water service – which includes the procurement and distribution of drinking water, management of the sewerage systems and wastewater treatment activities – is managed in the following provinces (in some areas only water network management): La Spezia, Genoa, Imperia, Savona, Parma, Piacenza, Reggio Emilia, Asti, Vercelli and Mantua.

Waste management services

The Group manages environmental health services in the provinces of Piacenza, Parma, Reggio Emilia, La Spezia, Vercelli and in the city of Turin. Through the company San Germano, it provides the waste collection service in several areas of Piedmont, Lombardy and Sardinia.

Main indicators	Iren Group	of which San Germano
Waste treated	3,646,006 t	385,744 t
Urban waste treated	2,738,117 t	358,377 t
Sorted waste collection	70.3%	-
Residents served	2,978,164	681,389
Collection centres managed	170	36
Municipalities served	300	129
Plants managed	59	-
<i>of which material recovery</i>	19	-
<i>of which treatment</i>	11	-
<i>of which storage</i>	22	-
<i>of which waste-to-energy</i>	3	-
<i>of which operating landfills</i>	4	-

The environmental services include the collection and sending for recovery or disposal of solid urban waste or similar and non-hazardous special waste, as well as its transportation to plants belonging to the Group or third parties.

Smart solutions

The Group, strengthened by its know-how, through Iren Smart Solutions (certified ESCo UNI 11352, UNI CEI EN ISO 50001 and F-gas), addresses companies, private condominiums, Public Administration and third sector entities, with an articulated portfolio of services:

- **energy efficiency of buildings**, private and public, through the management of all phases related to energy requalification interventions: insulation, replacement of windows and doors, innovative technological services, efficiency of heating and air conditioning plants. Approximately 390 construction sites were started in 2021 and numerous others are in the planning stages;
- installation of **photovoltaic, solar thermal and self-generation energy systems**;
- upgrading and management of **thermal plants**;
- **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.

Other services

The Group's telecommunications network extends over the Turin area and from the ridge of the Susa Valley to Susa. In Turin, the optic fiber network extends for about 200 km and connects over 400 customer sites, including the main sites of the Group. The network is used, in particular, for the supervision and remote control of electricity distribution, district heating, public lighting and for the data collection system of electric meters and apartment buildings district heated. Through the Group's network, various passage points for restricted traffic areas (ZTL), traffic light regulators and remote control of the water network are also managed. The network reaches Genoa, Parma, Piacenza and Reggio Emilia, through a redundant 10Gbps infrastructure dedicated to the Group.



Companies outside the reporting boundary

The Group also includes a number of companies that are not consolidated on a line-by-line basis, but are considered significant in terms of environmental and social sustainability, on the basis of different criteria, such as the stake held, the business managed and the governance in place. For a correct and comprehensive representation of the Group's activities, qualitative and quantitative information is provided below for these companies, which, for 2021, has been expanded compared to the previous year, in a logic of improving information.

B.I. Energia

B.I. Energia S.r.l. is the investee of Iren Energia (47.5%) and Consorzio di Bonifica dell'Emilia Centrale [Central Emilia Conservation Consortium] (52.5%), which manages the 1.8 MW flowing water hydroelectric plant on the river Secchia, in San Michele dei Mucchietti (Modena), which uses the drop of an existing barrier to produce electricity.

In 2021, there was an increase in production compared to 2020, a year in which the plant was shut down for several months for extraordinary maintenance.

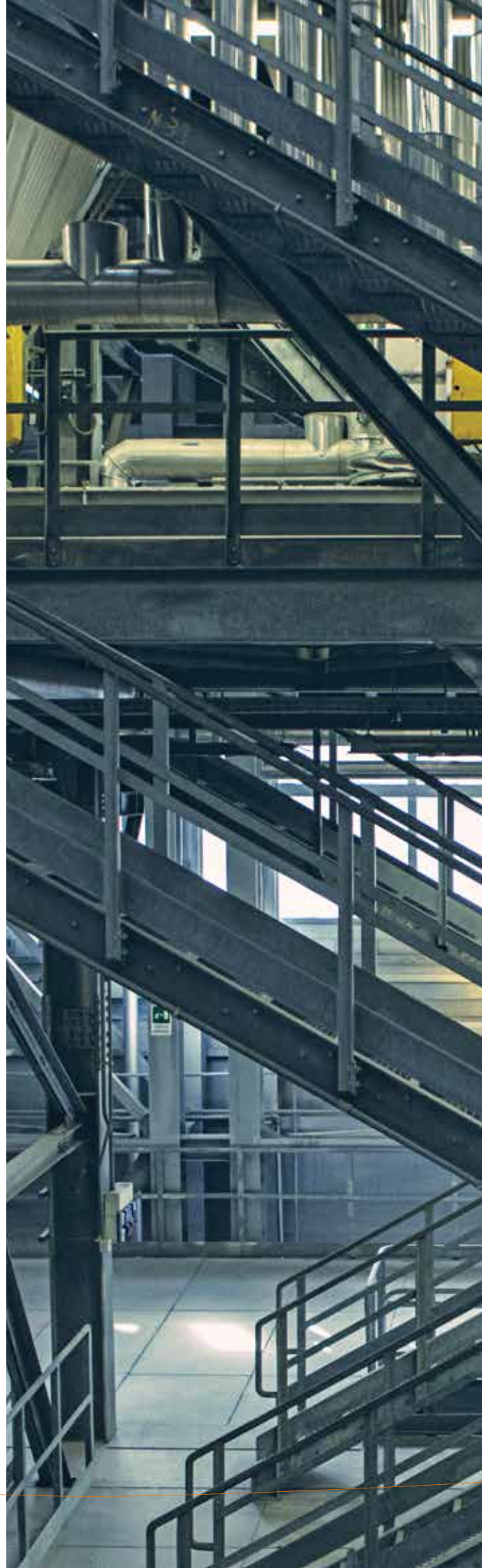
Main indicators	u.m.	2021	2020
Production of electricity	MWh	4,754	2,385

Fratello Sole Energie Solidali

Fratello Sole Energie Solidali is a social non-profit enterprise founded by Iren Energia (40%) and Fratello Sole (60%) and operates in support of charitable and socially useful entities in the field of energy costs savings. It provides management and energy efficiency services to the real estate complexes of its 12 founding members, comprising over 3,000 buildings (2,000 in 2020). In 2021, new members joined Fratello Sole, including ASeS (a non-profit non-governmental organisation that was created to foster the development of local rural communities and enhance their dignity), the Don Bosco Salesians (Central Italy circumscription) and the San Gennaro Foundation of Naples.

Fratello Sole Energie Solidali is responsible for planning and implementing energy efficiency initiatives through its technological partner Iren Smart Solutions and can also develop e-mobility projects for its customers.

In 2021, the Company completed one project, which began in 2020, and started two new construction sites that will result in total energy savings of over 335 MWh per year. In addition, it has adhered to the manifesto "Together to fight energy poverty" of the Banco dell'Energia, a non-profit





organisation created to improve the quality of life of people in economic and social difficulty, through the distribution of basic necessities, payment of utilities, social and work reintegration paths, and educational courses on the conscious use of energy and its saving.

Valle Dora Energia

Valle Dora Energia S.r.l., a subsidiary of the Municipalities of Chiomonte, Salbertrand, Exilles and Susa and an investee of Iren Energia (49%), was established to develop the redevelopment projects for the hydroelectric plants at Chiomonte and Susa which, in 2016, were admitted to the rankings by the GSE (Gestore dei Servizi Energetici) for incentives on the energy produced. Keeping these plants in operation also ensures important functions of public utility for the local area (protecting irrigation easements, hydro-geological protection and fire prevention service). The total output of the plants is 16.8 MWe (7.6 MWe for the Susa plant and 9.2 MWe for the Chiomonte plant). In 2021, following a period of redevelopment, the two facilities operated at full capacity.

Main indicators	u.m.	2021	2020
Total electricity production	MWh	24,019	23,501
<i>Susa plant</i>	<i>MWh</i>	<i>9,056</i>	<i>3,306</i>
<i>Chiomonte plant</i>	<i>MWh</i>	<i>14,963</i>	<i>20,195</i>

Acquaenna

Acquaenna S.C.p.A., owned by Ireti (48.5%), manages the integrated water service in the optimal territorial area of Enna, (excluding the Municipality of Barrafranca). The Company operates across all stages of the water cycle (catchments, supply, distribution, sewerage and treatment), implementing the Area Plan approved by the Mayors' Assembly, planning and making investments and testing with new technological solutions. Acquaenna has a quality management system certified according to ISO 9001.

Main indicators	u.m.	2021	2020
Residents served	no .	145,627	148,035
Municipalities served	no.	19	19
Water sold	m ³	5,531,737	6,642,267
Water networks	km	1,309	823
Sewer networks	km	522	522
Wastewater treatment plants	no.	18	18
Electricity consumption	kWh	12,194,684	N/A
Employees as at 31/12	no.	103	104



AM.TER.

AM.TER. S.p.A. – established by the Municipalities of Campo Ligure, Cogoleto, Masone, Mele and Rossiglione together with Iren Acqua (49%) – manages the integrated water service in the west of the province of Genoa, in the areas of the member Municipalities and the Municipalities of Arenzano and Tiglieto.

The supply sources consist of 103 sources, 13 rivers and 3 wells. The water is treated in 9 treatment plants and 16 disinfection plants, distributed throughout the region. The municipal treatment plant of Rossiglione deals with the final discharge of the sewerage systems of the Municipalities of Campo Ligure and Masone.

AM.TER. adopts an integrated Quality, Safety and Environmental management system, in accordance with ISO 9001, ISO 45001 and ISO 14001.

Main indicators	u.m.	2021	2020
Residents served	no.	44,972	45,369
Municipalities served	no.	7	7
Water sold	m ³	2,110,271	2,097,247
Water networks	km	290	290
Sewer networks	km	127	127
Wastewater treatment plants	no.	11	11
Electricity consumption	kWh	1,020,893	N/A
Natural gas consumption	scm	7,626	N/A
Water consumption	m ³	200	N/A
Waste generated	t	767	N/A
Employees as at 31/12	no.	14	14

ASA

ASA S.p.A. is an investee of the municipalities of the provinces of Livorno, Pisa and Siena and Ireti (40%) that manages the integrated water service in five regional sub-districts: North-West (main municipality Livorno), Alta Val di Cecina (main municipality Volterra), Bassa Val di Cecina (main municipalities Cecina and Rosignano M.), Val di Cornia (main municipality Piombino) and Isola d'Elba (Elba Island). The Company also manages gas distribution in Livorno, Collesalveti, Rosignano Marittimo, Castagneto Carducci and San Vincenzo. ASA is ISO 9001 certified.

Main indicators	u.m.	2021	2020
Residents served (IWS)	no.	395,900	416,331
Municipalities served (IWS)	no.	32	32
Water sold	m³	25,508,094	24,360,229
Water networks	km	3,603	3,577
Sewer networks	km	1,270	1,269
Wastewater treatment plants	no.	73	73
Residents served by gas distribution	no.	217,254	219,240
Gas distribution customers	no.	98,739	99,005
Municipalities served by gas distribution	no.	5	5
Natural gas distributed	scm	88,015,003	91,360,792
Gas Network	km	702	702
Electricity consumption	kWh	70,423,760	N/A
Natural gas consumption	scm	300,000	N/A
Water consumption	m³	1,727,540	N/A
Waste generated	t	14,222	N/A
Employees as at 31/12	no.	535	492

A.S.A. Azienda Servizi Ambientali

The company A.S.A. S.C.p.A., owned by Iren Ambiente (49%) since the end of 2020, manages the design and construction of plants for the disposal of urban and special, hazardous and non-hazardous waste, the organisation and management, direct and indirect, of plants for the disposal of waste produced by third parties and the remediation of polluted sites. It is the operator of the landfill for non-hazardous waste located in the Municipality of Castel Maggiore (BO) that, in 2021, did not receive any quantity of waste for disposal. ASA adopts an ISO 45001 and ISO 14001 certified management system and the site managed by the Company has obtained EMAS registration.

Main indicators	u.m.	2021
Special waste managed (non-hazardous)	t	2,911
Electricity consumption	kWh	65,383
Water consumption	m³	232
Waste generated	t	8,202
Employees as at 31/12	no.	5

GAIA

GAIA S.p.A., the investee of Iren Ambiente (45%), manages waste treatment, recovery and disposal plants in the province of Asti. GAIA's activities are spread across the entire province of Asti, with a structured plant system: 12 collection centers for citizens to dispose of sorted waste collection, a sorted waste recovery plant, a plant for the mechanical-biological treatment (MBT) of unsorted waste (Asti), a compost and anaerobic digestion plant (San Damiano d'Asti) for the recovery of organic waste and a landfill for non-hazardous waste (Cerro Tanaro).

To achieve economically sustainable development, GAIA has worked to adopt a transparent policy and to gradually integrate its Management System, obtaining ISO 9001, ISO 45001 and ISO 14001 certifications.

All of the sites managed by the Company are EMAS certified.

Main indicators	u.m.	2021	2020
Residents served waste collection	no.	205,545	208,101
Municipalities served waste collection	no.	115	115
Waste collected in Eco-stations	t	8,714	7,661
Waste treated at the plants	t	211,925	153,594
<i>sorted waste recovery</i>	<i>t</i>	<i>33,600</i>	<i>36,552</i>
<i>MBT</i>	<i>t</i>	<i>47,003</i>	<i>43,141</i>
<i>transfer station</i>	<i>t</i>	<i>7,818</i>	<i>6,676</i>
<i>composting</i>	<i>t</i>	<i>39,679</i>	<i>31,343</i>
<i>non-hazardous waste landfill</i>	<i>t</i>	<i>83,825</i>	<i>35,882</i>
Electricity consumption	kWh	6,536,189	N/A
Natural gas consumption	scm	7,600	N/A
Water consumption	m³	19,725	N/A
Waste generated	t	23,872	N/A
Employees as at 31/12	no.	151	147

SETA

SETA (Società Ecologica Territorio Ambiente) S.p.A. is the contractor of the urban waste collection service for Catchment Area 16 in the Metropolitan City of Turin. Operating in waste collection and disposal, it is 51.15% controlled by a few Municipalities in the Consortium of Catchment Area 16 (area to the north of Turin), both directly and indirectly through the consortium, and is an investee of Iren Ambiente (48.85%).

SETA manages the controlled landfill called Chivasso 0 for the disposal of non-hazardous waste and 10 collection centres spread across the territory, where citizens can dispose of the sorted waste sent for recovery.

SETA adopts a Quality, Safety and Environment management system certified in accordance with ISO 9001, ISO 45001 and ISO 14001.

Main indicators	u.m.	2021	2020
Residents served	no.	224,243	226,216
Municipalities served	no.	31	31
MSW collected - sorted	t	62,775	59,288
MSW collected - unsorted	t	40,772	41,039
Sorted waste collection	%	61	59
Electricity consumption	kWh	541,038	N/A
Natural gas consumption	scm	63,019	N/A
Water consumption	m³	6,123	N/A
Waste generated	t	525	N/A
Employees as at 31/12	no.	216	224

Sei Toscana

Sei Toscana S.p.A., acquired at the end of 2020 and owned by Iren Ambiente Toscana (30.96%), is the manager of the integrated municipal waste service in the provinces of the optimal territorial area of Toscana Sud – Arezzo, Grosseto and Siena – and in six municipalities in the province of Livorno (Piombino, San Vincenzo, Sassetta, Suvereto, Castagneto Carducci and Campiglia Marittima). Sei Toscana's waste collection system is structured to complement the collection of unsorted waste with all types of sorted waste collection. The company is active on the territory also with sweeping and street cleaning services, management of collection centres and additional and optional services available to individuals and Local Administrations.

Sei Toscana adopts an integrated Quality, Safety and Environment management system, in accordance with ISO 9001, ISO 45001 and ISO 14001.

Main indicators	u.m.	2021
Residents served	no.	880,993
Municipalities served	no.	104
MSW collected - total	t	506,624
<i>of which sorted</i>	t	255,177
<i>of which unsorted</i>	t	248,918
<i>neutral fraction</i>	t	2,529
Sorted waste collection	%	51
Ecological stations	no.	14
Collection centres	no.	76
Electricity consumption	kWh	1,296,139
Natural gas consumption	scm	53,730
Water consumption	m³	23,394
Waste generated	t	8,388
Employees as at 31/12	no.	1,032

C.S.A.I. Centro Servizi Ambiente Impianti

CSAI S.p.A., acquired at the end of 2020 and owned by Iren Ambiente Toscana (40.32%), is a public-private company in the province of Arezzo that deals with the disposal of non-hazardous waste of urban derivation and non-hazardous special waste, as well as the production of electricity from renewable sources (landfill biogas). The company owns and manages two landfills (in the Municipalities of Terranuova Bracciolini and Castiglion Fibocchi) for non-hazardous waste with a high content of organic and biodegradable waste with biogas recovery. CSAI disposes of regulated waste from the optimal territorial area of Toscana Sud (provinces of Arezzo, Siena, Grosseto and Val di Cornia) and special waste from the regional and extra-regional territory.

CSAI adopts a Quality, Safety, Environment and Energy management system certified in accordance with ISO 9001, ISO 45001, ISO 14001 e ISO 50001.

Main indicators	u.m.	2021
Municipal waste sent to landfill	t	110,846
Special waste sent to landfill	t	66,930
Electricity produced from landfills	kWh	20,115,629
Electricity consumption	kWh	980,250
Water consumption	m³	2,466
Waste generated	t	36,087
Employees as at 31/12	no.	33

Siena Ambiente

Siena Ambiente S.p.A. is a joint-stock company with mixed public/private capital, acquired by the Group at the end of 2020. 60% of the capital is held by public shareholders (Province of Siena and Municipalities of the province of Siena) and 40% is held by Iren Ambiente Toscana. The company manages, in the province of Siena, landfills, selection, waste-to-energy, composting and energy recovery from waste plants. It also operates, on a residual basis, in the disposal of special non-hazardous waste and, through subsidiaries, produces electricity from renewable sources (photovoltaic plants).

Siena Ambiente adopts an integrated Quality, Safety and Environment management system, according to the ISO 9001, ISO 45001 and ISO 14001 standards and all the managed sites have obtained EMAS registration.

Main indicators	u.m.	2021
Total waste managed	t	207,487
<i>Organic</i>	t	29,064
<i>Paper</i>	t	13,619
<i>Multi-material</i>	t	20,745
<i>Unsorted</i>	t	33,725
<i>Waste treated in WTE</i>	t	69,124
<i>Waste treated by landfills</i>	t	41,210
Compost produced	t	5,813
Electricity produced by WTE	kWh	38,062,282
Electricity produced from landfills	kWh	4,846,099
Electricity produced from photovoltaic	kWh	2,107,107
Electricity consumption	kWh	11,237,332
Natural gas consumption	scm	421,195
Water consumption	m ³	23,056
Waste generated	t	347
Employees as at 31/12	no.	104

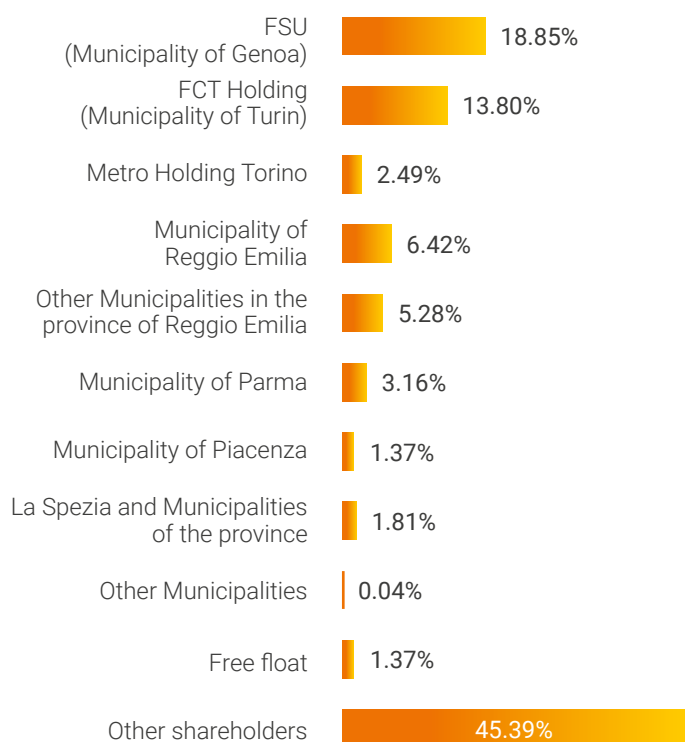


Ownership structure

[GRI 102-5, 102-10]

At 31/12/2021, the most significant Group shareholders that hold a stake, directly or indirectly in Iren, are represented in the graph below.

Iren shareholding structure (% of share capital)



At 31 December 2021, Iren share capital is represented by 1,300,931,377 ordinary shares, of which:

- 673,261,476 ordinary shares with increased voting rights, conferring a total of 1,346,522,952 voting rights exclusively on the Shareholders' Meeting resolutions subject to increased voting rights (Article 6-bis, paragraph 1 of the Articles of Association);
- 627,669,901 ordinary shares without increased voting rights, conferring the equivalent number of voting rights on all Shareholders' Meeting resolutions other than those subject to increased voting rights.

At 31 December 2021, the ordinary shares of Iren conferred by 93 Public Shareholders (Finanziaria Sviluppo Utilities, Finanziaria Città di Torino Holding, Metro Holding Torino, Emilian Shareholders and Shareholder of La Spezia) to a Shareholders'

Agreement aimed at guaranteeing unity and stability of direction, also through the use of the increased voting rights, are divided into:

- 686,696,386 ordinary shares contributed to the Voting Syndicate representing an equivalent number of voting rights on all meeting resolutions other than those with increased voting rights and 1,340,415,436 voting rights with respect to meeting resolutions with increased voting rights;
- 455,379,436 ordinary shares bound by the Block Syndicate representing 35% of Iren share capital, and their respective circulation is restricted.

In 2021, Iren shareholding structure was affected by the sale of share capital holdings (1,150,000 shares) by public shareholders. In addition, the number of voting rights conferred on the Shareholders' Agreement has changed as a result of the granting of increased voting rights to 32,750,000 shares held by Finanziaria Sviluppo Utilities (as of 1 March 2021), 158,492 shares held by a Municipality in La Spezia (as of 1 June 2021) and 387,000 shares held by the Municipality of Piacenza (as of 1 December 2021).

On 21 May 2021, Società per la Trasformazione del territorio Holding (STT Holding) joined the Shareholders' Agreement, contributing 15,341,000 ordinary shares, of which 10,000,000 to the Block Syndicate, and the company Metro Holding Torino, which contributed 32,500,000 ordinary shares, of which 6,500,000 to the Block Syndicate. On the same date, the Municipality of Parma contributed an additional 1,534,179 shares to the Block Syndicate and Parma Infrastrutture contributed 6,500,000 ordinary shares to the Block Syndicate.

As part of the share buyback program resolved by the Shareholders' Meeting, in 2021, Iren purchased a stake equal to 0.15% of the share capital, arriving at holding treasury shares equal to 1.37% of the share capital at 31 December 2021.

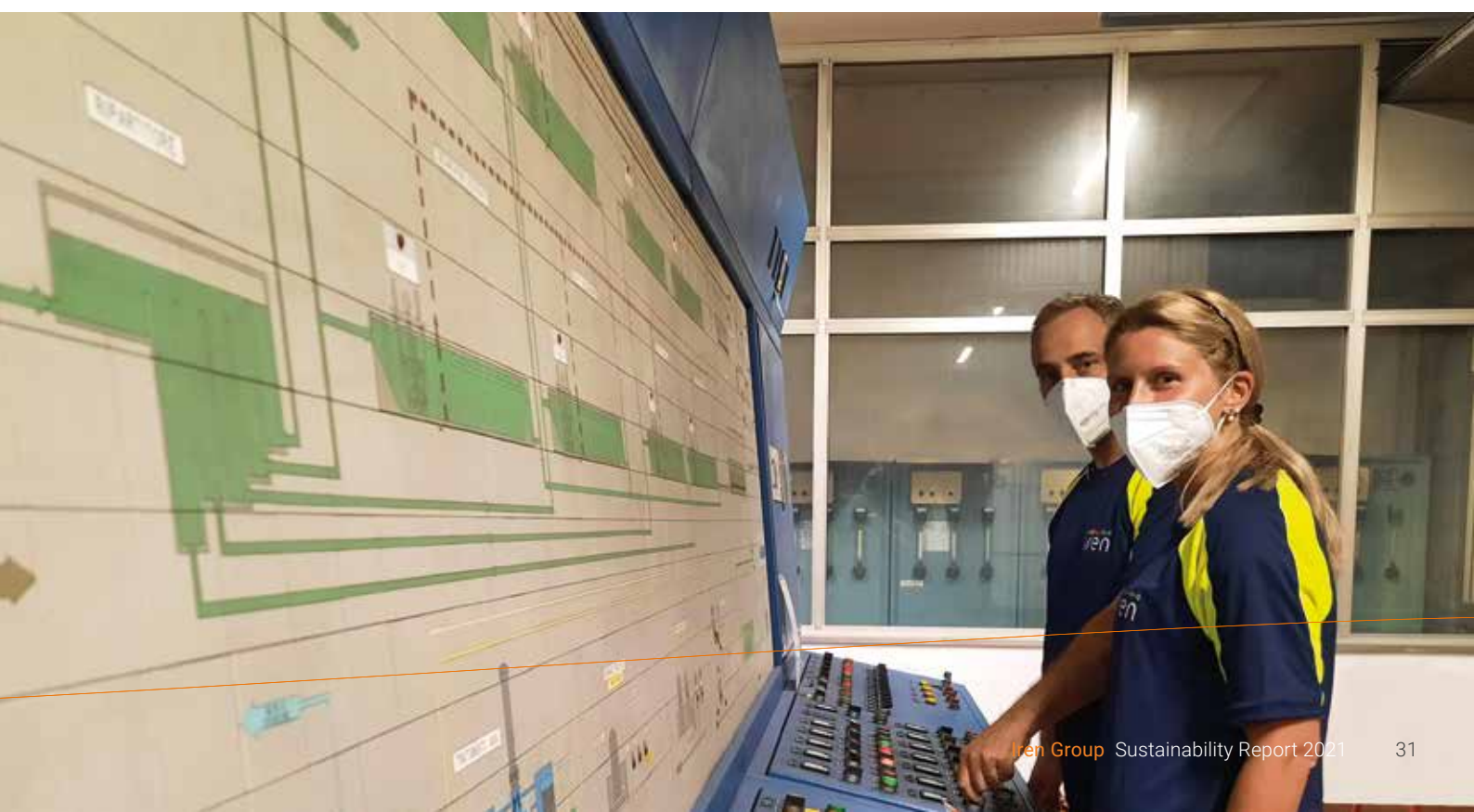
Retail shareholders hold slightly more than 5% of the share capital, while the remainder is held by about 300 institutional investors.

Covid-19 emergency in 2021

In 2021, pandemic Covid-19 continued to be a critical management oversight factor, even in the face of differential trends throughout the year, to ensure continuity of services to citizens and safety of staff. In order to provide extensive information on how the Group has managed the ongoing emergency and the resulting impacts, these pages provide an overview, with specific details disclosed in the relevant chapters of this Report.

From an **economic-financial point of view**, the Group has demonstrated its ability to effectively pursue the objectives set, increasing compared to 2020 the investments allocated to the implementation of projects and infrastructures supporting the development of the business and of the territories. The results achieved at the end of the year (for detailed analyses see the chapter “Stakeholders and value creation” and the Consolidated Financial Statements) record an insignificant impact attributable to the health emergency, confirming the effectiveness and resilience of the **business model** – based on a solid positioning in regulated, semi-regulated and free market sectors and with a strong integration between Business Units which guarantees economies of scale and intersectoral opportunities – and the **solidity of the strategy** implemented in the action plan carried out during the year.

The **growth strategy**, represented in the Business Plan at 2030 (see page 47), also outlines the role that Iren Group will be able to play in the post-Covid-19 recovery, with 12.7 billion Euro of investments destined to realise the ambition of being a leader in the green transition, accelerating sustainability in all businesses, with particular attention to the needs of the territories in order to project them into a path of sustainable growth whose main driver is the quality of services. 80% of the planned investments are for the sustainability plan integrated into the Strategic Plan. Furthermore, 1.6 billion Euro are planned in innovation projects and 600 million Euro for digitalisation, which together will contribute to support the energy transition process. The outlined strategy will lead the Group to double its EBITDA, thanks also to the entry of 7,000 new workers into the Group’s boundary. The acceleration of investments will be guaranteed maintaining a balanced financial structure that will allow to confirm an attractive dividend policy thanks to robust cash generation.



Also in 2021, the Crisis Unit for emergency management, established in February 2020, continued to operate in order to ensure the most effective management of the pandemic situation and the continuity of managed services, to deal with a constantly evolving context in a coordinated and timely manner, directing activities, defining extraordinary measures, organising operational plans to prevent infection and ensuring constant information both internally and externally, maintaining, through the CEO, a close liaison with the Board of Directors.

Actions to protect workers (see page 248) have been gradually adjusted in line with the indications of the Health Authorities, in order to guarantee the continuity of activities and keep the many employees working in the management of waste collection and disposal, gas and electricity distribution, integrated water service, district heating, energy production, water quality control and public lighting. For most of the year, remote work was the predominant mode for more than 3,400 employees who gradually resumed face-to-face activities in the second half of the year. In compliance with the "Shared protocol for the regulation of measures to combat and contain the spread of the Covid-19 virus in the workplace" signed by the social partners at national level, the 9 Committees (composed of company representatives, Trade Union Organisations, HSR and the Competent Doctor) met continuously for the application and verification of the rules of the Protocol, with the objective of monitoring and managing any criticalities caused by the health emergency. Moreover, during the year, four temporary agreements were signed with the trade unions with the shared aim of seeking and adopting solutions for the management of emergency work, in line with the regulations issued by the government during the year (see page 254).

Interventions in favor of clients and communities continued during the year (see pages 195, 196, 204 and 207) to support situations of economic difficulty generated by the pandemic, ensuring the continuous possibility of contact, both physical and through digital channels, to people with administrative or service needs. Activities in the educational sector, aimed at teachers, students and the public, were resumed with the creation of 110 projects dedicated to the themes of waste, water, energy and education for sustainability.

The **continuity of services** was constantly guaranteed: energy production plants operated at full capacity, as did all network services (electricity distribution, gas distribution, integrated water cycle, district heating, public lighting and traffic light networks). Similarly, urban hygiene and waste collection activities were managed without interruptions with the adoption – in line with the indications of the Istituto Superiore di Sanità and on the basis of the protocols agreed with the regional bodies – of new procedures and methods of waste collection for positive or quarantined people (see pages 157 and 215) and the full operation of the treatment and disposal plants, which have contributed to the effective management of waste related to contagion situations both in the home and in health sector.

Relations with **suppliers** have been characterised by a continuous flow of information, through the dedicated Portal, in relation to security measures and protection of the personnel of supplier companies, procedures for access to Iren's premises and operations to be carried out in contact with company personnel. In addition, specific measures have been adopted to support the supplier companies in assuming the greater burdens deriving from the Covid-19 emergency for carrying out the contractual activities (see pages 261 and 267).

Finally, the Group maintained a **constant flow of communication** both internally and externally and continuous contact with the leading companies in the industry, with Utilitalia, with the Regulatory and control bodies and all the relevant bodies, in a logic of collaboration and comparison for the management of the emergency.

In this document, the impacts resulting from the Covid-19 pandemic are described and highlighted on the side of the text with a dotted line (e.g. this paragraph) to give transparency of the phenomenon to all stakeholders.

Awards and recognition

In 2021, Iren Group received various recognitions relevant to corporate and environmental responsibility. Below is a summary of the main acknowledgements received.



Top Employer certification (obtained for the fourth consecutive year): the official recognition of the Company's excellence in HR policies and strategies and their implementation to contribute to people's well-being, improve the work environment and the world of work.



Top Utility 2021 Award in the **Absolute** category: recognition of Iren Group's excellent relationship with its stakeholders, its attention to sustainability, transparency and communication, as well as its ability to develop a harmonious growth path, expanding activities and territories, maintaining an effective relationship with consumers and improving the quality of services offered.



Best in Media Communication certification: recognition for the work carried out to measure the impact of corporate communication, taking into account the positioning in the media and the quality of the relationships established with editorial offices.



Best Performance Award – category Best Performing Large Company assigned by SDA Bocconi: recognition of the commitment to making the topic of sustainability and investment in human capital central to bring out the potential of each person with respect to their skills, competencies and needs.



Special mention in the Sustainability category of the **Business Excellence Award 2021**: awarded for the centrality of sustainability in the development strategy and in all the Group's activities, with a long-term vision in which ESG factors play a leading role.



Smau Innovation Award 2021: dedicated to companies committed to rethinking their business model under the banner of sustainability and process renewal. The award went to the structured approach to innovation and the provision of tools to support open innovation strategies, particularly in European funding programs for research, and the relationship with start-ups.



Award for commitment and results achieved in the sorted collection of steel packaging in Reggio Emilia **RICREA**, awarded by the National Consortium for the Recycling and Recovery of Steel Packaging.



Five awards to the social channels of Iren Luce Gas e Servizi attributed by **Social Creative Awards**: an award for international excellence in content creation on social media aimed at the best Italian posts (on Facebook, Instagram and Tiktok) of any sector. Special mention as *best Facebook content of the year 2021* to the post dedicated to the night of San Lorenzo.



Certificate of **civic merit** delivered by the Mayor of Parma to two operators of Iren Group, representing the entire category of workers engaged in essential services for the community that during the pandemic have worked to ensure citizens the use of these services.