

Economic, environmental and social dimensions integrated into the Group's development strategy in the medium- and long -term, consistent with the sustainable development goals of the UN 2030 Agenda



Strategy and policies for sustainability



Sustainable development and priority topics

Iren considers sustainability as a fundamental lever for the creation of value over time for the Group and its stakeholders and, for this reason, is committed to conducting its activities considering the interests of its stakeholders, in the awareness that dialogue and the sharing of objectives are tools through which to create mutual value.

A way of doing business that finds its foundation in the business model and in the Group's Strategic Plan, which includes a concrete commitment to the Sustainable Development Goals of the UN 2030 Agenda (SDGs), and that guarantees long term resilience, also by reacting quickly and effectively to exogenous phenomena of exceptional magnitude, such as the socio-economic crisis resulting from the spread of the Coronavirus.

The sustainability policies – consistent with the mission, vision and Code of Ethics – define Iren Group's approach towards ESG (Environmental, Social and Governance) factors, i.e. relating to issues of environmental, social and governance impact, considered material, namely priorities according to as defined in the materiality matrix.

The policies set out commitments to improve the Group's sustainability performance, manage and mitigate the environmental, social and governance (ESG) risks to which it is exposed, in an integrated manner with the risk management system, and are oriented to:

- support the strategic choices – including the governance of risks, opportunities and impacts – which are operationally set out in the Strategic Plan and in specific management policies such as, for example, the Integrated Management System Policy (Quality, Safety, Environment and Information Security), the Risk Management Policies (see page 69), the Diversity and Inclusion Policy, the Policy for the management of the dialogue with Shareholders and Investors in general, the Policy for the protection and exploitation of personal data, the Biodiversity Policy and other relevant policies on the subject;
- improve the ESG risk management process;
- facilitate the non-financial reporting process;
- increase the level of knowledge and awareness of the expected outcomes regarding the material issues;
- spread the culture of sustainability.



Iren and the global goals

Iren Group contributes to sustainable development in line with the UN Sustainable Development Goals (SDGs), integrating this commitment into its business model. For the preparation of the Group's Strategic Plan (see page 47), an assessment was made of the SDGs to which Iren contributes and can contribute most in the future. All 17 SDGs were analysed, with their relative targets, and the areas of Group activity that contribute to their achievement were identified, enabling the selection of 9 Priority Objectives

that were assumed in the Strategic Plan, and are highlighted below, to which Objective 17, considered a tool for achieving the other objectives, is added in a transversal manner.

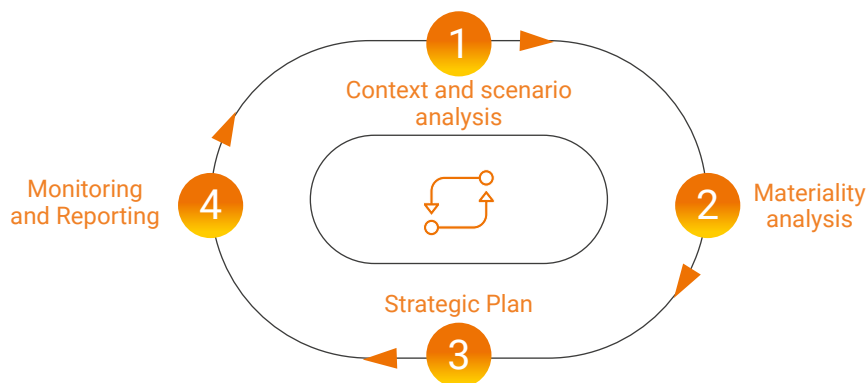
Iren Group can also have an impact in the implementation of the Objectives not selected as priorities. For this reason, the materiality analysis highlighted how the priority topics impact all SDGs (see page 42) and the contents of this document provide an information framework also on them, as highlighted in the reconciliation table on page 284.



Sustainable development strategy

[GRI 102-15, 102-31]

The strategic integration of economic, environmental, social and governance factors is ensured through a structured process as described below.



Context and scenario analysis

Iren Group analyses in the Strategic Plan the macroeconomic, financial, energy and climate context and scenarios in the short, medium- and long-term to identify the important factors for its business from a competitive, sustainable, regulatory and normative point of view and that may affect the pursuit of its development targets. Detailed information about the energy, regulatory and financial scenarios is provided in the Group's Consolidated Financial Statements.

The **Sustainability Scenario in 2021** highlights how the Covid-19 pandemic, while raising awareness of the vulnerability of our development model and the strong interconnectedness of environmental and social dimensions, has resulted in critical impacts around the world on progress towards achieving the Sustainable Development Goals of the 2030 Agenda.

The United Nations *2021 Report* ("The Sustainable Development Goals Report 2021") describes significant impacts: an increase in the global extreme poverty rate for the first time in more than 20 years; 101 million children falling below the minimum level of proficiency in reading and many young people at risk of dropping out of school due primarily to an increase in child labour and a wave of early marriage involving mostly girls; and a growth in domestic violence against women and unpaid care work increasingly on the backs of women and girls, impacting educational, income and health opportunities.

Despite the economic slowdown, concentrations of key greenhouse gases have increased, and the global average temperature has reached about 1.2°C above pre-industrial levels. The climate crisis is joined by other interconnected environmental crises: biodiversity decline at an unprecedented rate, forest loss, and ecosystem degradation at a rapid pace.

The pandemic has also brought enormous financial challenges, especially for developing countries, with a significant increase in debt distress and a sharp decline in direct investment and foreign trade.

However, the UN Secretary-General highlighted that it is still possible to achieve the 2030 Agenda and the Paris Agreement on climate change as long as there is an imperative “on the part of governments, cities, businesses and industries to ensure that recovery reduces carbon emissions, conserves natural resources, creates better jobs, promotes gender equality and addresses growing poverty and inequality”.

At the same time, the pandemic demonstrated community resilience, highlighted the work of essential workers in many fields, and facilitated the rapid expansion of social protection, the acceleration of digital transformation, and unprecedented global collaboration on vaccine development.

In February 2021, the **G7** – which was also open to Australia, South Korea, India and South Africa, as well as the UN Secretary General – included in its discussion topics the development of a response to the Covid-19 pandemic, with the aim of building a better post-pandemic reality, responding to environmental and climate emergencies, making a commitment to leave no one behind, as stated in the 2030 Agenda. G7 member countries, ahead of COP26 on climate and COP15 on biodiversity, committed to achieving zero net emissions by 2050, to halt and reverse biodiversity loss by 2030, and also agreed to donate one billion vaccines to other countries.

The **G20**, held under the Italian presidency in Rome in October 2021, placed the health emergency, the climate crisis, global poverty, and gender and generational inequalities at the centre of its agenda. For the first time, all G20 countries have acknowledged the scientific validity of the 1.5°C target, have committed to curb their emissions so as not to lose sight of this goal, and have taken on the goal of CO₂ neutrality around 2050. In addition, economic support was promised to the poorest countries regarding climate. The reform of the international taxation system has been added to the climate goals, to ensure that all companies pay their fair share of taxes, and the overcoming of protectionism in health products, also with the aim of ensuring more vaccines and intensifying the links between finance and health to find new ways to assist the world's poorest countries.

On 13 November 2021, **COP26** concluded with nearly 200 countries agreeing to the Glasgow Climate Pact, which confirms the goal of limiting global warming to 1.5°C above pre-industrial levels, with a 45% reduction in CO₂ emissions by 2030 compared to 2010 and achieving net zero emissions around mid-century, accelerating efforts to phase out unabated coal and inefficient fossil fuel subsidies, and providing targeted support to the poorest and most vulnerable countries toward just transition. The Pact provides, among other things, that by 2030 at the latest, countries will have common commitments to reduce emissions over a 10-year period and will have to update their decisive contributions at the national level by 2022. Starting in 2024, a new method will be adopted to ensure that countries use the same metrics to report their GHG emissions. Decisions have also been made to operationalise a new global carbon market, avoiding double counting of credits and incorporating human rights within market mechanisms.

The **European Union** has made further efforts in the last year and has confirmed its global leadership in policies for sustainable development, with a commitment to address climate and environmental issues and to develop policies for “an economy that serves people”. The strategy outlined in the Green Deal shows the way forward to achieve the goal of making Europe the world's first climate neutral continent. A challenge that requires substantial public funds, such as those of the Next Generation EU, but also private funds that

find in the EU Taxonomy (see page 120) – whose delegated acts were formalised in 2021 – a tool to guide towards economic activities that can be considered sustainable in view of the transition towards economic growth without negative impacts on the environment and, in particular, on the climate.

The European challenge also drives **Italy**, which finds a relevant opportunity in the Next Generation EU, the program for recovery, aimed at building increasingly sustainable, resilient and digital societies and economies. Italy's recovery and resilience plan (PNRR) – presented on 30 April 2021 with green light from the European Commission on 22 June 2021 – calls for reforms and investments, to be implemented by 2026, to help the country become more sustainable and resilient. The Plan, designed to foster economic development and create jobs, has three main axes:

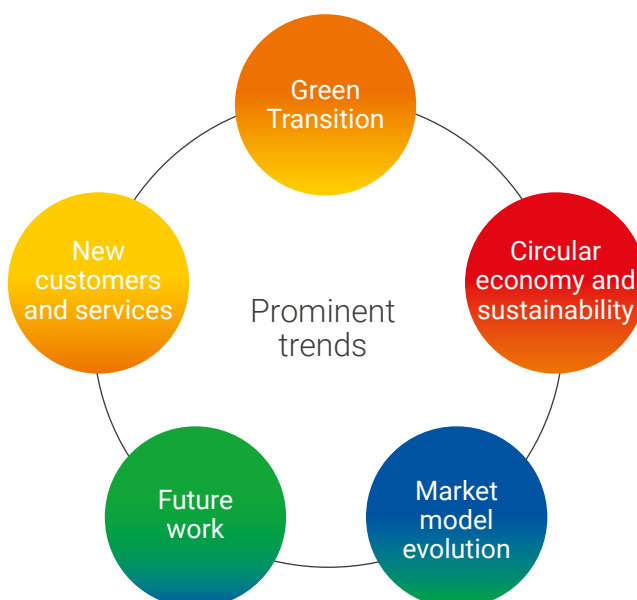
- **digitalisation and innovation** – includes challenges to improving the digital skills of the population and workforce, increasing the digitalisation of businesses and promoting the delivery of digital public services, and accelerating the implementation of key e-government projects;
- **ecological transition** – in the area of climate and environmental policies, key challenges include the need for improved waste and water management, significant progress in sustainable mobility, and enhanced energy efficiency in buildings;
- **social inclusion** – includes measures to address the challenges of high and structural unemployment, low labour market participation (particularly of women and youth), and persistent social and territorial disparities.

The investment projects of the PNRR are grouped into 6 missions, to which a portion of the more than 235 billion Euro planned for its implementation is allocated:

- mission 1 - digitalisation, innovation, competitiveness, culture and tourism (49.86 billion Euro);
- mission 2 - green revolution and ecological transition (69.94 billion Euro);
- mission 3 - infrastructures for sustainable mobility (31.46 billion Euro);
- mission 4 - education and research (33.81 billion Euro);
- mission 5 - inclusion and cohesion (29.83 billion Euro);
- mission 6 - health (20.23 billion Euro).

In this context, Iren analyses and evaluates the **prominent trends** that, in the long-term, will be decisive in terms of risks and opportunities for the sustainable development of the Group.

An important role is attributed to **scenarios related to climate change** and its effects on the Group's activities, deriving from the physical environment – acute phenomena (heat waves, floods, etc.) and chronic phenomena (structural changes in the climate) – and the transition situation towards a low-carbon economy. Underlying the Group's medium term (2026) and long term (2030) strategy are various scenario analyses related to the climate change impact:



- Intergovernmental Panel on Climate Change (IPCC) RCP 2.6 in line with the Paris Agreement, which predicts a temperature increase at the end of the century over pre-industrial levels of 2°C or less (~+1.5°C considered by Iren Group). RCP 2.6 requires that CO₂ emissions fall to zero by 2100, that methane (CH₄) emissions reach about half of 2020 levels, that sulphur dioxide (SO₂) emissions fall to about 10% of 1980-1990 levels, and that there be negative CO₂ emissions of about 2 gigatons per year;
- IPCC RCP 8.5 (business-as-usual) that predicts an end-of-century temperature increase of about 4°C above pre-industrial levels, consistent with a scenario where no particular climate change measures are implemented;
- IES World Energy Outlook 2021 (WEO-2021) Sustainable Development Scenario (SDS) that is a gateway to the expected outcomes of the Paris Agreement. Under this scenario, all current net zero commitments are fully met and there are extensive efforts to achieve near-term emission reductions. Advanced economies achieve net zero emissions by 2050, China around 2060, and all other countries by 2070 at the latest. Without assuming negative net emissions, the scenario is consistent with limiting the global temperature increase to 1.65 °C (with a 50% probability). With some level of net negative emissions after 2070, the temperature increase could be reduced to 1.5 °C by 2100;
- IEA WEO-2021 Stated Policies Scenario (STEPS) that reflects current approaches based on a sector-by-sector assessment of specific policies in place, as well as those announced by governments around the world;
- Italian Electricity Market Scenario IIE2021 by REF-E that incorporates the latest trends in import dynamics and commodity markets, the expected impact of the new European *Fit for 55* package and potential pathways towards carbon neutrality targets for 2050.

Impacts, risks and opportunities arising from the scenarios are considered in planning. To this end, three strands of analysis of the Strategic Plan have been structured:

- qualitative and quantitative risk assessment based on an analysis of sector trends, the Group's exposure to related strategic risks and the related ability of the Business Plan to mitigate such risks. For the risks identified in the Group's risk map, which have an impact in the years of the Plan, a detailed analysis of the quantitative drivers was carried out, defining the impact, probability of occurrence and mitigation actions functional to the quantification of the risk value, both inherent and residual. This assessment led to the enhancement of the Plan's stress test and the maintenance of the rating indices assigned to the Group;
- analysis of investments, identifying both capital expenditure with a mitigating effect on risks and those whose realisation may represent a possible source of risk, with economic and financial repercussions (so-called execution risks);
- analysis of climate change risk factors impacting the Group, through asset modelling and identification of the most significant risk factors for different climate scenarios and time horizons, also including assessment of the investments envisaged in the Business Plan to mitigate climate change risks.

The analysis of the impacts of climate change, taking into account the variables underlying the different scenarios, has led, for example, to consider for the physical risks the rising trend of temperatures and to analyse the impact, in terms of marginality, that this trend will produce on the lower production of heat for district heating and the increased production of electricity to meet the growing demand for summer air conditioning. Another analysis concerned the production of electricity from hydropower plants in relation to reduced rainfall. With regard to transition risks, for example, the reduction in margins associated with the sale of natural gas is considered.

The analysis of the effects of the scenarios described in the business processes, consistent with the guidelines of the TCFD (Task Force on Climate-related Financial Disclosures), was further implemented in 2021 by developing a management model enabling the assessment of risks and opportunities related to climate change that support strategic choices (see page 80).

Materiality analysis

[GRI 102-46, 102-47, 102-49, 103-1]

The materiality analysis allows to identify and compare the priority issues for stakeholders and for the Group in the medium- and long-term strategy. The result of this analysis supports the definition of the Group's sustainable development targets and topics for the drafting of the Sustainability Report. The methodology for performing the materiality analysis is described in detail on page 105.

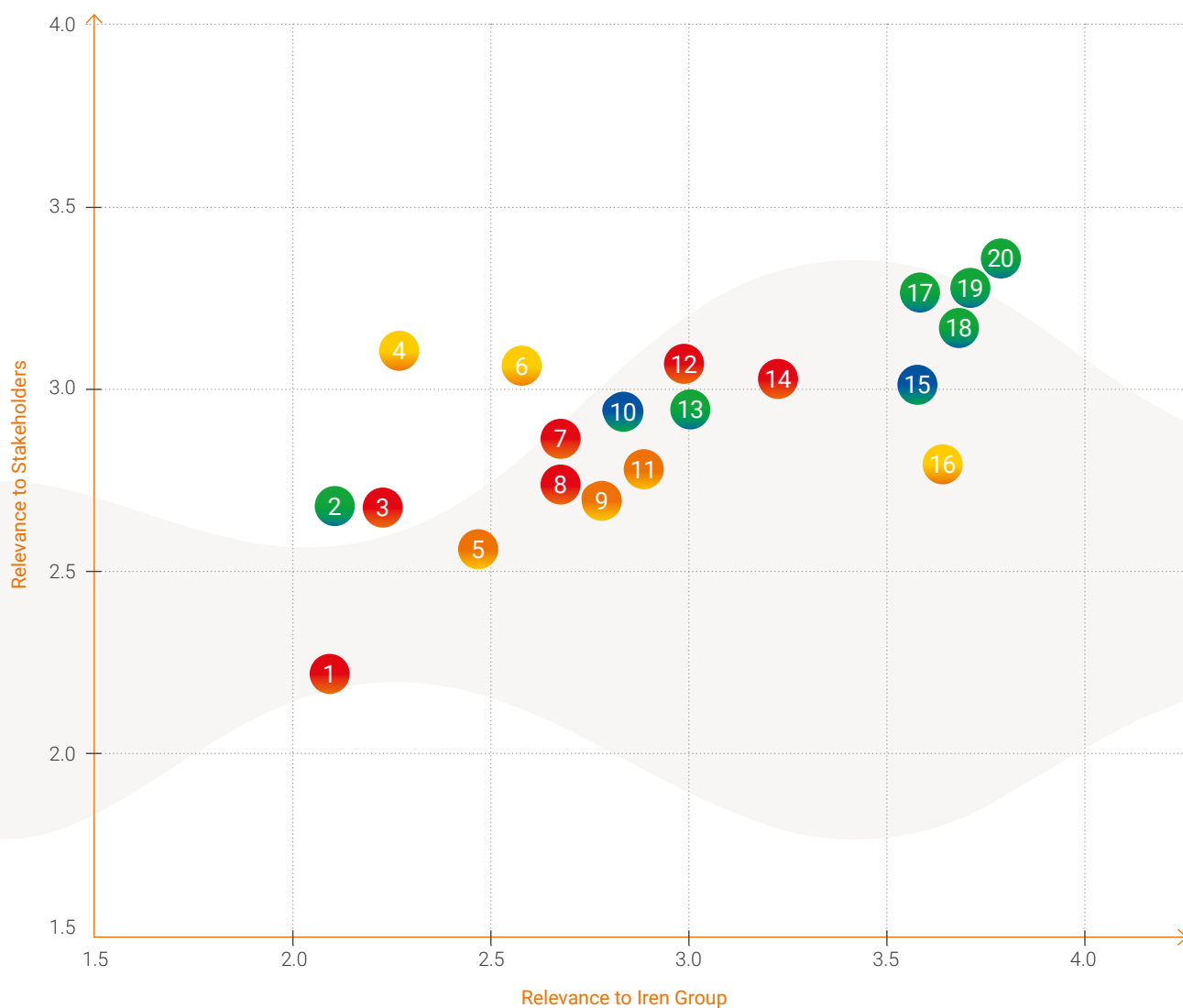
Materiality thus underlines the connection of priority topics with the Group's strategy and ensures that the expectations of different stakeholders are considered.

In 2021, the materiality analysis led to the definition of 20 topics, compared to 23 topics in the previous year, reflecting a different articulation of these topics to make them even more consistent in terms of priorities without reducing the scope of the analysis.

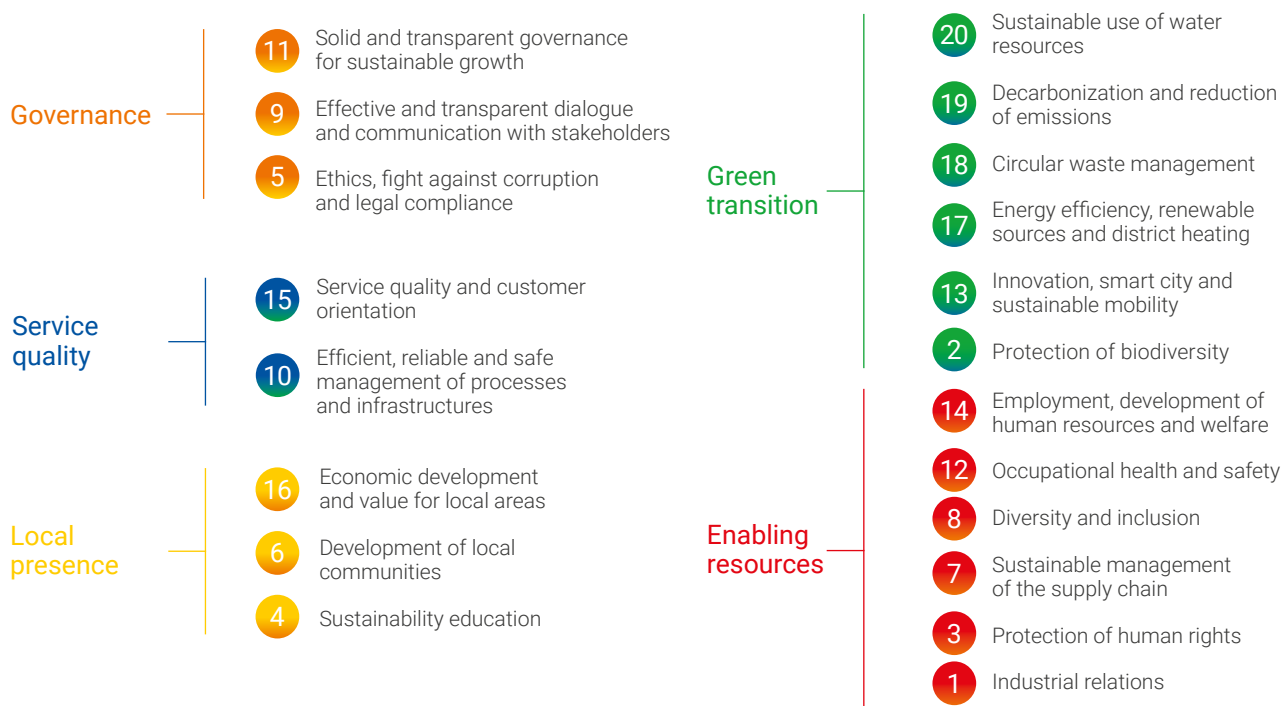
For example, the topic "Competitiveness on the market" has been included in "Economic development and value for local areas", of which it is considered a significant and constitutive aspect. For the same reasons, the topic "Efficient and reliable services" and "Responsible management of business segments" have been merged into the new topic "Efficient, reliable and safe management of processes and infrastructures", as well as the topic "Dialogue with Public Authorities" and "Internal and external communication" have been merged into the topic "Effective and transparent dialogue and communication with stakeholders". In the interests of consistency and coherence with the lines of the Business Plan, the "Emissions" topic was renamed to "Decarbonization and reduction of emissions" and the "Circular economy: management, sorted waste collection and reuse of waste" topic to "Circular waste management". In addition, the topic "Solid and transparent governance for sustainable growth", previously covered in other topics, was highlighted as a fundamental requirement for the governance and direction of the other topics.

The 2021 matrix, therefore, albeit with a different declination of the topics described above, presents a substantial confirmation of the priority topics identified in 2020, which obtain ratings above the materiality threshold (2.0) both by management and by stakeholders.
















Iren Group Governance and Strategy

































The priority topics identified with the materiality analysis are developed within the chapters of the Sustainability Report/NFS. To facilitate the interpretation of the document, the material topics covered are indicated at the beginning of each chapter.

For each topic, the materiality connotations and correlation with the UN Sustainable Development Goals (SDGs) by 2030 and the UN Global Compact (UNGC) principles are highlighted below (see page 280).

The SDGs are central to the materiality analysis through which Iren and its stakeholders attribute an assessment to strategic topics for the Group's development. Concerning the 9 SDGs considered priorities by the Group (see page 37), the Business Plan defines specific objectives and targets, which are described in more detail on page 47.

Solid and transparent governance for sustainable growth	 	<p>Governance for sustainable growth takes the form of integrating ESG (environmental, social and governance) factors into the Group's strategy, defining medium and long-term sustainability objectives and targets, and identifying, assessing and managing risks and opportunities arising from ESG factors. The strategic guidelines for sustainable growth, approved by the Board of Directors, guide operations, affect the remuneration policies for management and are systematically monitored through a reporting system that forms the basis for transparent communication with stakeholders. Starting from the Board of Directors, the governance approach to sustainable growth adopted by Iren Group involves the entire organisation, attributing specific levels of responsibility to the various corporate bodies and roles.</p>
Ethics, fight against corruption and legal compliance		<p>The Group's Code of Ethics defines the general principles, the conduct criteria and the control system to maintain and strengthen the relationship trust with the stakeholders. compliance management is an integral part of ethics both in a proactive way – to anticipate scenarios and regulatory developments, effectively assess risks and provide contributions for the regulatory framework of the sector – and in a preventive way: for this reason, Iren Group has also adopted the Organisational Model 231 to prevent the commission of crimes, including corruption, which is also relevant in light of the principles of the Global Compact. Training and raising the awareness of people are the keys to consolidating an ethical culture that tangibly influences the Group's development opportunities.</p>
Effective and transparent dialogue and communication with stakeholders	 	<p>Dialogue and discussion with stakeholders, both at local and national level, is fundamental for the Group, also in order to face and outline growth strategies that produce increasingly sustainable impacts for the territory and the whole country. Knowledge of the mission, values and sustainable growth strategies of Iren Group, together with the ability to listen, are crucial for the real involvement of stakeholders in the development challenges, and for this reason communication and systematic engagement are the primary tools for gathering the present and future needs of stakeholders and for providing them with timely information on the economic, environmental and social impacts of the Group.</p>
Energy efficiency, renewable sources and district heating	  	<p>Iren Group has defined in its development plan important objectives to save natural resources, especially energy, and reduce emissions, thanks to the strong development of energy production from renewable sources, the extension of district heating, the high levels of energy efficiency in the management of production processes. Moreover, Iren acts as a territorial reference partner in the implementation of energy efficiency solutions for customers and Public Administrations.</p>
Sustainable use of water resources	 	<p>The goals outlined in the Group's Business Plan include the rational use and protection of water resources; consequently, the Group has defined targets regarding the quantity of water resources withdrawn and the quality of waste returned to the environment, representing key factors for sustainable management. The sustainable use of water resources is also central to the management of production processes.</p>
Decarbonization and reduction of emissions		<p>Iren Group's strategic guidelines include a commitment to the constant containment of atmospheric emissions, in particular, it has defined objectives for the reduction of direct and indirect CO₂ emissions, in line with science, thanks mainly to the use of renewable sources, the use of waste as a material, the use of certified green electricity and the efficiency of its production processes.</p>

Circular waste management	 	<p>Iren Group manages its own waste and that managed for local communities with the objectives set out in the Business Plan to reduce production, increase sorted collection, increase material recovery, waste-to-energy, following the principles of prevention, sustainability and safety. Dialogue and a constant flow of information on the topic with Institutions and residents are essential, as is the training provided in collaboration with schools and universities.</p>
Innovation, smart city and sustainable mobility	  	<p>The Group's approach to innovation is aimed at improving service quality, building relationships between infrastructures and human capital, both intellectual and social, thanks to the use of new technologies, in order to improve quality of life and the environment and meet the needs of residents, companies and institutions. All actions are strongly focused on the local areas in which the Group works, collaborating with local communities to develop smart cities, also through sustainable mobility projects at public and private level.</p>
Protection of biodiversity	 	<p>To protect biodiversity and habitats, as well as entering into partnerships with Bodies, Institutions and Associations, Iren Group has developed a policy to ensure that the activities managed are compatible and sustainable for the environment and maintain its natural balance. Environmental analysis and assessment of the significance of the impacts that the Group's activities have on the environment and biodiversity are aimed at adopting the necessary measures to minimise them.</p>
Development of local communities	 	<p>Iren Group identifies the focus for progress and the creation of shared value in the current and future local areas of reference. Improving 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. Iren Group's vision is to make this future a reality.</p>
Sustainability education		<p>Iren Group believes that education is the most effective and strategic way to foster a culture of sustainability and innovation. Informed residents contribute significantly to improving the social and environmental impact of services, directing them towards new strategies. This is why Iren invests in initiatives consistent with the Global Compact principles, in its relationship with schools and universities, to prepare for the future.</p>
Economic development and value for local areas	 	<p>This is a cornerstone of Iren's strategy, which aims to create value for shareholders and stakeholders. The economic development of the Group guarantees growth, competitiveness and produces significant economic, social and environmental impacts for communities in terms of the distributed added value, job creation, investments in the local area, returns and resource generation for Local Administrations. The contribution of all participants in the processes – employees as well as suppliers – is essential to guarantee positive outcomes that contribute to growth and local development.</p>
Employment, development of human resources and welfare	  	<p>Maintaining adequate employment levels, skill coverage and development and the quality of employment are essential for pursuing Group's strategies, which, also in terms of jobs, 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 and improve the working environment's quality. 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.</p>
Industrial relations		<p>Industrial relations contribute to create the best conditions for guaranteeing Iren Group the development of a business model that aims to involve and enhance human resources, in order to increase efficiency, quality of services and capacity to address market challenges with innovative solutions. Therefore, industrial relations must be developed in accordance with a participatory, non-confrontational model, while respecting the various roles.</p>

Occupational health and safety	 	<p>Consolidating a culture of risk prevention and assessment is a top priority for Iren Group which aims to ensure the health and safety of its workers and to improve the working environment, also with a view to increasing employees' motivation and engagement and guarantee the continuity of production processes.</p>
Diversity and inclusion	 	<p>Diversity and inclusion are among the key objectives to support the Group's growth strategy. The diversity of people, together with a culture of inclusion, brings a wealth of contributions and ideas that can strengthen decision-making processes, efficiency and collaboration. Diversity and inclusion are an integral part of the Group's Code of Ethics and subject of a specific Policy, as a determining growth factor.</p>
Protection of human rights	 	<p>Iren Group supports the principles of the UN Global Compact on human rights and considers the UN Universal Declaration of Human Rights, the International Labour Conventions and Recommendations of the International Labour Organisation and the Earth Charter to be fundamental points in the definition of its values. The Group condemns any form of discrimination and promotes the respect and dignity of all individuals. The suppliers' system is managed with same principles and is also constantly monitored on these aspects.</p>
Sustainable management of the supply chain		<p>Iren Group aims to build proper and transparent relationships with suppliers, which are based on clear rules and shared values that are key to maintain the quality of services, environmental protection, safety and rights of workers and communities. The Group considers enhancing categories of suppliers that guarantee jobs for disadvantaged people to be important and consistent with its mission.</p>
Efficient, reliable and safe management of processes and infrastructures	  	<p>Efficiency, reliability and safety of processes and infrastructures are important for the quality of services offered to citizens, to ensure a proper use of resources and to reduce environmental impacts, as well as for the containment of operating costs. Iren Group invests to guarantee security, continuity, health and business sustainability, aware of the responsibility that energy and environmental service management entails, for the present and for the future of communities and local areas. The commitment is aimed at developing initiatives and the ability to use the available resources appropriately, taking the social and environmental impact of business actions into consideration.</p>
Service quality and customer orientation	   	<p>High-quality levels and service innovation to meet new and emerging customer demands are a guarantee for Iren's long term development. The Group's mission is to offer its customers and areas the best integrated management of energy, water and environmental resources, with innovative and sustainable solutions to produce value over time. Innovative offers have changed the role of Iren, shifting it from a simple energy supplier to an expert in services with high added value, while at the same time increasing customer satisfaction and loyalty. Innovation, agility, smartness, fairness and transparency inspire the Group, in line with a growth strategy strongly oriented towards the customer and the development of new integrated services to anticipate market trends. Innovation, the sustainability of resources, ecological transition and digitalization are some of the levers on which Iren Group acts to compete and extend its market.</p>

Strategic plan

The growth strategy, approved by the Board of Directors in November 2021, is consistent with the Group's mission and vision and the **main macro-trends** of the sector described above. The Strategic Plan, extended to 10 years, is based on **three pillars**: the **green transition** with a progressive decarbonization of all activities and the strengthening of leadership in the circular economy and the sustainable use of resources; **local presence** with an extension of the perimeter in the historical territories and the evolution as a reference partner for the communities by expanding the portfolio of services offered; **quality** through the improvement of performance and the maximisation of customer/citizen satisfaction levels.


The **industrial strategy is strongly integrated with the sustainability strategy** that defines precise medium- and long-term targets and is divided into the following **5 focus areas**:












The year 2021 confirmed the **resilience of Iren Group's business model**, even in the face of the continuing health emergency, which will be further strengthened by the investments planned to support the various businesses and, in particular, by the significant share of investments allocated to the achievement of sustainability objectives.

The integration of sustainability in the Strategic Plan and the drivers of capital allocation moves a step forward with the extension of the **time horizon of the Sustainability Plan until 2030**, defining the role that Iren Group intends to play for development consistent with European policies, the challenges emerging from the pandemic context and to boost the economic recovery process in our country, consistently and in support of the objectives of the PNRR.

The objectives and targets of Iren Group's medium- and long-term Business Plan are summarised below.

Development areas	Target			SDGs
	2024	2026	2030	
VALUE				
Gross cumulated investments	€ 4.9 billion	€ 7.1 billion	€ 12.7 billion	
Portion of sustainable investments			80%	
Ebitda	€ 1,250 million	€ 1,450 million	€ 1,800 million	
Net debt / EBITDA ratio	3.3x	3.1x	2.5x	
Net income	€ 330 million	€ 380 million	€ 500 million	

Development areas	Target			SDGs
	2024	2026	2030	
GREEN TRANSITION				
Decarbonization				
Installed power from renewable sources	0.6 GW	1.1 GW	2.8 GW	 
Power generation carbon intensity (scope 1)	317 gCO ₂ /kWh	298 gCO ₂ /kWh	176 gCO ₂ /kWh	
Certified renewable electricity purchased (scope 2)	90%	95%	100%	
Emission reduction scope 3 deriving from: <ul style="list-style-type: none">• use of products sold (gas)• fuel and energy related activities			-25% -13%	
Energy saving in production processes	920 TOE/000	1,500 TOE/000	1,740 TOE/000	
Emissions avoided from waste recovery	1,610 tCO _{2eq} /000	1,740 tCO _{2eq} /000	2,290 tCO _{2eq} /000	
Circular economy				
Sorted waste collection in legacy regions	73.4%	74.6%	76.2%	 
Waste recovered in Iren Group plants	1,490 t/000	1,670 t/000	2,310 t/000	
Biomethane produced from biodegradable waste	38 million m ³	46 million m ³	57 million m ³	
Wastewater reused	13 million m ³	16 million m ³	20 million m ³	
Water resources				
Wastewater plants capacity	3,690 A.E./000	3,850 A.E./000	3,970 A.E./000	 
Water withdrawals from the environment	278 l/hinab./day	273 l/hinab./day	261 l/hinab./day	
Water network leaks	30.1%	26.5%	20.0%	
Network division into small and equal areas (districts)	75%	82%	90%	
Resilient cities				
District heated volumes	108 million m ³	117 million m ³	124 million m ³	 
Eco-vehicles on total fleet	36%	47%	100%	
Green electricity sold to retail clients	2,000 GWh	2,500 GWh	3,500 GWh	
Energy saving from Iren Group products/services	420 TOE/000	500 TOE/000	700 TOE/000	
TERRITORIALITY				
Portion of investments in legacy regions			85%	
Expansion of coverage in legacy regions				
Provinces covered with 4 or more services			34	 
Inhabitants served by waste collection			5.5 million	
Inhabitants served by integrated water cycle			3.5 million	
PDR gas distribution			1.0 million	
E-mobility				
Charging infrastructure			4,000	
Local public transportation lines			15	

Development areas	Target			SDGs
	2024	2026	2030	
Energy efficiency and urban renovation				
Energy Communities projects			7,000	
Investments for territories/communities			€ 1.6 billion	
SERVICE QUALITY				
Electricity 2G smart meters installed			100%	
Gas smart meters installed			100%	
Inhabitants served by “pay as you throw” tariff			64%	
Insourcing of customer operations key activities			70%	
Network of counters/shops			+80%	
Penetration on sale of Iren Plus service platform			30%	
PEOPLE				
Employment, development and enhancement of skills				
New hires (progressive growth from 2020)	2,300	2,900	4,000	
Training hours per capita	26	27	30	
Employees evaluated on performance	80%	100%	100%	
Diversity & Inclusion				
Women in managerial roles	23.5%	26.5%	30.0%	
Hires under 30 out of total hires	80%	80%	84%	
Welfare and personal care				
Accident incidence index	44	43	42	
Employees with supplementary healthcare	90%	93%	95%	
ENABLING RESOURCES				
Digitalization: investments			€ 0.6 billion	
Performance improvement				
Synergies	€ 45 million	€ 55 million	€ 120 million	
Projects			70	

Monitoring and reporting

Iren is committed to manage and measure its performance, considering economic, environmental, and social aspects in defining strategic objectives and reporting of its activities. An approach aimed at the complete integration of sustainability in the strategic business choices.

To this end, the Group has structured an internal system for quarterly monitoring of sustainability

performance, which enables it to make the analyses and management decisions necessary to ensure that the objectives of the Strategic Plan are achieved and has integrated sustainability objectives into the Group's remuneration system (see page 90).

The Sustainability Report is also a tool for communicating and monitoring the adherence of operations to the strategy and, precisely with this objective, it reports the progress made towards achieving the targets set by the Group Business Plan.

Progress toward goals

The following are the results achieved in 2021 towards the achievement of the objectives set out in Iren Group's Business Plan.

Development areas	2021 Results	2030 Objectives
VALUE		
	954.6 million Euro of gross investments ¹	12.7 billion Euro of gross investments ¹
	70% sustainable investments in the year	80% sustainable investments over the plan
	Ebitda at 1,016 million Euro	Ebitda at 1,800 million Euro
	Net debt / EBITDA ratio 2.9x	Net debt / EBITDA ratio 2.5x
	303 million Euro net income	500 million Euro net income
GREEN TRANSITION		
Decarbonization	~0.6 GW of installed power from renewable sources	2.8 GW of installed power from renewable sources
	323 gCO ₂ /kWh power generation carbon intensity (scope 1)	176 gCO ₂ /kWh power generation carbon intensity (scope 1)
	83% certified renewable electricity purchased (scope 2)	100% certified renewable electricity purchased (scope 2)
	+8% scope 3 emissions from use of products sold (gas)	-25% scope 3 emissions from use of products sold (gas)
	+31% scope 3 emissions from fuel and energy related activities	-13% scope 3 emissions from fuel and energy related activities
	740,000 TOE saved in production processes	1,740,000 TOE saved in production processes
	1,268,000 tCO _{2eq} avoided from waste recovery	2,290,000 tCO _{2eq} avoided from waste recovery
Circular economy	70.3% sorted waste collection in legacy regions	76.2% sorted waste collection in legacy regions
	595,780 t waste recovered in Iren Group plants	2,310,000 t waste recovered in Iren Group plants
	1.8 million m ³ of biomethane produced from biodegradable waste	57 million m ³ of biomethane produced from biodegradable waste
	6 million m ³ of wastewater reused	20 million m ³ of wastewater reused
GREEN TRANSITION		
Water resources	280 liters/inhabitant/day of water withdrawal from the environment	261 liters/inhabitant/day of water withdrawal from the environment
	32.6% water network leaks	20% water network leaks
	60% of water networks divided into districts	90% of water networks divided into districts
	3,525,411 inhabitants equivalent of wastewater capacity	3,970,000 inhabitants equivalent of wastewater capacity

¹ Including work for customers carried out by Iren Smart Solutions.

Development areas	2021 Results	2030 Objectives
Resilient cities	99 million m ³ of district heated volumes	124 million m ³ of district heated volumes
	18% eco-vehicles on total fleet	100% eco-vehicles on total fleet
	1,035 GWh of green electricity sold to retail clients	3,500 GWh of green electricity sold to retail clients
	206,000 TOE saved from Iren Group products/services	700,000 TOE saved from Iren Group products/services
	56 million Euro invested in innovation	1.6 billion Euro invested in innovation
TERRITORIALITY		
	95% investments in legacy regions	85% investments in legacy regions
	15 provinces covered with 4 or more services	34 provinces covered with 4 or more services
	3 million inhabitants served by waste collection	5.5 million inhabitants served by waste collection
	2.8 million inhabitants served by the integrated water cycle	3.5 million inhabitants served by the integrated water cycle
	0.7 million PDR gas distribution	1 million PDR gas distribution
	880 charging infrastructure	4,000 charging infrastructure
		15 local public transportation lines
		7,000 Energy Communities projects
	140 million Euro invested for territories/communities	1.6 billion Euro invested for territories/communities
SERVICE QUALITY		
	2% electricity 2G smart meters installed	100% electricity 2G smart meters installed
	88% gas smart meters installed	100% gas smart meters installed
	26% inhabitants served by "pay as you throw" tariff	64% inhabitants served by "pay as you throw" tariff
	53.4% insourcing of customer operations key activities	70% insourcing of customer operations key activities
	+12% network of counters/shops	+80% network of counters/shops
	21% penetration on sale of Iren Plus service platform	30% penetration on sale of Iren Plus service platform
PEOPLE		
Employment, development and skills enhancement	886 new hires	4,000 new hires
	23 training hours per capita	30 training hours per capita
	53% of employees evaluated on performance	100% of employees evaluated on performance
Diversity & Inclusion	22% women in managerial roles	30% women in managerial roles
	44% hired under 30 out of total hires	84% hired under 30 out of total hires
Welfare and personal care	43.5 value of the accident incidence index	42 value of the accident incidence index
	74% employees with supplementary healthcare	95% employees with supplementary healthcare

