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RELEVANT TOPICS

	Efficient and reliable services					
	Service levels offered, customer focus and changes in customer expectations					
	Responsible management of business segments					
	Internal and external communication					
	Development of local communities					
	Management of emergencies					
	Environmental education					
	Dialogue with Public Authorities					
	Sustainable management of the supply chain					

RELATIONS WITH CUSTOMERS

The customer has always been at the centre of the attention and daily work of Iren Group. Customer satisfaction, together with a high-quality level of service, are pillars that support Iren's growth strategies. In its relationships with its customers, the Group has transformed its role from mere supplier to expert in energy services, innovative domestic products and e-mobility solutions, adopting a new customer relations model that is increasingly orientated towards dialogue and advice. A new relationship that evolves and adapts to different lifestyles, offering personalised experiences and services to families.

In 2020, the Covid-19 emergency had a substantial impact on people's lives, and Iren Group, to provide constructive support, immediately activated a series of measures to reduce the impact of this situation on relations with its customers.

In the first phase of the emergency, the physical contact points that the Group set up within the offices of some of the municipalities in the areas served remained open, adopting specific precautions such as the use of personal protective equipment (PPE), limited access to the premises, spacing, plexiglass protective barriers, digital systems for managing queues and appointments, disinfectant dispensers, sanitation of the premises and contact tracing of visitors.

From 9 March 2020, as a precautionary measure and in the spirit of the regulations issued by the Government, all the Group's commercial help desks were closed. In the municipalities where the local authorities have granted the possibility of carrying out the service, the points of contact with residents, necessary for the continuity of essential services such as the Collection Centres or the "Punto Ambiente" [Environment Points], have remained open in compliance with the regulations in force.

Since 5 May 2020, the main help desks in the capital municipalities have been reopened with the new access methods already applied to the contact points in the municipalities, and since 18 May all help desks have normally been operating again.

At the same time, Iren Group has strengthened and promoted the use of digital channels, such as the website irenlucegas.it and the IrenYou App – which allow to carry out operations related to the management of contracts, such as communicating the meter reading, paying bills, etc. – or the Facebook page "Iren luce gas e servizi" to have a first response to the most straightforward requests. Also, to avoid waiting at counters, it has implemented the new UFirst App, which allows scheduling appointments with the Group's offices and thus avoiding crowds.

Confirming its attention to local areas and people in difficulty, since March, the Group has stopped all new actions to suspend or reduce supplies (gas, electricity, water and district heating) due to situations of non-payment and, in order to deal with problems in the delivery of bills by the postal services, has acted promptly by reinforcing communication on the possibility of receiving digital bills and extending payment terms.

Pending the adoption of specific measures by the Government and the Regulatory Authority for Energy, Networks and Environment (ARERA), the Group has offered all customers, households and

businesses, who have experienced objective economic difficulties, the possibility of requesting a 30-day deferral of the due date for payment of their bills or an instalment plan for their gas, electricity, water, district heating and waste bills under a specific fee or commercial tariff. This option was applied, upon request, for invoices due between 13 March and 30 April, without the application of interest charges for late payment.

In support of the initiatives started by the Group, ARERA's resolutions, subsequently intervened, providing for: the blocking of suspensions for non-payment and the obligation to re-power the utilities suspended from 10 March to 3 May for electricity, gas and water; favourable instalment conditions (for customers under the protection of the electricity service and water users); suspension of the terms of payment of utilities in the municipalities of the "first red zone" with instalment of the same; the incentive to digitize bills.

Call centre operations were always guaranteed at full capacity. Despite the highly critical moments caused by the situation, the suppliers that support the Group in providing customer services quickly activated smart working for their employees, thanks to which a level of service in line with the parameters of Iren Group was guaranteed.

BUSINESS CONDUCT

Communications to customers comply with the principles of clarity and transparency provided by the Code of Ethics and Code of Business Conduct, with the objective of placing the customer in a position to be able to make an informed choice.

Iren Group fully complies with the guidelines of the Code of Business Conduct for the sale of electricity and natural gas to end customers, formulated by ARERA, the Italian Regulatory Authority for Energy, Networks and Environment, which regulates sales outside of the Company's commercial premises, i.e. activities of physical door-to-door companies and at commercial stands and *teleselling* and *webselling* to promote energy contracts.

As part of the contractual relationship, the Group requires external promotion companies (door-to-door companies, commercial stands, *telesellers* and *websellers*) to comply with the regulations and procedures of the sector and, more specifically, requires compliance with ARERA's Code of Business Conduct, the Consumer Code, as well as Iren Group's Code of Ethics, Model 231 and Quality Policy. In addition, the Group's control systems on contract promotion are also stricter compared to sector regulations.

Promotion companies are selected according to rigorously applied criteria, which shall include:

- the possession of all permits, licences and registrations for conducting commercial agency activities (including registration in the National Register of Commercial Agents);
- the availability of a *back office* to monitor and train agents, conduct the preliminary verification of contracts acquired and verify customer awareness via *check-calls*;
- the knowledge of the local market and technical and organisational expertise.

It is only once the formal and technical verifications have had a positive outcome that an agency contract or a commercial collaboration contract is signed.

All agency collaborators receive adequate training on the regulations governing the sector and the codes of conduct to adopt. This training is divided into different sections (gas market, electricity market, offer type, Code of Business Conduct) and the first session is held in the presence of Group sales staff.

The activity of the companies is monitored and controlled at various levels and in different ways depending on the type of activity performed. In order to verify the correct operation of suppliers, as provided for in the mandate, the Group carries out controls through *quality calls* on the activity carried out by door-to-door companies to confirm that contact has been made with the agent and that the contractual proposal has been accepted. Alternatively, in 2018 *instant calls* were introduced, a *quality call* carried out on average within 2 hours of the contract being signed, for more timely and effective control of the sales activity. With regard to *telesellers* and activities deriving from *webselling*, a third party is appointed to make calls to check customer awareness concerning the telephone proposal accepted (*welcome calls, courtesy calls and confirmation calls*).

Pursuing a policy of transparency and protection of the customer's wishes, Iren Group offers customers with telephone contracts the option of listening to their telephone recording by accessing a dedicated section on the company website using personal login details.

Lastly, to verify that the companies work in compliance with contractual obligations and, specifically, in compliance with the Company's self-regulatory documentation (Code of Ethics, Model 231, operational procedures), visits are made periodically to the sales offices, the results of which are presented and discussed at the process committee.

The organisation of Iren Mercato also provides for a specific structure dedicated to analysing customer complaints concerning external channels of sales. These complaints can result in the application of penalties and, in more serious cases, the dismissal of the agent, with a ban on working for Iren Mercato, even through other companies, up to the possible resolution of the agency mandate.

Sales and marketing activities are conducted in accordance with the principles of honesty and transparency and in full compliance with the provisions of EU Regulation 2016/679 (GDPR), of Italian Legislative Decree 196/2003 and any applicable regulation concerning personal data protection. In order to guarantee compliance with privacy regulations:

- the processing of customers' personal data in accordance with freely given and collected consents is guaranteed;
- the processing of personal data on behalf of Iren Mercato is permitted only to persons appointed in writing as external data controllers (Art. 28 of the GDPR);
- commercial or promotional actions are carried out exclusively with regard to persons who have given informed consent after reading the specific privacy policy (Articles 13 and 14 of the GDPR).

In order to guarantee the exercise of the rights provided for by the GDPR, Iren has made available communication channels and facilities dedicated to the reception and management of requests regarding access, rectification, cancellation, restriction of processing, portability and opposition to the processing of personal data.

In compliance with the principles of anti-competitive behaviour, Iren Mercato does not conduct any commercial or promotional action

towards customers who are part of the protected market, limiting its activities to its customers in the free market or prospective contacts acquired under regulations.

CUSTOMER HEALTH AND SAFETY

Iren Group has always put in place solutions to minimize the impacts that its activities may have on the health and safety of its customers and communities. Below is a summary by business segment.

Environment: the Group has developed performance monitoring tools such as environmental impact assessment, analytical controls, internal audits and legislative compliance checks, aimed at monitoring performance also in terms of sustainability and environmental protection. 70% of products and services in the environment sector undergo health and safety impact assessments.

Energy and smart solutions: the management model adopted considers the health and safety of customers, assessing environmental aspects, as well as the analysis and measurement of risks during all stages of the services supplied, from plant planning to maintenance, and the activation of new services and the selection, storage and disposal of materials and products that require specific certificates.

Iren Smart Solutions develops and supplies products and services that meet customers' needs for safety and well-being, such as anti-seismic building interventions and energy requalification; the creation of lighting systems that increase visual comfort; the management of thermal systems that make indoor environments safer and more comfortable, improving heat distribution.

As far as technological services managed for public administrations are concerned, the light pollution of public lighting systems (alteration of the levels of light naturally present in the night environment) and the consequent photobiological risk (damage that the direct vision of light sources, in particular LEDs, can cause to the human eye), are parameters monitored through the inclusion of stringent construction requirements in the purchase of lighting equipment. Moreover, for the public street lighting and traffic light service of the City of Turin, an app is available through which residents can report in real-time any faults or malfunctions.

As regards the global service for the public buildings in Turin, there is a detailed process for reporting faults/malfunctions, call management and problem resolution, with response times for each type of event and analysis and evaluation of the service level. A 24-hour contact line is provided to manage domestic heating systems, with repairs within 3 hours of the report.

Integrated water service: in the supply of water for drinking purposes, the health and safety of customers is the main priority. This aim is ensured through constant monitoring, even beyond legal obligations, of water quality along the entire supply cycle: catchment, treatment, disinfection, distribution.

Gas distribution: customer safety is the main issue in service management. Hiring competent and well-trained resources, together with continuous network monitoring, are elements that contribute significantly to accident prevention. These elements are subject to constant analysis and improvement measures in order to increase their effectiveness while respecting efficiency.

Electricity distribution: initiatives are implemented to safeguard the health of customers to ensure compliance with the limits of electromagnetic fields at power generation and distribution plants. In particular, in electrical substations, measurements are taken on each new substation, verifying the substation's positioning and the electrical equipment inside it, concerning any adjacent sensitive areas. Similarly, in the plants, measurements of external acoustic emissions are carried out to verify the absence of any noise pollution to the local population.

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

Market: the whole range of products made available in the commercial offers of IrenGO and Iren Plus, promote the improvement of the health and safety of the customers, starting from the safety of the home to the individual.

COMMUNICATION AND RELATIONS WITH CUSTOMERS

Iren Group devotes significant attention to communicating its development plans, products and services, aiming to provide timely and transparent information through a number of channels.

Iren's communication in 2020 was strongly influenced by the rebranding launched on 1 July. The new logo, which has maintained traces of the previous one, has marked a decisive step forward for a dynamic Group in which the services offered, symbolized by the variety of colours, are more integrated and connected, with a fluidity of form that symbolizes the ability to adapt to continually changing needs, without forgetting the values and objectives that have guided and will guide the future of the Group: attention to the environment, to people and contact with the local areas.

The new brand and the derived coordinated image have been applied on all communication media, within the company spaces and on contractual and commercial documentation. This activity allowed us to focus on the overall graphic revision of the materials for greater homogeneity and consistency with the new logo.

The rebranding was also an institutional campaign published in the leading national newspapers to support the subsequent television commercial campaign. In 2020, the growth trend of followers on the Group's social channels and visitors to its websites continued. Product communication during the year was also based on the new national perspective launched with the "Go National" campaign.

In support of the commercial activities beyond the Group's historical reference areas, a vital communication campaign was undertaken to position *Iren luce gas e servizi* as a brand at a national level. In July and September, multi-subject television commercials were broadcast on all the major national broadcasters, reaching a wider audience than that of the historical areas. The television coverage was complemented by an intense digital campaign aimed at different audience segments and a significant branding intervention in Piazza Maggiore in Bologna, the Roma Termini railway and underground stations, and the Milano-Duomo underground. In the last six months of the year, issues were also planned in the leading national newspapers and the essential local newspapers.

On the occasion of the restyling and the opening of new stores and commercial spaces (Iren store in Sanremo, Green Pea commercial space in Turin and the future opening of a new store in Reggio Emilia in 2021), new guidelines were defined for the in-store communication and the fitting out of the commercial spaces oriented by solid attention to environmental issues.

The choice and use of materials for the fittings, where possible, follow criteria of environmental sustainability, in line with what was done in particular for the new Iren store at Green Pea (the first green retail park), where, in a prestigious context, entirely focused on the theme of respect and sustainability, natural or recycled materials were used.

In parallel with the opening of new stores, the Group continued to set up corners in shopping centres and new display areas focused on selling e-mobility and energy efficiency products.

Constant attention was paid during the year to the effectiveness of all communication channels and contact with customers, which required greater monitoring concerning the Covid-19 emergency.

Universal toll-free number for commercial services: there was an increase in incoming telephone traffic in the year compared to 2019, resulting from the closure of physical counters due to the lockdown. Although the number of calls increased by 22.4% (2,705,887 customers spoke to an operator of Iren Group), the performance respected the targets required by ARERA, with an answer rate of 91.3% on incoming calls, with an average waiting time of 60 seconds.

Also, some projects have been developed to improve the functionality of the telephone service: in order to avoid a prolonged wait for the customer, the Virtual Assistant, an automatic channel of artificial intelligence able to understand the most common questions of the customer, has been integrated into the reserved web area. The use of call back has been systematically adopted, allowing customers to book a call from the call centre operator when the phone line is busy to avoid long waiting times.

Environmental services contact centre: the service provides information to customers on waste collection and management services. All incoming contacts be they telephone, e-mail, web, are tracked on a unique management system that, through its database, allows a subsequent statistical calculation and processing. Reports and requests are automatically transferred to the local Environmental Services. In 2020, the Group carried out extensive customer care and customer satisfaction activity to increase the value of the relationship with the customer and create a direct thread, with the objective of planning actions targeted at specific customer segments and communications modulated according to needs. There were 578,220 calls at the call centre (up 24% from 2019) and 101,744 were e-mail and web contacts (up 26% from 2019).

The significant increase in calls and contacts was mainly due to the management of responses to requests for specific waste collection services in situations of Covid-19 positivity or quarantine and the activation of the collection service using personal badges in some districts of Turin. Despite the increase in incoming calls, 85.4% of customers who contacted the service by phone spoke to an operator, with an average wait time of 54 seconds, broadly in line with 53 seconds in 2019.

The integration of customer care activities aimed at the inhabitants of the municipalities managed by SETA continued in 2020.

Integrated customer relationship management (CRM) system: the new Customer Relationship Management system is integrated with many communication channels, allowing all information relating to each customer interaction to be collected, recorded and managed in a single system. It includes the sending of proactive multi-channel communications (e-mail, text, mail), allowing customers to receive continuous updates on the progress of procedures or requests until they have been resolved, and notifications regarding supplies.

Help desk, Iren space for customers: 2020 recorded a decrease in the number of contacts at the help desks generated by factors arising from the Covid-19 pandemic. Iren served 386,090 customers compared to 607,469 in 2019 (-36.4%), in the 82 physical points located throughout the regions.

Despite the critical nature of the period, the plan to optimize the help desks continued, intending to guarantee efficiency and commercial repositioning, transforming a reception and management channel into a tool to strengthen the brand and seize opportunities to promote products and services designed for the customer, while maintaining the objective of continuous improvement in service quality levels. The help desk has consequently evolved into a place for advice, which encourages dialogue and closeness between customers and Iren, capitalising on the role of the human figure as a vehicle for trust, support and specialised experience.

A growing network of Iren Spaces: 82 physical points for managing requests and providing professional advice to customers

In 2020, the number of help desks increased significantly due to two new points opened by Salerno Energia Vendite, two new openings in Turin, including the store inside Green Pea, two openings in Sanremo and one in the province of Reggio Emilia. In addition, in the Piedmont and La Spezia areas, an integration between the Iren Mercato help

desks and the spaces that offer environmental services was launched at the end of 2020.

Help desk activities	2020	2019	2018
Help desks (no.)	82	68 ⁽¹⁾	73
Customers served (no.)	386,090	607,469	584,508
Average waiting time (min.)	5.5 ⁽²⁾	12.0	13.9

⁽¹⁾ The data for 2019 has been restated.

⁽²⁾ The data is affected by the closure of the help desks for two months due to the Covid-19 emergency and the reopening with access by appointment only.

Direct contact channels: interaction with condominium administrators and consumer associations has been encouraged on an ongoing basis, albeit remotely. In order to deal with the continuation of the Covid-19 emergency, a new informal contact channel was introduced between Iren Mercato and the consumer associations in the area through an e-mail address, which developed a volume of about 500 requests managed.

The Group also continued to promote meeting sessions, mainly with consumer associations, to discuss matters of particular importance, such as promotional activities, compliance with the Code of Business Conduct or free-market contracting arrangements.

Websites: in order to make the irenlucegas.it website more and more usable, the menus and contents have been revised, simplifying navigation and offering the customer more information in a clear and organised manner. The live chat has been optimized to offer assistance in searching for information or in the path to purchase services and products. In order to achieve greater visibility on the network, with a good ranking in the major search engines, all pages of the site have been optimised for SEO.

Social networks: the growth in social networks continued, leading to increased use, especially for caring purposes. Through social channels (especially Facebook), the Group, thanks to a friendly and more informal approach, spreads messages about the world of energy, services, regulations and environmental sustainability. Simple language is used, and quizzes or gamification modules are presented to encourage interaction with customers. Through the social channels, the Group tells its story more directly, through videos and photographs, and responds to customers through quick and easy interaction.

Mobile App: in April 2020, Iren Mercato launched IrenYou, the new application accessible from a smartphone or the web that allows customers to directly manage all supplies: electricity, gas, water, district heating and waste. Customers can download the bill online, avoiding the paper document, check their consumption, communicate their meter reading and be informed about the Group's initiatives. Among the most appreciated novelties of the new application is using digital payments such as IrenPAY or credit card. The goal is to provide customers with a more intuitive interface with more functionality that offers a personalised experience. There were 457,454 registered customers at the end of the year, up 28% compared to 2019 when the previous application (ClickIren) was still operational. The App, after about six months since its release, has recorded a high level of satisfaction from users, demonstrated not only by an increased number of downloads but also by the evaluation recorded in the leading stores (4 out of 5). To support the use and knowledge of the new tool, a digital information campaign was launched, through which video tutorials were sent directly to customers. The videos were also

uploaded to Iren Group's website and YouTube channel and projected on the local help desks' monitors.

Ecolren is the App that provides residents and customers with helpful information on environmental services and Acquapubblica distributors in the area, and also allows a system of photo reporting: photos of abandoned waste, damaged bins and other anomalous situations can be taken and sent, along with text and geographical coordinates.

Digital payments: in 2020, Iren Mercato, following the possibilities granted by the European legislation PSD2 (Payment Services Directive 2), developed the IrenPAY service, which allows customers to pay their bills directly through their bank's online payment account. To help customers understand the simplicity and level of security of the new service offered, a digital campaign has been launched showing through a video how the service works and how to use it.

IrenCollabora.it platform: this is a tool that was created within the context of the Iren Local Committees (see page 108), to establish an innovative channel of dialogue, discussion and participatory planning between Iren Group and the local community stakeholders. The platform collects ideas, proposals, comments and observations to support and initiate environmental and social sustainability projects.

COMMERCIAL ACTIVITIES

Iren Group presents its customers with a complete offer portfolio which, starting from historically managed activities, incorporates new solutions and technologies to meet all energy management needs and the well-being of residents, companies and public administrations. The service is characterised by an efficient sales network assisting customers, consisting of a widespread network of help desks and call centres available to households and small businesses, as well as specialists dedicated to large companies, which are also able to support energy supply with consultancy and assistance activities on tariffs and contracts.

The Group also offers its customers certified clean electricity thanks to the procurement of renewable sources.

In the Environment sector, the Group operates according to transversal logic across the areas of interest, via a network that is useful for identifying and assessing business opportunities present on the market, also outside the areas of reference (tenders of national importance).

RETAIL CUSTOMERS

Regarding the retail segment, commercial activities are aimed at building loyalty and developing new regional areas.

The Group's strategy, aimed at proposing commercial offers and services throughout the country (*Go National*), has led to a progressive homogenization of the portfolio of offers and services to customers. Sales activities were consolidated through the already active channels of *teleselling* and physical companies, with maximum attention paid to the monitoring and control of sales partners.

In 2020, the web sales channel grew considerably, available in self-navigated and chat-assisted mode, reaching a significant share of total contracts. In order to increase the traffic on its website, in 2020, Iren Mercato confirmed the flanking of the advertising campaigns on the Google search engine (Google Ads) with SEO (Search Engine Optimization) activities, intending to improve the positioning of the

website in the search engine results. During the year, visits to the *irenlucegas.it* website more than doubled, and the Google Ads and SEO activities also significantly impacted Iren Mercato's *brand awareness*.

Furthermore, with the same aims, Iren Mercato has strengthened its partnership with the main energy price comparison websites, promoting its own offers concerning the new Iren Plus extra-commodity services and products.

IREN PLUS

In 2020, the Group consolidated its range of Iren Plus offers: home services, home automation products, internet connection and energy efficiency products. The development of the range of offers continued in line with previous years to offer top quality solutions, with a strong focus on energy efficiency, rationalization of consumption, and environmental sustainability. As part of the **home services**, several new products and offers have been launched:

- **Casa h24**, a package of assistance services for the home provided by Covercare with the inclusion of an AXA Assistance insurance policy to cover the breakdown of household appliances;
- **Iren Revolution Luce**, supply of electricity with the inclusion of an AXA Assistance insurance policy that guarantees 24-hour intervention by craftsmen necessary for minor breakdowns in the home;
- in combination with Casa h24 insurance coverage, **boiler maintenance and air conditioning maintenance** provide bi-annual maintenance of the boiler or air conditioner to ensure the best level of performance.

Through "Iren casa online", in partnership with Linkem, Iren proposes itself as a single access point for its customers who wish to have a single supplier for **internet connectivity** and electricity. The customer who subscribes to the offer thus has priority access to Linkem support.

In the domain of **home automation**, attention was focused on integrating the latest generation technological devices (Smart Kit) in a home control service. Thanks to a special app, customers can independently and remotely manage lighting, cutting costs for inefficiencies, check for gas or water leaks and verify external intrusions. In addition, there are smart LEDs that can be managed through apps and voice assistance.

In addition to home control and lighting management, Iren offers its customers systems (devices, thermostatic valves, heat pumps, air conditioners, fixtures) for the intelligent management, even remotely, of **energy efficiency** in the home.

The range is completed by consolidated products such as condensing **boilers** and the installation of **photovoltaic systems**.

Iren Plus products and services are offered through traditional sales channels, *teleselling*, physical companies, e-commerce, call centres, help desks, and products defined as "complex" such as photovoltaic and boilers through a sales network of external agents.

For the launch of each new product, a market test was carried out prior to the release. This methodology has made it possible to fine-tune the distinctive elements of the offer, verify the product's quality and ancillary services, and finally control the supply chain from the producer to the end customer. During the procurement phase,

qualitative and quantitative standards were applied to define the parameters for selecting suppliers, with a specific focus on the possession of environmental and product safety certifications. As far as the after-sales activity is concerned, a single assistance channel and a network of partners were chosen to provide the installation service for Iren Plus products.

IRENGO (E-MOBILITY)

2020 was the year of the consolidation of the IrenGO electric mobility business line, which offers not only products and services but also a complete consultancy to all target customers: consumer, business and public administration, in line with the Group's guidelines for sustainability and innovation.

IrenGO, also thanks to partnerships and specific agreements, has built a wide range of recharging infrastructures (wall boxes and recharging units), with various performances and powers, to which have been added turnkey design, installation and maintenance services through selected companies able to guarantee interventions on the whole national territory. In addition, IrenGO is installing public charging infrastructures in the main cities in the Group's areas of operation, which will form an essential part of the network of public charging stations. The main projects underway in this area concern the Cities of Turin and Parma, while in Vercelli the installations have already been completed.

IrenGO has also equipped itself with its management software platform, through which it can interact with the recharge systems, and is developing an app for providing the recharge service.

IrenGO offers electric cars for rent, and light mobility means such as pedal-assisted bicycles and electric scooters for the sustainable mobility of customers. Iren Group is also MiMoto's partner in providing the scooter sharing service in Turin and Genoa, and Dott's partner for scooter sharing in Turin and, from 2020, in Rome.

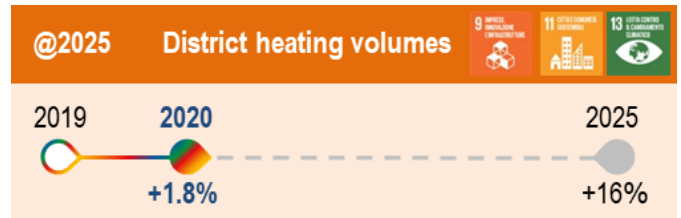
The energy that powers the electric vehicles and charging systems is 100% certified renewable. In order to consolidate this element of coherence with the sustainable mobility project, renewable electricity formulas have been developed that consumer or business customers can combine directly with e-mobility product offers, such as the "Ricarica l'auto Luce Verde" [Charge car Green Light] formula.

In 2020, product and service offerings have also been developed that benefit from the tax advantages provided by the government through various programmes such as the 110% Superbonus and Ecobonus. In both cases, the retail customer can apply for the home electric car charging station, including installation, with credit assignment and invoice discount incentive.

DISTRICT HEATING

In 2020, commercial development activities continued in the Turin area, both in the new network extension areas (North Turin and S. Salvario) and in the areas already reached by the service, while in the Emilia area, activities continued to consolidate and increase the number of connected volumes and the marketing campaign in Piacenza. Since October, the Group has also been marketing district heating services in Rivoli, Collegno and Grugliasco.

In the coming years, the plan to extend the district heating volume will offer customers the chance to contribute to the improvement of air quality in urban environments.



BUSINESS CUSTOMERS

Although the commodity market scenario has been marked by extreme volatility, the Group strengthened its presence in the large-scale gas and electricity customer segment, thanks to an effective dedicated offer portfolio, supporting the promotion of "green offers" for the supply of electricity produced entirely from renewable sources, which allow business customers to promote their environmental commitment.

Thanks to its production assets from renewable sources, Iren can offer "100% green" energy certified through the use of the "Iren Verde" brand and the relative origin guarantee certification, confirming its sustainability policies.

In 2020, Iren ratified the award, which had already taken place in 2019, of a lot of the Consip EE17 Tender for a volume of more than 500 GWh and an estimated turnover of around 100 million Euro, thus confirming itself as the supplier of reference for public administrations in the North West, to which it is offered the possibility of procurement at both fixed and variable prices linked to the "spot" price of energy on the Power Exchange.

MARKETING AND CARING CAMPAIGNS

The commercial launch of new products for home automation and energy efficiency was a further opportunity to refine and apply the new graphic layout adopted in all post-rebranding communication activities. In 2020, the social media project was also consolidated by developing new campaigns aimed at three different objectives: involvement and increase in followers, marketing actions aimed at potential customers interested in products such as Iren Plus and IrenGO, brand awareness to strengthen the brand identity. These activities will continue in 2021 and with the collaboration of influencers and with programming to reach a wider audience. During the year, the Group organized digital industry events, open to the general public, dedicated to presenting services and products related to electric mobility and energy efficiency, emphasizing the introduction and dissemination of regulatory and process aspects required to access the recently introduced tax benefits.

In addition to the "Iren con Te" loyalty programme, the Group is developing a new loyalty programme, more consistent with Iren's new positioning, which will be released in 2021 to bring customers closer to the Group's values.

CUSTOMER SATISFACTION

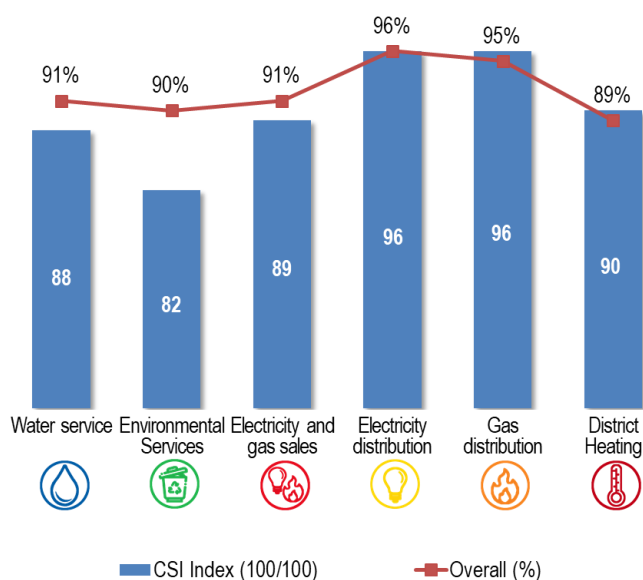
Iren Group has structured an annual monitoring system to evaluate the quality of the services supplied in order to identify actions for communication and operational interventions for continuous improvement.

Customer satisfaction surveys are assigned to the Corporate Social Responsibility and Local Committees Department, which deal with various Business Units for the definition of the survey areas and sharing the results achieved.

The customer satisfaction survey provides the following for the various sectors:

- an overall indicator (CSI index) that shows customer satisfaction in terms of the difference between perceived service value and expectations in regards various technical and relational aspects, which are weighted together;
- a synthetic overall satisfaction indicator (overall) that is monitored by directly asking the customer to highlight the overall perceived satisfaction level. Elements concerning the image and reputation of the Company are crucial in this question.

The 2020 survey shows overall positive results, broadly in line with past surveys.



COMPLAINTS AND BREACHES

The monitoring of complaints is not only an obligation in respect of the regulatory bodies but is also a fundamental management tool for identifying critical issues and defining and implementing corrective actions. The number and type of complaints is, therefore, a key focal point for the Group and, at the same time, attests to the heightened awareness of customers and the growing level of their expectations.

In 2020, Iren Group received a total of 37,214 complaints, of which 14,111 referred to environmental services, 18,137 to energy services (gas, electricity and district heating), and 4,966 to the integrated water service, an increase compared to 2019. With regard to the sale of electricity and gas, there was an increase in billing and contracting matters, while there was a decrease in complaints relating to non-payment and suspension of supply. With regard to the water service, complaints mainly concerned billing, while in the environmental health services, they were mainly related to the initial phase of transforming the separate waste collection services from street to personal. Lastly, during the year, there was a reduction in complaints relating to district heating, where the recurring themes mainly concerned billing and technical aspects of the service.

Following the entry into force of the EU Regulation 2016/679 (GDPR), the term “complaint”, concerning privacy issues, must be understood to mean requests made by natural persons who are data subjects in the processing of personal data, addressed to the Data Protection Authority in the event of a possible breach of the relevant legislation by the data controller. In 2020, there were 26 complaints relating to customer privacy violations. On the other hand, there were no reports of loss or theft of customer information.

Iren Group did not record any breaches in 2020, in the scope of discriminatory practices against customers. Similarly, there were no cases of non-compliance with sanctions concerning the health and safety of products and services, marketing communications and promotion and sponsorship activities. Following the appeal submitted by Iren Mercato, the decision concerning the proceedings instigated by the Antitrust Authority in 2016 for alleged unfair sales practices regarding the acquisition of some electricity and gas customers is still pending. In 2019, a competitor filed a complaint with the Civil Court regarding alleged anticompetitive practices. The case was heard and Iren Mercato lodged an appeal, which was rejected by the Court. The appellant thus brought a claim for damages against Iren Mercato. The hearing, initially set for April 2020, was postponed ex officio to October 2020, Iren Mercato appeared in court, and the parties were granted permission to file additional preliminary briefs. The next hearing is scheduled for March 2021.

CUSTOMERS AND SERVICES

	2020	2019	2018
Retail electricity customers	970,663	910,830	876,190
Retail gas customers	906,152	904,971	906,376
Residents served by the district heating service	895,745	879,070	868,130
Integrated water service residents	2,765,363	2,791,927	2,829,798
Integrated water service municipalities	241	242	265
Urban environmental services residents ⁽¹⁾	3,061,547	3,057,857	2,320,687
Urban environmental services municipalities ⁽¹⁾	307	297	165

⁽¹⁾ The consistent variation of the 2019 data is the result of the acquisition of San Germano.

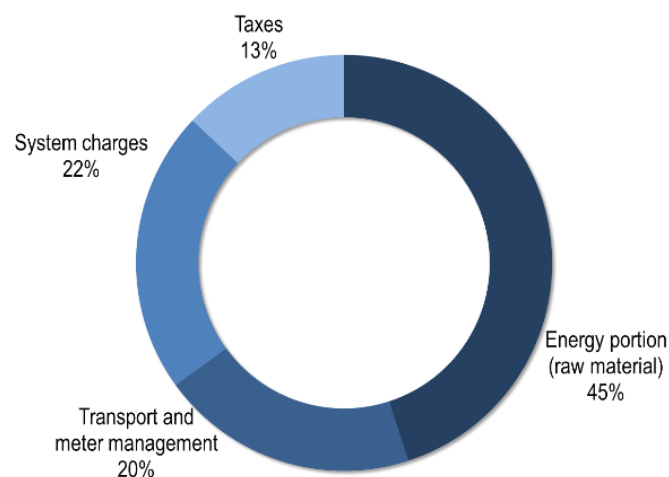
ELECTRICITY

ELECTRICITY TARIFF

Electricity tariffs are made up of the costs associated with energy and the commercial activities of the distribution companies (procurement and commercialization), the charges associated with transporting electricity on national and local distribution networks, the costs of managing metering activities, general system charges and taxes.

In the free market, the seller expresses its offer by differentiating itself from competitors in the share of supply and commercialisation costs, as the other components are subject to single national standards and tariffs established by ARERA and the state.

2020 AVERAGE COMPOSITION OF ELECTRICITY BILL FOR PROTECTED MARKET



The overall cost in the fourth quarter of 2020 by customer type (3 kW meter and annual consumption of 2,700 kWh) served in protected market stood at 0.192 Euro/kWh (Source: ARERA), down approximately 6% compared to the same quarter of 2019.

ELECTRICITY SOCIAL BONUS

The electricity bonus was introduced by the government and made operational by ARERA, in collaboration with municipalities, in order to guarantee savings on electricity costs to financially burdened and/or large families. It is also provided for cases in which a serious disease entails the use of indispensable electrical medical equipment to keep them alive (physical problems). In order to access the bonus, families

that fall within the income and/or social-health parameters must submit a request to their municipality. The bonus values that also allowed a 30% reduction in the bill in 2020 were:

- 125 Euro for a family of 1 or 2 members;
- 148 Euro for a family of 3 or 4 members;
- 173 Euro for a family of more than 4 members.

ELECTRICITY SERVICE LEVELS

QUALITY STANDARDS FOR THE SALE OF ELECTRICITY

The commercial quality standards are dictated by ARERA (Res. 413/2016 Amalgamated Law on the Quality of Sales Services – TIQV) refer to how promptly the seller provides some services requested by customers (replies to written complaints and requests for information, correction of bills, etc.).

The seller must comply with specific standards (beyond which, customers are entitled to automatic compensation) and general standards (for which a certain percentage of performance is required and no automatic compensation is paid). Data relevant to the individual companies are published in order to allow customers to compare the service levels offered.

The 2020 figure shows a lengthening of response times, mainly attributable to the increase in complaints compared to the previous year, concerning billing and contracting matters, and the delay in the sorting of requests by Atena Trading, due to a computer virus that affected the Company in December 2019, to which was added the Covid-19 health emergency, which resulted in a temporary shortage of personnel for the external call centre operator, penalizing the management of practices.

Response to written complaints (days)	2020	2019	ARERA max time
Average response time	27.9	16.7	30

To constantly monitor its commercial quality, Iren Group considers it strategic to monitor customer satisfaction (see page 100).

QUALITY STANDARDS FOR DISTRIBUTION

Quality standards for the distribution of electricity are defined by ARERA (Res. 566/2019/R/EEL), which approved the “Amalgamated Law on the Output-Based Regulation of the Electricity Distribution and Measurement Services” for the 2020-2023 period, which governs the continuity of service and voltage quality, specific and general levels of commercial quality and the selective promotion of investments in distribution networks.

Indicators measuring the service levels of Iren Group, which are considered relevant due to the impacts they may have on end customers or the environment, are reported below.

The level of **network leaks** within Iren is consistently below the national average. ARERA conventionally sets standard leaks for the electricity grid, defining a percentage amount of the energy withdrawn in function of voltage, with the aim of encouraging the reduction of network leaks, comparing standard leaks with actual leaks.

Electricity network leaks	2020	2019	2018
Iren Group	2.91%	4.23%	4.17%
National average ⁽¹⁾	6.40%	6.40%	6.40%

⁽¹⁾ Most recent data available from the GSE Energy Report dated 31 December 2018.

The **mean number of interruptions per LV (low voltage) customer (N1)** is the indicator relevant to unexpected long or short-term interruptions (less than 3 minutes but more than 1 second) attributable to the distributor. The **cumulative downtime (D1)** measures the average number of minutes of interruption, per low voltage customer, of long-lasting interruptions without notice, attributable to the distributor.

ARERA sets target values for these indicators concerning the size of the areas served: high concentration (municipalities with more than 50,000 residents), medium concentration (municipalities with more than 5,000 residents) and low concentration (municipalities with less than 5,000 residents).

If the distributor delivers improvements in the indicators compared to the previous year, it receives a bonus from ARERA; otherwise it may receive a sanction and the relative fine.

Average number of outages per LV customer – N1 ⁽¹⁾	2020	2019	2018	2020 ARERA target ⁽²⁾
Turin high-density	1.47	1.43	1.37	1.27
Parma high-density	1.32	0.98	1.80	1.20
Parma low-density	4.01	2.23	2.59	4.30
Vercelli medium-density	0.81	0.75	1.25	2.25

⁽¹⁾ 2020 data are estimated. They are subject to verification and are dependent on submission to ARERA on 31/03/2021 for the 2020 financial year.

⁽²⁾ The target values valid until 2019 were 1.00 for high concentration, 2.25 for medium concentration and 4.00 for low concentration.

In 2020, ARERA raised the level of the objective if, in the calculation of the average number of minutes of interruption, the distributor also includes external causes, i.e., service disruption events caused by third parties (e.g., damage to cables as a result of excavation work by third parties who do not operate on behalf of the distributor; service disruptions caused by failures occurring on private systems underlying the network).

Cumulative downtime – D1 (min./user) ⁽¹⁾	2020	2019	2018	2020 ARERA target ⁽²⁾
Turin high-density	26.81	25.70	28.70	28.00
Parma high-density	34.90	23.00	34.21	28.00
Parma low-density	72.91	48.06	36.61	68.00
Vercelli medium-density	11.57	8.12	11.23	45.00

⁽¹⁾ 2020 data are estimated. They are subject to verification and are dependent on submission to ARERA on 31/03/2021 for the 2020 financial year.

⁽²⁾ The target values valid until 2019 were 25.00 for high concentration, 45.00 for medium concentration and 60.00 for low concentration.

In 2020, there was an increase in the number of interruptions in Turin and Parma, resulting in higher N1 and D1 values. In Turin, there were more interruptions concentrated in the same period of the year, generating the so-called “disrupted periods” (not included in the cumulative D1 downtime counts, according to ARERA provisions), while in Parma, there were interruptions in different periods of the year, whose lower concentration did not cause disrupted periods and which are therefore also considered in the calculation of the average annual downtime value (D1).

Iren Group, in the context of credit control, monitors the network disconnections of customers due to non-payment of bills, but does not consider it appropriate to report it, considering it as being sensitive data.

ELECTRICITY DISTRIBUTION NETWORK

Iren Group manages the electricity distribution network plants in the Municipality of Parma, the City of Turin — as well as some sections of network in some municipalities in the metropolitan area, Valle Orco and Valle Dora — and the Municipality of Vercelli.

The size of plants owned by the Group at 31 December 2020 is summarised up in the table below:

Distribution network plants	u.m.	Parma	Turin	Vercelli
HV/MV stations	no.	5	10	1
MV/MV primary substations	no.	-	21	1
MV/LV secondary substations	no.	1,209	3,495	187
HV/MV transformers	no.	13	24	2
MV/LV secondary substation transformers	no.	1,415	3,100	303
HV lines	km	-	22	10.8
MV lines (overhead/ground)	km	915	2,065	203
LV lines (overhead/ground)	km	1,623	2,624	332
Electronic meters	no.	138,856	591,855	31,990

The annual maintenance plan, on the secondary electricity distribution networks, provides for the inspection of medium voltage (MV) substations and overhead power lines with different articulation for the areas of reference:

- for electricity substations, an inspection every three years for Parma, every two years for Turin and every year for Vercelli. In 2020, 2,008 out of a total of 5,692 substations were inspected (in

addition to primary MV/MV substations and secondary MV/LV substations, MV delivery substations and conversion substations for tramway power supply are also included), equal to 35%;

- for medium voltage (MV) overhead power lines, a visual inspection every three years for Parma, every six months for Turin and once a year for Vercelli. The electricity overhead network is approximately 1,384 km and, in 2020, around 15% was inspected.

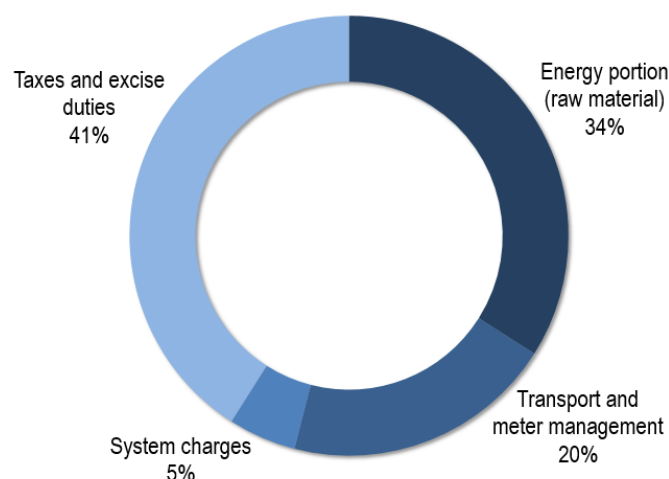
The inspection plan, which was fully conducted in 2020, consists of controls of the compressed-air systems in the Turin area every quarter, the general inspection of every plant every four months, the thermographic control of active plant areas every six months, the control of electrical equipment containing oil with PCB>50 ppm every year and, also yearly, the control of the state of asbestos products.

GAS

GAS TARIFF

Gas tariffs comply with ARERA regulations (Amalgamated Gas Sale Law – TIVG and the Consolidated Law – TUDG/RTDG), state laws concerning Gas Excise Duties and VAT and regional laws concerning the additional regional tax (ARISGAM) applied to natural gas. Gas tariffs are made up of the costs related to energy and commercial activities managed by the sales company and the component related to costs for gas transport into national and local distribution networks, which cover the costs of the national transporter and the local network operator. In addition to these, there are national taxes and regional additional taxes as well as general system charges. In the free market, the seller expresses its offer by differentiating itself from competitors in the share of supply and commercialisation costs since the other components are subject to single national standards and tariffs established by ARERA and the State.

2020 AVERAGE COMPOSITION OF GAS BILL WITH PROTECTED MARKET TARIFF



The overall cost in the fourth quarter of 2020 by customer type (annual consumption of 1,400 sm³) with a protected market tariff stood at 0.671 Euro/sm³ (Source: ARERA), down approximately 9% compared to the same quarter of 2019.

GAS SOCIAL BONUS

The gas bonus is provided for financially burdened families (identified according to the EESI indicator) and applies only to methane gas distributed to the network for home-of-residence consumption and not cylinder gas or LPG. According to criteria and procedures laid out by ARERA, households are eligible to receive a contribution to mitigate the costs linked to gas use. Access to the bonus is generated from a request submitted by the customer to the municipality of residence, certifying their condition of financial difficulty. After a positive assessment by the municipality, the distributor is notified, which credits the seller with a determined amount that the seller will pay to the end customer.

GAS SERVICE LEVELS

QUALITY STANDARDS FOR THE SALE OF GAS

As for electricity, the quality standards for gas sales are dictated by ARERA (Res. 413/2016 Amalgamated Law on the Quality of Sales Services – TIQV) and provide for compliance by the seller with specific standards and general standards in the performance of certain services required by the customer.

The 2020 figure shows a lengthening of response times due mainly to the increase in complaints compared to the previous year.

Response to written complaints (days)	2020	2019	ARERA max time
Average response time	27.0	20.0	30

QUALITY STANDARDS FOR DISTRIBUTION

The distribution service consists of the withdrawal of natural gas from Snam Rete Gas pipelines, by means of first-stage withdrawal points, and its transportation through local gas pipeline networks for delivery to end users. A gas distribution system is typically composed of:

- main supply natural gas distribution networks (pressure greater than 5 bar), medium pressure networks (greater than 0.04 bar up to 5 bar) and low-pressure networks (up to 0.04 bar);
- RE.MI. substations (acronym for Regulation and Measurement) or first-stage substations, where a first reduction in the pressure of the gas taken from the Snam Rete Gas high-pressure pipelines is made. The RE.MI. plant consists of the complex of equipment where the gas undergoes filtration, pre-heating, pressure reduction, measurement and odourisation;
- user-derived systems, the complex of pipes and accessory devices that constitute the installations necessary to supply the gas to the end customer. The user-derived system starts from the gripper (the part of the system used to withdraw the gas from the main pipe by conveying it, through a pipe with a smaller diameter, towards the meter) and extends to the measurement group (meter).

Gas distribution is carried out by Iren Group in compliance with the rules of functional separation for companies vertically integrated into the sector, in compliance with the principles of cost-effectiveness, profitability and confidentiality of company data with the aim of promoting competition, efficiency and adequate service levels.

The use of innovative technologies for laying and maintaining the networks means that necessary activities can be performed while reducing time frames and costs and keeping disruption to residents to a minimum. Security is guaranteed via remote control systems, a 24-hour emergency service, the cathodic protection of the steel networks, the use of odourised gas and regular and scheduled inspection of the network.

The Group also manages the distribution of LPG, particularly in the province of Reggio Emilia through 14 storage plants and in the province of Genoa, through 7 storage plants located in the various localities of municipalities not yet reached by the natural gas network. Suppliers deliver the pre-odorised LPG in tanks, the Group distributes it to customers at a pressure of 30 mbar and ensures safety through remote control of the plants. The LPG distribution activity is closely connected to the gradual “methanisation” of the area.

The Group is continuing with the progressive installation of electronic meters which, as well as providing real-time data for billing the relative amounts due and speeding up certain activities (activation or deactivation of a supply, consent, etc.), help to raise residents’ awareness about their energy usage, promoting behaviour aimed at reducing and improving gas consumption with subsequent benefits for the environment.

Gas meters installed (no.)	2020	2019	2018
Total gas meters	811,606	809,899	807,479
- of which electronic	675,041	613,303	476,869
% electronic meters	83.1%	75.7%	59.0%

In relation to the commercial quality parameters for gas distribution, ARERA has defined standards which provide for the automatic compensation to customers in the case of non-compliance.

Commercial quality levels (business days)	2020	2019	ARERA max time
Cost estimate for simple jobs	7	9.9	15
Cost estimate for complex jobs	12.5	10.4	30
Execution of simple jobs	7	6.5	10
Activating supply	4.2	5.4	10
Deactivating supply	3.6	4.4	5
Reactivation following on from deactivation due to non-payment	1.3	2.3	2 working days

SERVICE OUTAGES AND LEAKS ON THE GAS NETWORK

Gas interruptions occur mainly during network renovation works when the user connections are switched from old to new pipelines. The Group intervenes, whenever possible and to an ever-greater extent, using a device that allows replacement without interrupting the gas supply.

Service interruptions are divided into **scheduled outages**, if works are planned and the customer can be informed promptly of the interruption, and **unscheduled outages**, that is, those that cannot be communicated at least one day beforehand to all customers.

Scheduled outages are made using systems which enable works to be implemented without suspending gas flow. The use of plugging systems with by-passes limits interruptions to the bare minimum:

thanks to the use of “buffering” technologies, it is possible to carry out work without the inconvenience of interrupting the service to the end customer.

In 2020, the Covid-19 contingency resulted in a decrease in the number of excavations by third-party contractors – the primary cause of pipe damage and subsequent unannounced service interruptions – and thus led to a significant reduction in the number of unscheduled outages.

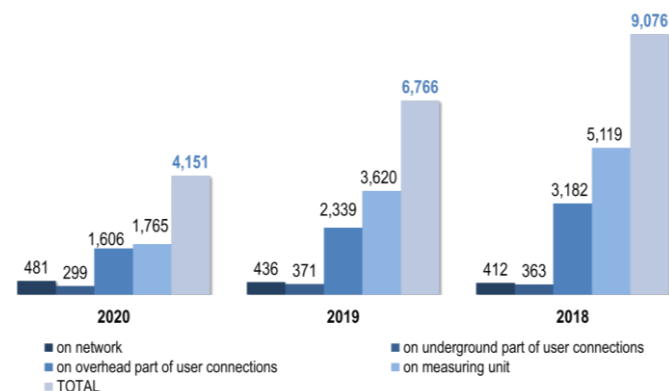
Gas outages (no.)	2020	2019	2018
Unscheduled outages	662	1,266	990
Scheduled outages	1,023	1,376	1,652
TOTAL	1,685	2,642	2,642

In compliance with ARERA provisions, the main initiatives to reduce gas network leaks envisage the gradual application of cathodic protection of the unprotected steel network and the replacement of the cast iron pipelines with hemp and lead joints.

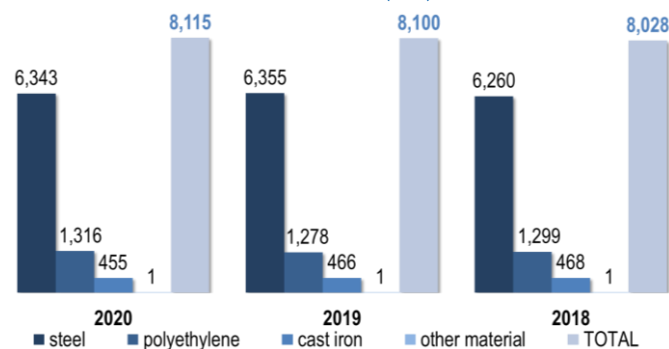
In 2020, in addition to the search for leaks on the underground network imposed by ARERA, the systematic search for leaks also continued at the measurement groups in both the Emilia and Liguria regions.

In reference to gas leaks, the table below highlights the consistent reduction in gas leaks compared to 2019 (-61.3%) and that in 2020 numerically significant gas leaks came from the group of measurement.

NETWORK LEAKS (no.)



GAS NETWORK COMPOSITION (km)



The project to replace the gas network with new steel and polyethylene pipes also continued in 2020.

Gas network replaced (km)	2020	2019	2018
Steel mesh	15	16	16
Polyethylene mesh	0	0	0
Cast iron mesh	3	4	3
TOTAL	18	20	19

SAFETY OF THE GAS NETWORK

Network inspection, an effective emergency service and an adequate odorant concentration are fundamentally important elements in the proper operation of a gas distribution system, together with a continuous modernisation of the network. ARERA establishes the safety service obligations, including network inspections.

In 2020, Iren Group inspected 8,016 of the 8,115 km of the gas network managed. The scheduled inspection has also led to a greater control of leaks.

Gas network inspected	2020	2019	ARERA requirement
Low pressure network	97.6%	84%	at least 25%
Medium and high pressure network	100%	95%	at least 33%
Total network inspected	98.8%	88%	

In 2020, 98.8% of gas networks were inspected: more than double the number of inspections required by ARERA

ARERA also sets minimum levels of odorants for service safety and the protection of people and things. In 2020, Iren Group fed over 45 mg of odorants (tetrahydrothiophene) into the network for every cubic metre of gas distributed, a higher amount than that established by ARERA (32 mg/m³), which means that its presence in the air can be noticed easier and any gas leaks identified quickly.

The Emergency Service is also essential to ensuring the safety of residents and sites. The Group's performance in this context are significantly above the parameters established by ARERA. In 2020, the gas Emergency Service handled 7,528 calls, with an average arrival time at the call site that varies in the range shown in the table below, depending on the regions served.

Emergency service	2020	2019	ARERA requirement
Average arrival time at the site of the call (min)	30.6-36.5	26.8-35.0	60
Compliance with average arrival time at the site of the call (%)	98.7%	97.6%	90.0%

DISTRICT HEATING

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

ARERA has defined (Res. 661/2018) the district heating and district cooling commercial quality regulation, valid until the end of 2021, in view of which the Group has taken steps to adapt the technical-administrative processes and update the District Heating Service

Charter, available on the irenlucegas.it website along with the relative information sections. The Service Charter constitutes the commitment to satisfy customer needs and to guarantee the reliability of the service, safety when using the service, and fairness and equity in contractual relations. The parameters contained in it allow for an objective assessment of compliance with the guaranteed standards.

Iren Group constantly monitors the quality and efficiency levels of its services, including district heating, with the aim of adapting strategic choices to customer expectations in a logic of continuous improvement (see page 100).

DISTRICT HEATING TARIFFS

District heating tariffs are not currently governed by national regulations and are historically constituted by the principle of "avoided gas cost", i.e. the cost that the customer would have paid using natural gas (expressed in Euro/m³).

The tariffs are, therefore, related to the final cost of natural gas, which is updated depending on the regulations of ARERA, as regards the gas tariffs of the retail market, and the state as regard to taxes and VAT.

NETWORK SUBJECT TO INSPECTION

The district heating network managed by Iren Group in the Municipalities of Turin, Nichelino, Beinasco, Grugliasco, Collegno, Rivoli, Moncalieri, Genoa, Reggio Emilia, Piacenza and Parma is just over 1,064 km long and was inspected entirely in 2020.

INTEGRATED WATER SERVICE

INTEGRATED WATER SERVICE TARIFF

The organisation of the integrated water service in A.T.O.s (water and waste regulation areas) has led to new rules for setting tariffs, which must completely cover investment and operating costs.

In general, the water service tariff consists of:

- a **fixed component of service**, due regardless of consumption
- a **variable component** based on the consumption of water and wastewater treatment services.

To discourage waste, the tariff is divided into bands and increases as consumption rises. There are also different types of use: domestic resident, domestic non-resident, industrial, artisan and commercial, agricultural and livestock, public non-disconnectable, public disconnectable, other uses (residual category).

The following table shows the average tariffs, defined by the regulatory authorities, for the services managed in each local area (drinking water distribution, sewerage and treatment).

Iren Group only partly manages the areas served in the Provinces of Savona and Imperia, with activities mainly concerning the water service.

Average tariff for IWS (Euro/m ³) ⁽¹⁾	2020
Province of Asti ⁽²⁾	2.55
Province of Cuneo ^{(2) (3)}	1.77 - 1.79
Province of Genoa	2.27
Province of La Spezia	2.10
Province of Parma ⁽³⁾	1.67 - 2.36
Province of Piacenza ⁽³⁾	1.77 - 2.29
Province of Reggio Emilia	2.11
Province of Vercelli ⁽³⁾	0.58 - 1.73

⁽¹⁾ The average tariff is calculated by adding the basic domestic use tariff for the water service, the sewerage tariff and the treatment tariff.

⁽²⁾ 2019 values confirmed, the tariff for the year 2020 has not yet been approved.

⁽³⁾ Minimum and maximum values of the different tariffs in the area..

In 2020, 936,348 water meters were installed, 10% of which are electronic. These are new-generation meters that, in addition to providing real-time data for billing amounts due, help make residents more aware of their consumption, encouraging behaviour aimed at reducing and improving the use of water, with subsequent environmental benefits.

WATER BONUS

With Resolution 897/2017 ARERA has introduced the social water bonus for customers in financial difficulty. Users with an EESI of less than 8,107.5 Euro (or less than 20,000 Euro if there are more than three dependent children) and other specific categories are entitled to apply for the bonus. The bonus covers the consumption of 50 litres of integrated water service per person per day.

In order to support the cost, a specific tariff component (UI3) equal to 0.005 Euro/m³ sold was introduced for the year 2020. The regional governing bodies may add an additional bonus, financed by the tariff of the Area itself and disbursed according to modalities established by said body. Unlike last year, ATERSIR (Regional Agency of Emilia Romagna for Water and Waste Services) did not approve the supplementary bonus for 2020, as the amount made available in previous years has not been fully used. The governing bodies of the Genoa and La Spezia Areas resolved for 2020, respectively, an amount equal to 400,000 Euro and 220,000 Euro.

QUALITY OF THE INTEGRATED WATER SERVICE

The Service Charters of Iren Group's integrated water service include the indicators and time frames defined by ARERA (Resolution 655/15). In 2020, the data for 2019 was reported, confirming a very high level of compliance with the established time frames, with an average of 90%.

In order to constantly monitor the quality of services, Iren Group also regards customer satisfaction monitoring to be of fundamental importance. The periodic collection of these surveys was included as an integral and essential part of the operators' quality system (see page 100).

WATER QUALITY

Water quality control consists of analysing the main parameters laid down by Italian Legislative Decree 31/2001 at the various sampling points established by the Organisation responsible for the control (LHU) along the distribution network and at the outlet of the large purification plants. If the water withdrawn contains levels of harmful substances that exceed the limits specified by legislation, it will be subject to treatment prior to distribution. The treatments most frequently used for deep water are normally designed to remove iron, manganese and ammonia, elements naturally present in the groundwater captured. The quality of the water is guaranteed by a control on the entire water process: from water sources to the treatment, filtration and purification processes and the distribution network, up to actual delivery to customers. The samples taken are analysed at Iren Group laboratories to determine their chemical and microbiological characteristics. In the treatment sector, analytical tests are carried out on the wastewater flowing into and out of the plants, and on the intermediate treatment steps, the sludge produced and the drains from the production user plants into the sewer. The number of samples and the relative analysed parameters derive from sampling plans prepared for all the areas managed. The internal tests exceed the minimum number required by law and the protocols stipulated with ATO, ARPA and provincial authorities.

Controls on drinking water and wastewater (no.) ⁽¹⁾	2020		2019		2018	
	Samples	Parameters	Samples	Parameters	Samples	Parameters
Emilia-Romagna	36,769	435,516	36,159	426,542	36,325	424,060
Piedmont/Valle D'Aosta	5,371	63,865	5,199	64,046	5,132	66,615
Liguria	13,512	287,345	14,216	279,693	12,883	275,437
Lombardy ⁽²⁾	473	7,947	485	7,925	994	21,078
Veneto	-	-	-	-	182	4,472
TOTAL	56,125	794,673	56,059	778,206	55,516	791,662

⁽¹⁾ From 2019, the areas that are no longer served by the Group, were not included: Aosta, Alessandria, Novara, Brescia, Pavia, Verona and, from 2020 Bolano.

⁽²⁾ The figure relates to the Municipalities of Viadana and Gazzuolo (MN) and only to samples and parameters conducted on drinking water as the Group does not manage the waste water service.

Over 56,000 samples and 794,000 parameters analysed on drinking and wastewater to ensure residents' safety

WATER DISTRIBUTION

Following the necessary tests to establish compliance with the requirements of drinking water, the water withdrawn at various

sources is fed into the distribution network that reaches all points of use. Control, extension and maintenance activities are carried out on the networks with a view to minimising inconvenience for the public as far as possible. A priority, in fact, is the attention to the protection of the urban environment and the sustainability of everyday life, in particular with regard to the impact on city streets.

In 2020, 1,248 planned interruptions in managed areas were conducted, i.e. water supply suspensions that are necessary to perform previously planned works. In these cases, warnings are issued through the press and local television stations about the duration of the interventions, as they affect a large part of the population. In other cases, notices are posted in the areas concerned to inform the public of the interruption date.

For emergency interventions, e.g. to repair a burst pipe, all of the necessary measures are taken in order to restore the water supply in the shortest possible time, in accordance with the provisions of the laws in force. In 2020, 8,737 breaks occurred, with repairs carried out after reports received and leaks detected.

The average arrival time at the place of the emergency call for Iren Group is 106 minutes.

In 2020, out of 19,944 km of managed water network, more than 14,229 km (over 70% of the total) were checked for leaks: 4,039 km (about 20%) through the acoustic research technique carried out on-site and 10,190 km (more than 50%) employing night-time flow monitoring, a structural activity that makes it possible to analyse distribution districts and check for any anomalies.

ENVIRONMENTAL SERVICES

The emergency caused by the Covid-19 pandemic required the Group to take prompt action to support the public, including in the area of environmental services.

The Environment Points (Punti Ambiente) for distributing essential materials for separate waste collection remained open even during the lockdown months. Residents' access was restricted, ensuring the spacing foreseen by the regulations, while the help desks were equipped with all health safety devices (plexiglass, disinfectant dispensers, masks and gloves for operators).

In some areas, a service of access to the Collection Centres by appointment has been structured to avoid crowds at the entrance.

The Group promptly acknowledged and managed the requests of the municipalities to postpone the due date of the payment notices for environmental services, staggering the deadlines for both domestic and non-domestic users.

In order to cope with the needs arising from the health emergency, specific home collection services for undifferentiated waste were set up, street washing and urban hygiene services were intensified, and dedicated service for the collection of "Covid-19 waste" was set up.

At the request of local Authorities and through protocols agreed with regional bodies, ad hoc services have been set up, including waste "pick-up at the floor" services and doubling the frequency of emptying unsorted waste. The "pick-up at the floor" service, for families with Covid-19 positive situations, has been activated in the case of objective and proven impossibility for people to leave their apartments or private property to display the container or reach the nearest street bin and has provided for the entrance of the operator in a private area to pick up the waste. Residents were able to request the service through the Group's environmental contact centre, from which they received instructions on how and when to display their waste at the front door for collection by the environmental operators. For the management of the waste, a collection kit was provided consisting of black bags and a vademecum containing the necessary instructions for the new collection methods during the first collection. A month after the activation of the "pick-up at the floor" service, the contact centre contacted the residents to verify the need to confirm the service or to suspend it.

The activity of the contact centre operators, carried out in remote work, has also allowed managing all the calls from the subjects who needed dedicated waste collections for positivity to Covid-19 or quarantine.

TARIFF SYSTEM

The TARI tax is composed of:

- a **fixed part**, determined by the cost of sweeping, general costs, part of the cost of personnel and other essential components of the cost of the service, relating in particular to depreciation and administrative costs
- a **variable part** related to the quantity of waste conferred, the service provided, and the management costs.

The TARI is applied to utilities, taking account of the surface area occupied and partly, for domestic utilities, accounting for the number of family members. With the TARI, Iren Group invoices its service to the municipality and the municipality issues payment notices to the users.

In calculating the TARI, the municipal authority takes account of the VAT that it has to pay, which is why, in the tax applied to users, the VAT is not expressed but included in the tax itself. Social tariffs are not provided for by the general legislation of the TARI. At a regulatory level, every municipality may include favourable conditions or reduction clauses in favour of certain groups or users. The average tariff for waste collection and environmental health services in Turin, La Spezia, Vercelli, Parma, Piacenza and Reggio Emilia is in line with previous years.

The table below provides the average TARI for 2020 for the main Municipalities served.

Year 2020

Average TARI by provincial capital

Type of domestic users	La Spezia	Parma	Piacenza	Reggio Emilia	Turin
	Euro/year	Euro/year	Euro/year	Euro/year	Euro/year
1 member families	173.34	131.03	123.79	176.58	131.66
2 member families	224.58	212.70	218.46	268.02	246.55
3 member families	239.37	244.59	271.00	345.46	294.66
4 member families	252.30	284.99	299.74	395.18	325.77
5 member families	265.24	333.32	359.15	446.60	381.37
≥ 6 member families	276.02	378.44	404.80	468.36	431.64

ENERGY EFFICIENCY

In 2020, about 110 construction sites were started to recover external façades and for the energy upgrading of buildings (mainly condominiums) through state tax bonuses such as Bonus Facciate [Façades Bonus] or Ecobonus. Approximately 300 projects for the energy requalification of condominiums have been started using the 110% "Superbonus" tax deduction introduced in the Italian Decree-Law of 19 May 2020 (so-called Decreto Rilancio [Relaunch Decree]).

According to a general contractor model, these activities are carried out by the subsidiary Iren Smart Solutions that offers a turnkey package, including invoice discount/credit assignment as required by the regulations. Thanks to the collaboration with subcontractors, professionals and companies qualified in the supplier register who carry out the works, Iren Group acts as the sole interlocutor with the customer.

In addition, through partnerships with companies specializing in energy efficiency, LED relamping, upgrading of thermal systems with heat pumps, and construction of photovoltaic systems were carried out in 2020. A project to develop "Energy Communities" and "Collective Self-Consumption" systems has also been launched to promote the diffusion of renewable source plants to condominiums, public administrations and small and medium-sized businesses. Through "Energy Communities", several users can share the electricity produced by one or more photovoltaic systems, with immediate benefits in both economic and environmental terms. The first pilot project was launched in a condominium in Parma, adopting a management system that, based on the instantaneous consumption of condominium users and individual apartments, automatically manages the energy produced by the photovoltaic system, maximizing energy self-consumption.

The Group has launched initiatives to raise awareness of the importance and advantages of energy upgrading in buildings, also through dedicated webinars, promoting environmental sustainability, the correct use of resources and urban requalification.

TELECOMMUNICATIONS

In 2020, the activities in the IoT (Internet of Things) area were intensified. The experimental activities started in 2019 for the activation of new sensors on gas networks were completed, and the experiments for the use of new Narrow Band IoT mobile connectivity technologies began. The infrastructure for accessing Cloud services

was also completed with a new fibre interconnection on the Frankfurt datacentres.

In the management of the service to the Group's customers, 2020 saw a significant increase in the use of bandwidth for internet connections and, to this end, new 10Gbps quality connections were implemented, thanks to which many customers were able to work without difficulty in smart working, a working model implemented during the lockdown period. Customer satisfaction monitoring is consistent with past years and is evidenced by the renewal of contracts for major customers. Retention indicators confirmed expectations, and commercial performance met expected budgets.

FOCUS ON COMMUNITIES AND THE LOCAL AREAS

The importance of local communities to Iren Group is confirmed in the Business Plan to 2025, which reserves a significant part of its investments for local development, generating an important wave of growth for the local economies, with positive social, economic and environmental impacts. Furthermore, 61% of the investments envisaged in the Plan are for sustainability initiatives.

PROJECTS OF IREN LOCAL COMMITTEES

The Group's sustainable development strategy is also managed through the Local Committees. These are bodies which have been established to strengthen relationships with the local areas, analyse them and anticipate needs, encourage innovative environmental and social initiatives, increase widespread awareness of strategies and services offered, guaranteeing broad representation of the various realities of civil society and engaging Iren Group top management in dialogue with its stakeholders. The Committees are also a working tool to collect, through the participatory planning platform Irencollabora.it, the ideas and proposals of residents to design new sustainable development solutions, enhancing the experience, knowledge and skills of local communities to create shared value and generate growth for the Group and for the areas in which it operates.

The Committees are made up of 15-18 members, the representatives of Local Bodies and Associations, who offer voluntary and free

participation. In addition to these, there are five members by right: a representative of the municipal capital, a representative of the provincial municipalities, a representative of the local university, the Iren Deputy Chairperson and the Chairperson, as a permanent guest.

Through specific internal working groups, each Committee oversees the activities for the best implementation of the projects, proposed by the Committees themselves or by citizens via Irencollabora.it.

In 2020, 27 projects were incubated by the Committees of Genoa, Parma, Piacenza, Reggio Emilia and Turin, 12 of which were already completed during the year, and the others are in the development phase and concerning environmental, social and educational issues. At the end of 2020 the Local Committees have completed a total of 53 projects available at Irencollabora.it. Below are details of the 12 projects completed in 2020.

PROJECTS CREATED IN 2020

Project (implementer)	Local Committee	Description
Parma City Camp 2020 (CSV Emilia)	Parma	The project provided significant support to families in managing their children and the gradual resumption of their socialization in the summer period post lockdown brought about by the Covid-19 emergency. Therefore, 26 summer camps were activated in Parma, Collecchio and Salsomaggiore to bring culture, environmental awareness and solidarity to children and girls, following the topics of the Agenda 2030. The project involved 40 third sector organisations and 100 volunteers, who guided 180 children and young people between the ages of 6 and 14 to the most representative cultural sites in the area.
Riparchiamo (UISP Reggio Emilia)	Reggio Emilia	Outdoor motor activity workshops for the resumption of sociability and healthy lifestyles were the ingredients of the project, aimed at residents in six city districts affected by problems related to the care of the environment and green areas, inadequate waste sorting and cleaning of common areas. Motor activities were then combined with civic and environmental education. The activities took place until the end of September 2020 and involved children and young people from 6 to 17 years old, also with the involvement of the territorial social services of the Municipality of Reggio Emilia, Acer, Uisp technicians, ARCI circles, Ausl, Areas of Prevention and LILT for joint programming.
eXnovo fragole – frutti del lavoro dal carcere di Piacenza [eXnovo strawberry: fruits of labour of Piacenza prison] (Soc. coop. L'Orto Botanico)	Piacenza	Social and sustainable agriculture is the aim of the project that, through the farming of strawberries inside the prison of Piacenza, offers work opportunities to inmates, close to release, allowing them to learn a trade, obtain an income and be accompanied, through work, in a path of social and moral rehabilitation, re-education to legality and responsibility. Thanks to the project, six inmates work inside the Casa Circondariale, with regular employment, while another two people have obtained social foster care. The sustainability of agriculture practices is based on cutting-edge technologies and more efficient farming techniques, thanks to the contribution of the Catholic University of the Sacred Heart – Piacenza branch which, together with the agronomic consultancy company Geoponica, has produced scientific research comparing field and non-field agricultural activities and a protocol of good practices available on the irencollabora.it platform.
Celocelo Food (San Salvario Local Development Agency – Non-Profit Organisation)	Turin	Celocelo Food has introduced a system for the recovery of surplus food donated by small businesses in the food sector; thanks to the celocelo.it platform surplus food is intercepted and redistributed to a comprehensive and flexible network of non-profit organisations that provide food support to people in economic difficulty: canteens, night shelters, accommodation facilities, etc. The activity has also made it possible to raise awareness among businesses and citizens on reducing food waste and donating surplus food.
Via Ferro Multi-purpose Centre (S. Egidio Community – Genoa)	Genoa	The project saw the renovation of a building intended for support activities for the vulnerable sections of the population, such as social canteen, collection deposit, distribution of blankets, jackets and shoes. In addition to the renovation work, the number of donor companies has been expanded to increase the quantity and differentiate the genres to be made available to families in difficulty and the creation of events in collaboration with retailers and/or production facilities.
Pensa che Mensa [What a canteen] (Slowfood Piacenza)	Piacenza	The school canteen is an important educational and convivial occasion to develop food education, sustainable and conscious consumption and the fight against food waste. On these issues a mapping of school canteens in the province of Piacenza has been drawn up, to establish guidelines for assessing their sustainability criteria, areas of criticality and areas for improvement. The mapping has provided the basis for developing the “Vademecum per la mensa buona e giusta” [Handbook for a Good and Fair Canteen], which can support all actors in school catering.
Un Chiosco per Orti Generali [A kiosk for general gardens] (Associazione Coefficiente Clorofilla)	Turin	The project, selected by the 2019 AmbientAzioni Competition in Turin, has made it possible to redevelop the Farmhouse located in the Parco Piemonte in the Mirafiori Sud district, achieving energy autonomy and recovering it for recreational use, creating a participatory worksite to enhance the work of volunteers and disadvantaged people and raise awareness among the townspeople about Sustainable Development issues. The project is a valid example of collaboration between associations, institutions and citizens to protect and improve shared assets.
Green Generation (Human Sciences College – Polo Mattei di Fiorenzuola)	Piacenza	Teachers and students developed a calendar made of recycled paper on the topic of energy-saving, illustrating green behaviour to promote or non-green behaviour to combat. The project's beneficiaries were the students and their families, sensitised to practice small daily gestures to witness a real “Green Revolution”. Associations and organisations in the area have supported the dissemination of the calendar to promote green awareness in the community.
Volo con te [I am flying with you] (Bet She Can Foundation)	Turin	Starting from the book-project “Volo con te” (I'm flying with you), a path has been set up for girls and boys aged between 7 and 11, aimed at self-awareness and self-discovery, questioning labels and stereotypes. This story about a quest to find a friend allows us to discover the strength of friendship between two girls, the beauty and richness of diversity and how experiences, travel and debate can

Project (implementer)	Local Committee	Description
		remove the “labels” that condition our life, and lead to the discovery of who someone is and who they want to become. The project involved 2,500 people (children, teachers, families), 10 primary schools in 5 municipal or associative spaces in Turin.
Un ponte tra Genova e l’Africa Sub Sahariana [A bridge between Genoa and Sub-Saharan Africa] (SPeRA Consortium)	Genoa	Cultural, social and gastronomic/food exchange for creating a bridge between Genoa and Sub-Saharan Africa, in a sort of twinning between African and Genoese schools, through a creative workshop. Graphical works, messages and the use of social media drive the narration of the food and cultural habits of the Italian and African students, creating a diagram which shows the typical day of a student in each country expressed through food.
Fatti i fatti tuoi – Rendi l’ambiente digitale più sostenibile [Mind your business – Making the digital environment more sustainable] (Fact Checkers in Genoa)	Genoa	An educational project about use of information that familiarised young people with the principles of digital fact checking and analysing content accuracy. The workshops held at the Teglia and Bertani Comprehensive Institutes for eighth graders used an interactive guide and a series of other free tools available on the web as teaching materials.
Sentiero dei Ducati (CAI Reggio Emilia)	Reggio Emilia	The project has supported the recovery and relaunch of the Sentiero dei Ducati, immersed in nature along the Enza river valley, to make it an instrument for the sustainable development of the territories it crosses to promoting its knowledge at a local, national and international level. The project has created a dedicated website, complete with maps and digital guides, which enhances the value of the route within the context of historical and nature trails of regional interest.

PROJECTS IN DEVELOPMENT IN 2020

Project (implementer)	Local Committee	Description
Plastic on the road (Associazione CISV Fraternità)	Turin	Awareness-raising and education to save resources and waste are at the heart of this project, one of the selected within the framework of the 2020 AmbientAzioni Competition of Turin, which consists in the construction/purchase (in collaboration with local realities expert in the construction and implementation of equipment for demonstration purposes) of machinery for the creative recycling of plastic for the creation of new objects, through the use of unused materials. Aimed mainly at young people, the project is characterised by a workshop and itinerant approach, with a connotation that promotes active citizenship, allowing young people to see first-hand how unused plastic materials can be fragmented, melted in special moulds and transformed into new valuable objects.
The river box for fluid teaching	Turin	In the era of distancing imposed by Covid-19, a didactic proposal sees the possibility of seeking an experiential way of teaching, using innovative educational tools in which creativity and learning are stimulated. Through this educational proposal, students of all school levels are made aware of issues of global importance, such as the responsible use of water resources, climate change and the monitoring of river quality. The project is one of the three selected in the framework of the 2020 AmbientAzioni Competition in Turin.
Lead Nature (AIESEC Torino)	Turin	The project, which involves AIESEC Torino, Legambiente, international volunteers and nationals, is developed through actions that aim to support organisations and associations that are committed to environmental sustainability and climate change (Sustainable Development Goal 13 of the 2030 Agenda), working with international volunteers to educate and raise awareness among citizens on environmental topics and the reduction of impacts in the local areas. Lead Nature develops over two years through 2 implementation groups for each year in which a total of 40 international volunteers are involved. A pilot project that can be replicated in other regional contexts.
Acque Chiare (Pro Natura Reggio Emilia)	Reggio Emilia	The project aims to produce systematic cataloguing and localisation of the humid zones present in the hills of Reggio Emilia, filling a gap in the knowledge of the provincial naturalistic heritage and providing the territorial management bodies with an important tool to help them in their activities of planning and safeguarding the local areas. The project foresees a cataloguing campaign of about a hundred wetlands of naturalistic interest, for each of which a detailed file is produced.
EcoSII (Marconi Institute of Higher Education)	Piacenza	Creation of a greenhouse inside the school aimed at purifying the air in a part of the school complex, planting plants suitable for the purpose. The project stems from the need to improve school life, starting from the basics, the air we breathe, to make the school environment more liveable. Pedestals will be installed near the greenhouse on which the project, its functionality and the benefits it brings to the environment will be narrated. Group work will also be organised so that the children can actively participate in setting up the greenhouse.
Da Rifiuto a Risorsa [From Waste to Resource] (“Raineri Marcora” Technical Institute)	Piacenza	Presented by five classes of the Professional Institute of Cortemaggiore led by some teachers, it is closely linked to conservation and enhancement of the environment and active global citizenship. The project will mainly consist of two meaningful activities: the production of compost and the farming of strawberries in greenhouses. The production distribution will take place on-site or delivered directly to the homes of applicants who cannot attend.

Project (implementer)	Local Committee	Description
Portina.io (CNA Reggio Emilia)	Reggio Emilia	It represents a response to the many critical issues and new needs emerging from the Covid-19 emergency to better target support to old and new fragilities. The activities include the activation of concierge service in Reggio Emilia, in the "Polveriera" area, to accompany and support the residents of the neighbourhood in the knowledge and use of proximity services and the support of a digital platform. The creation of a network of professionals for the provision of proximity services and the activation of training courses aim to respond to the needs of the community, particularly the most vulnerable inhabitants. The project can be replicated and transferred to other neighbourhoods starting from the neighbouring ones, pivoting on reference "social centres".
Community garden (Orti Generali APS)	Turin	Management of a 250 sqm vegetable garden in Turin with a view to social inclusion, combating poverty, environmental education, focusing on the relationship between disadvantaged and disabled people, volunteers, students and families. The activity involves the innovative management of the seedbed of the community garden, food support via the supply of garden products to residents of the neighbourhood in economic difficulty, environmental education, and the acquisition of skills in nursery gardening by the participants. The project is completed by implementing an educational activity for students of primary and secondary schools in the area.
Consolidation and development of social and health transport (Associazione Giovani Amici Uniti Genova)	Genoa	To strengthen the assistance and transport service for non-self-sufficient or partially self-sufficient older people living in Genoa, with particular attention to the area of the Municipality 4 Media Valbisagno, in order to improve their quality of life and increase moments of integration and socialisation. The project involves purchasing a zero-emission electric car to consolidate and develop these services with a view to environmental sustainability.
Siamo in ascolto (Association of Protection of Older People's Rights in La Spezia)	Genoa	To create in La Spezia a qualified listening centre, a friendly phone, to help older people to find themselves among the meshes of bureaucracy, and to give social security and material help. Also through the support of a psychologist, it is intended to provide a point of reference and cultural mediation on how to deal with the emergency from Covid-19; a way to share their emotions to reduce the feeling of isolation, benefiting from the comparison. The ten volunteers involved in the project are trained in the current emergency and, of course, have personal safety equipment.
The elderly in Valpolcevera between the collapse of Morandi Bridge and Covid-19 (Association of Protection of Older People's Rights in Genoa)	Genoa	To respond to the need of the elderly to have a point of reference in the emergency from Covid-19, managed by peers who can best give concrete feedback and suggestions. It is a help to the elderly population of Valpolcevera to find themselves between bureaucracy, social security and health, through the contribution of some volunteers trained for the purpose.
Very Informal People of Neighbourhood (CSV Emilia in Parma)	Parma	The creation of a proximity network that can support those who in a period of their life need help for economic reasons, health, loneliness or temporary dependence on others. The proximity network consists of several people with different skills who, voluntarily, can provide support and help to those most in need. The subjects involved are therefore shopkeepers (who will be offered a package of hours of individual coaching and a package of hours of group training to develop skills and competencies that will help them in their function of "sentinel" in the neighbourhood), craftsmen, traders and cooperatives (who will be able to make a certain number of goods and services available free of charge or at a reduced price, depending on the case) and entrepreneurs (who will promote ways of corporate volunteering to involve employees in actions of co-responsibility concerning vulnerable residents).
Cafè Alzheimer "Il Piccolo Principe" (Associazione Nuovo CIEP)	Genoa	The project intends to focus on a problem that is increasingly widespread among the elderly population and that inevitably involves the entire family unit critically and essentially: Alzheimer's and cognitive disorders in the geriatric environment. Cafe' Alzheimer "Il Piccolo Principe" is a place in Genoa where volunteers and workshop leaders alternate for socialisation, art, creativity and activities to maintain the residual attentional, cognitive and motor skills and support activities for patients and their caregivers. In particular, the project aims to differentiate and better qualify the type of workshop interventions to support users and acquire new instrumental resources, materials and specific aids to support the elderly participants.
Luce su Ponte Carrega (Associazione Amici di Ponte Carrega)	Genoa	The project focuses on the beauty and enhancement of a historic building in the Bisagno Valley, located right in front of the historic Officine del Gas Iren in Gavette. The idea is to install five lighting poles, replicas of historic poles from the 1920s, equipped with the latest generation of LED lighting in place of those present today, to create beauty and environmental sustainability through new green technologies.
118 Emergency Service in Northern Madagascar (NEXT Onlus – NGO)	Genoa	Creation of rescue and medical service network in Diego Suarez, in the North of Madagascar, with the advice and experience of the Regional Department of the Ligurian 118 Emergency Service, in the NEXT Health Centre, the only medical-health facility on-site that offers free of charge services to indigent people. The project includes a training calendar dedicated to local doctors, which can also be used remotely in collaboration with the e-learning service of the University of Genoa and Liguria Digitale and the Gaslini Paediatric Institute of Genoa.

OTHER INITIATIVES OF LOCAL COMMITTEES

AmbientAzioni Competition. In 2020, the second edition of the Turin AmbientAzioni Competition was launched, aimed at a target of

young people between 18 and 26 years old, with the object of designing tools, actions and initiatives for saving energy and water resources, reducing waste production, reducing CO₂ production and mitigating and adapting to climate change. Participants were asked to propose innovative designs replicable in other contexts, with

demonstrable economic and social benefits for the community, and to develop project ideas that could help mitigate the adverse effects of the Covid-19 emergency, with a particular appreciation for initiatives and actions that can be carried out online.

During 2020, the Local Committees refined and elaborated **guidelines for incubating projects**, which can be consulted on the irencollabora.it platform, with the dual purpose of guiding proponents in the preparation of projects consistent with the objectives and guidelines of the Local Committees and guiding the discussion during the evaluation of projects to guide their selection.

The Iren Local Committees have also been a place for in-depth analysis and discussion between Iren Group and its stakeholders on matters such as the assessment of relevant topics for the materiality

analysis, the 2019 Sustainability Report, the Iren Business Plan to 2025, the actions taken by Iren Group for the Covid-19 emergency, the presentation of the activities of Iren Smart Solutions and the Environment Division of the Unieco Group. Finally, 2020 marked the renewal of the three-year mandate of the Piacenza Local Committee.

INITIATIVES FOR COMMUNITIES AND LOCAL AREAS

Despite the situation generated by the Covid-19 pandemic, which in 2020 marked the course of activities, Iren has carried out and contributed to the realisation of some critical environmental, social and cultural projects, some of which have had a significant impact on the areas where they took place.

CULTURAL PROJECTS

Libri in Agenda [Books on the Agenda]	A project by Asvis with the support of Iren and the advice of Salone Internazionale del Libro di Torino [Turin International Book Fair], to tell the story of sustainability in a new way: a format that dedicates a book to each of the 17 goals of sustainable development, told through the voice of authors who participate in and promote the culture of change. The videos were streamed on Asvis and the Book Fair's digital and social channels.
Iren mecenate (Iren for culture)	Iren shares the deep values of culture and their importance in the development of local areas. For this reason, many of the main theatres in northern Italy: Teatro Regio Foundation in Turin, I Teatri di Reggio Emilia Foundation, Teatro Carlo Felice in Genoa and Teatri di Piacenza Foundation. Iren has also always supported the Teatro Regio in Parma and for several years now the Teatro Nazionale in Genoa and the Teatro degli Impavidi in Sarzana.
Parma 2020+21	Iren has been alongside the great cultural programme of local development that the Emilian city has drawn up as the Italian Capital of Culture. Due to the pandemic, this programme has been extended by the Ministry of Cultural Heritage and Activities to 2021.
Nice – Network for International Circus Excellence	Iren supported the project of the Cirko Vertigo Foundation, which was among the first to understand the need to create and develop a multimedia platform NICE, dedicated to contemporary circus and intended for the use of content in smart mode, accessible to all audiences, as an answer to the limitations due to Covid-19.
National Innovation Award	Iren strongly believes in the strategic role of innovation and research in the Italian industrial panorama. This is why it supported the National Innovation Award in 2020, believing that the development and growth of its business can only benefit from the comparison and collaboration with innovative, ambitious start-ups, supported by solid business projects. Still in the field of innovation, Iren also supported the regional "Start Cup" held in Emilia-Romagna.

SOCIAL PROJECTS

Santa Claus "in Forma"	Iren supported the event "Santa Claus in Forma", the usual Christmas event that sees the participation of thousands of people dressed as Santa Claus, promoted by FORMA, the Foundation of the "Regina Margherita" Hospital, which this year took different forms, having to avoid crowds, including the projection by Iren of the Foundation's logo on the Mole Antonelliana to remind everyone of the valuable role that Forma Onlus plays in the health of children.
Natale Solidale [Solidarity Christmas]	Iren supported the Natale Solidale project of the Municipality of Turin to protect people and households in a situation of personal, social and economic fragility. A networking initiative that has set itself the goal of joining forces and addressing the many requests of individuals and families experiencing a particularly critical moment in their lives.
Pact for recovery	Iren contributed to the initiative of the Municipality of Vercelli in favour of the traders economically affected by the Covid-19 emergency.
LGBT Turin Pride Coordination	Iren supported the candidacy of Turin, which was then obtained, to host the EPOA Annual General Meeting in 2021, the largest annual assembly of the European Pride Organizers Association (EPOA), the network that involves the leading European organisations in the field of Pride organisation.
Iren for sports	Thanks to the support of Iren Group, many sports clubs have been able to continue their activities in 2020, often in a remote way. Despite the health emergency, national championships in water polo, basketball, American football and rhythmic gymnastics were held.

ENVIRONMENTAL PROJECTS

Sustainable Mobility	Iren Group has launched, in collaboration with the National Association of Italian Municipalities, the "Progetto Tandem. Bici in Comune" project with the aim to highlight good circular economy practices, environmental sustainability and alternative mobility carried out or being carried out by small municipalities (under 3,000 inhabitants). Over 140 applications were submitted, and 50 winning administrations received 2 IrenGO bikes to recognise their role as drivers of sustainable development. In 2020, Iren supported Vento Bici Tour , the collective pedalling along the route of the future cycling backbone from Turin to Venice along the Po river. For the 10th birthday of the initiative, Vento and Iren have prepared a project to tell the story of the area: 10 videos to illuminate the beauty hidden along with the Vento: churches, museums, parks, food, rural architecture, historical buildings, remediation works... an immense heritage waiting to be discovered and enhanced.
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ENVIRONMENTAL PROJECTS

	<p>The Group was one of the winners of the call for expressions of interest published by the City of Turin for the installation of public recharging infrastructures for electric vehicles and is also proceeding rapidly with the installation of recharging units inside its company premises to service the electric vehicles in its fleet (see page 82).</p>
<p>Energy efficiency, artistic and public street lighting</p>	<p>In 2020, the Group had completed the energy requalification works of the Teatro Regio in Turin and had realised in the city the usual artistic lighting of three bridges on the Po river and the Mole Antonelliana on the occasion of Christmas; moreover, the Group has made available its know-how and has proceeded, on behalf of the city, to the improvement of the artistic lighting of Piazza Castello and Piazza Statuto, which also produces an essential result in terms of energy saving.</p> <p>The year also saw the completion of the “Led per Torino” project, which provided for the replacement of public lighting lamps, traffic light lanterns, and traffic light intersection control centres with new-generation LED fixtures, again with significant benefits in terms of reducing energy consumption.</p> <p>Lastly, the “Vercelli a LED” project continued for the lighting requalification of a portion of the Vercelli municipal area by replacing obsolete and non-performing lighting fixtures and installing intelligent pedestrian crossings. The project won a special mention in the “intelligent public lighting” category at the 21st edition of the Ecohitech Award.</p>
<p>Water</p>	<p>In the province of Reggio Emilia (Brescello and Fabbrico), two new Public Water distributors have been activated, with a campaign to sensitise the population to the consumption of mains water. At the end of 2020, 76 public water dispensers were active in the Emilia area.</p> <p>The Group has also designed nine new mobile structures to distribute mains water at trade fairs, events, and exhibitions in the Emilia-Romagna region. In Sestri Levante, an awareness campaign on the use of mains water was carried out for all the schools in the district.</p>
<p>Reduction of waste</p>	<p>The “RePoPP” project continued in Turin at the Porta Palazzo market, aiming to collect and redistribute fruit and vegetable products that can still be used through awareness-raising and education activities on the separate collection of organic waste. In February, 200 portions of soup prepared by Michelin-starred chef Davide Scabin with the surplus food collected at the Porta Palazzo market (76 kg of food) were distributed outside the Central Market. The project was presented as good practice at the Food Journalism Festival. In the autumn, the project was extended to 4 other markets: Corso Cincinnato, Via Porpora, Borgo Vittoria and Piazza Foroni and by the end of 2020, it had made it possible to collect and redistribute more than 250 tons of unsold food.</p>
<p>Sorted waste collection</p>	<p>Using various communication tools, the Group has devised and publicised campaigns to raise public awareness of the proper separate waste collection and the fight against waste abandonment.</p> <p>In order to cope with the consequences of the health emergency, information campaigns have been promoted in all territories with the indications of the Istituto Superiore di Sanità to illustrate the rules of correct waste disposal, in particular for those who are positive, in isolation or quarantine, and to discourage the dispersion of disposable gloves and masks in the environment.</p> <p>In the Emilia area, the main initiatives concerned:</p> <ul style="list-style-type: none"> • implementation of the door-to-door waste collection system in the Municipalities of Scandiano and Rolo (RE) and Sarmato (PC), supported by information activities for residents, and of the punctual pricing in the Municipalities of Quattro Castella and Albinea (RE); • activation of the reward system in the Toano (RE) Collection Centre with the use of the health card to confer certain types of waste and obtain points that generate discounts on the waste tariff; • communication campaign to support the introduction of the TARI in the Municipalities of Collecchio and Traversetolo (PR); • communication campaign to support the start of the joint collection of plastic and cans in the Piacenza Municipalities of Sarmato, Besenzone, Monticelli d’Ongina, Castelvetro Piacentino, Villanova sull’Arda and Coli; • the organisation in the Municipality of Rio Saliceti (RE), in collaboration with Legambiente, of an event in the square to make residents aware of the collection of used vegetable oil and positioning in the Municipality of Castelnuovo Sotto (RE) of containers for the street collection of used vegetable oil; • communication campaign in the province of Reggio Emilia on the occasion of the annual reactivation of the Giro Verde (home collection of clippings and prunings); • communication campaign in the Municipal Swimming Pool “Aquatico” in Reggio Emilia with ad-hoc communication materials and containers for the correct separate collection of waste; • social campaign and information materials on waste reduction and environmental sustainability created on the occasion of the “European Week for Waste Reduction”, in collaboration with the Municipality of Parma; • the launch in Parma of projects for the collection of used clothes, exhausted oils and the introduction of an experimental collection of vegetable waste, the creation of videos and commercials on cycle paths, on the sweeping service and the development of the dog waste project in the dog areas; • production in collaboration with AUSL of a leaflet to illustrate the methods of micro-collection of asbestos in the Municipalities of Sorbolo Mezzani, Montechiarugolo, Felino (PR). <p>The main initiatives in Piedmont concerned:</p> <ul style="list-style-type: none"> • information campaign supporting the installation of the “Smart Eco-Islands” in Turin, which replaced the roadside waste collection equipment with new containers that can only be used by residents using personal electronic cards. The campaign involved the creation of various communication tools, the organisation of distribution points for the delivery of electronic cards and the presence of operators near the new eco-islands to help residents use them correctly; • communication campaign “Un vero supereroe non abbandona mai la sua mascherina” [A true superhero never abandons his mask], in collaboration with the City of Turin and GTT, to emphasise the need to confer correctly disposable masks and gloves; • a language communication project (Arabic and French) dedicated to the foreign residents of Turin, enhancing the communication skills of the company’s employees of foreign origin, who carry out operational tasks daily; • a communication campaign on collecting bulky waste to make the residents of Vercelli aware of correct behaviour and encourage the collection of bulky waste, especially during the summer period when abandonment is more frequent. <p>In the Ligurian areas, communication activities were carried out in several municipalities in the La Spezia area (Ameglia, Bolano, Carro, Framura, La Spezia, Luni, Pignone and Riomaggiore) following the acquisition of the collection service by the Group or the change in waste disposal method, to inform residents about the correct way to deliver waste, how to differentiate and how to identify waste correctly.</p>

ENVIRONMENTAL PROJECTS

Environmental quality

Following a significant rehabilitation of underground utilities (sewer and gas network) in Vercelli, 4,500 m² of the road surface was repaired using for the first time the green additive produced by I.BLU from the recovery of plastic waste, a high-performance, environmentally friendly and certified material that represents an example of circular economy. The Group also provided technical support in the "Puliamo il Po" [Let's clean the Po River] initiative, held in Polesine Zibello (PR), which involved the population and a unique communication campaign.

GIFTS, DONATIONS AND SPONSORSHIPS

Iren Group focuses heavily on cultural, environmental and sports events with distinctive characteristics at a national level and which are rooted in the local tradition of the areas of reference. In 2020, Iren disbursed a total of 254 donations and sponsorships for more than 11,440,000 Euro – maintaining a significant commitment to the local areas in a year of great difficulties due to the pandemic –, which were directed towards some of the strategic pillars of the Business Plan to 2025 and the priority issues related to them.

Pillar	Topics	SDGs
People	Diversity and inclusion	5 GENDER EQUALITY, 10 REDUCED INEQUALITIES
	Development of local communities	11 SUSTAINABLE CITIES AND COMMUNITIES, 17 PARTNERSHIPS FOR THE GOALS
Organic growth	Economic development and value for local areas	2 ZERO HUNGER, 8 DECENT WORK AND ECONOMIC GROWTH
Sustainability	Circular economy: management, sorted waste collection and reuse of waste	12 RESPONSIBLE CONSUMPTION AND PRODUCTION, 13 CLIMATE ACTION
	Environmental education	4 QUALITY EDUCATION
Technological evolution and efficiency	Innovation and smart cities	9 INDUSTRY, INNOVATION AND INFRASTRUCTURE

Among the initiatives supported by Iren, 60 initiatives fall within the cultural sphere (24%), 59 within the sphere of entertainment (23%), 34 in sport (13%) and 101 in the sphere of sustainability (40%), making use, especially for culture, of the Art Bonus institute, which allows enjoying significant tax benefits in the form of tax credits.

In 2020, the Group confirmed its support for the Opera and Theatre Foundations of Parma, Piacenza, Reggio Emilia, Genoa and Turin and for the main events in the area, including the National Innovation Award, Start Cup Emilia, the Palazzo Ducale Foundation (GE), the renovation of part of the Palazzo dei Musei Civici (RE), the Verdi Festival (PR), Parma City of Culture 2020-21, the Vercelli Medieval exhibition, the summer initiatives held in La Spezia.

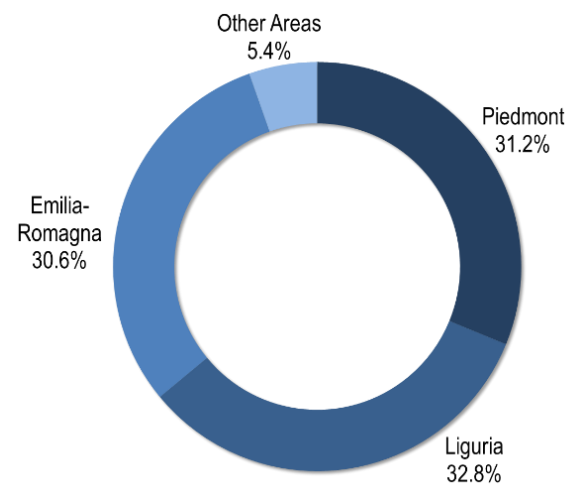
As has been the case for a long time now, this year, Iren supported the Luci d'Artista project in Turin and, for the Christmas festivities, took care of the lighting in Genoa and Reggio Emilia, as well as supporting the lighting in some municipalities in the Province of Salerno. In addition, the Group has supported numerous community entertainment projects, encouraging them to take place online due to the pandemic.

There are also many initiatives linked to sustainability and its promotion towards the new generations, including the environmental projects of numerous Emilian municipalities, Vento Bici Tour 2020, the "Libri in Agenda" [Books on the Agenda] project in collaboration with ASVIS and the Turin International Book Fair, the 23rd edition of

CinemAmbiente in Turin, the activities of the Remida Centre in Reggio Emilia and Giocampus in Parma.

So-called minor sports received particular attention with support for the seasons of some hockey, sledge hockey, American football, men's and women's basketball, water polo, cycling and wheelchair basketball teams.

DONATIONS AND SPONSORSHIPS BY AREA



SUSTAINABILITY EDUCATION

Eduiren is the educational sector of Iren Group, dedicated to the declination of sustainability at 360° and for everyone. A sector that thrives on direct contact with schools and other local stakeholders, through its training offerings and the joint planning of awareness-raising paths.

The Covid-19 emergency has, on the one hand, strengthened the Group's conviction that educating for sustainability is a duty to build a better future for everyone and, on the other, has meant a radical change in perspective and strategy. The first immediate response was **#iorestoacasaconeduiren**, an online offer of educational material to explore the topics of water, energy and waste, an **interactive digital path** with information and games in Italian and English ("Sei eco-logico"[Are you Eco-logical]), a dedicated **video library** and quality offers promoted by the subjects that collaborate with Iren, such as the Reggio Children Foundation and ReMida who have shared their projects on the national website of MIUR, the MACA of Turin and the Città dei Bambini e dei Ragazzi educational amusement centre in Genoa.

Three videos have been produced for social media, the **"Ecoconsigli di Eduiren"** [Eduiren's Eco-advice], with practical suggestions for maintaining eco-friendly behaviour, even in a difficult situation.

Faced with the complexity of the moment, the first objective was to maintain and strengthen relations with schools and the local areas,

and for this reason Eduiren chose to make itself available to teachers to structure together moments of in-depth study aimed at **facilitating the process of distance learning (DL)**. A help respectful of the particularity of every formative path and of the work that every single teacher was putting in field with their own class.

At the same time, the educational offerings in the catalogue were transformed into distance learning and the website www.eduiren.it was restructured to make it even more supportive for teachers, students and families. A new website intended not only for schools but a catalyst of tools and information, a “toolbox” for all those who want to deal with sustainability and the 2030 Agenda.

Lessons and online projects involved several institutes in all the areas where the Group operates. Concerning particular note are those with the Polytechnic University of Turin and the Catholic University of the Sacred Heart in Piacenza, which were developed through virtual visits to the Group’s plants.

Experimenting with distance learning and the new tools made available have also made it possible to broaden Eduiren’s intervention area and explore new topics with different audiences. We talked about web sustainability at **Milano Digital Week 2020** and about the sustainability of sports events at the European **Sports for Changes/Shaping Fair Cities** Project.

A comparison was developed with Redooc, one of the leading Italian online training platforms on **Green Education and Gamification**, through a webinar dedicated to distance learning and the use of elements borrowed from games.

At 2020 Orientamenti in Genoa, topics such as the multicircle economy, the water cycle and the sustainability of a mobile phone were explored with hundreds of remotely connected students. With the project **“Multisport ne’ Monti”**, aimed at many schools in the Reggio Emilia Apennines, it was tested how to integrate information on sport with that on the services managed by Iren Group, transforming an empty swimming pool into an online classroom.

Wherever possible, the appointments that Eduiren has helped to spread in our country have been maintained with the new modalities; on the occasion of the World Fish Migration Day, the traditional visit to the mini-hydro plant of La Loggia (Turin) has been replaced by an educational video, made by the Centro Scienza Onlus of Turin. In contrast, the Remida Day of Reggio Emilia has been transferred online, with the enrichment of interventions of experts and athletes. For the Genoa Science Festival, the online edition of the new eco-musical **“Un mare senza plastica”** [A sea without plastic] was edited, produced in collaboration with the Amga Foundation and the Teatro dell’Ortica.

For Iren, educating for sustainability means maintaining a continuous dialogue with different audiences, building networks and innovating methodologies and tools

Started in 2019, the journey for redefining Eduiren and the educational approach in step with the new challenges touched on new matters that will develop in 2021 and new tools to tell the 2030 Agenda. Among these, the definition of a **“culture of composting”** to support the new reflection on the soil, which other subjects are also developing, which started with the **“ComposTiamo”** Exhibition, produced with the Museum of Agriculture and the Rural World of San

Martino in Rio (RE), which goes to the roots of our ancient relationship with food and vegetable waste.

Among the new 2020 projects is **“Libri in Agenda”** [Books on the Agenda], developed during the Festival of Sustainable Development, in partnership with the Italian Alliance for Sustainable Development (AsviS) and the Turin International Book Fair, which saw the creation of 17 online meetings, each dedicated, through the choice of a book presented by an author, to an in-depth examination of one of the goals of the 2030 Agenda. A new and transversal format to tell the story of the commitments that everyone is called upon to make for sustainable development. A popular experiment that reached **146,870 people**, with **18,000 unique views**.

*Eduiren:
71 sustainability education projects
reaching 179,280 people*


The **“Rifiuti Smarriti”** [Lost Waste] national competition was a challenge to keep a reflection on waste alive, especially at such a complicated time. The competition, promoted together with Centro Scienza Onlus and launched on the occasion of the European Week for Waste Reduction, is aimed at schools and family groups to discover and regenerate what is no longer used, our **“Lost Waste”**. Rediscover, Regenerate, Redesign, Reuse: these are the four invitations to follow to participate in the competition that will end in 2021.

The relationship with schools in times of pandemic also took concrete form with the **donation of IT tools** to voluntary associations operating in Piedmont, Liguria and Emilia. The first batch of 200 computers, decommissioned by Iren Group but in perfect working order, has been made available to networks of associations which, in turn, are working to distribute them to schools or students who need support to give continuity to their teaching activities.

In 2020, Eduiren carried out **71 sustainability education projects**. It reached 179,280 people, touching new and different audiences not only in the traditional reference areas, strengthening the relationship with residents and schools in a year marked by the effects of the distancing produced by the Covid-19 emergency.

REDUCING IMPACTS ON THE LOCAL AREAS AND COMMUNITIES

All of the Group’s activities are planned and carried out with an awareness of its responsibility towards the communities and local areas: producing wealth while protecting the environment and respecting the expectations of its stakeholders. In fact, the Group has developed performance monitoring tools such as environmental impact assessments, analytical controls, internal audits and legal compliance checks. At plants external acoustic emissions are monitored to ensure the absence of any noise pollution to the local population. Even the products and services offered, before being placed on the market, are subjected to quality checks and controls, also to protect the health and safety of customers. In the event of faults, the Group has adopted specific procedures, which allow prompt and effective communication about service outages and disruption caused to residents within the times provided by sector



legislation. For activities within the electricity, gas, water and district heating sectors, the Group also complies with the guidelines specified by ARERA. In addition to managing compliance with legislation, Iren Group has developed regulations, internal requirements and procedures and adopted initiatives that mitigate impacts on the health and safety of the public arising from the activities carried out. The main activities of the Group that impact the communities and local areas are described below.

Production of electricity and heat. Iren actively strives to develop renewable and similar sources. The management of energy production activities are described in internal procedures and conducted in compliance with the law. Emissions are constantly monitored and controlled. Investments are being made constantly to optimise the energy efficiency of plants. Energy production plants are all equipped with control protocols, both in compliance with environmental legislation, as well as in accordance with the provisions of control bodies. The combined production of electricity and heat makes it possible to develop the district heating service in a logic of circular use of resources and reduce environmental impacts.

Waste collection and management. Iren Group manages waste across all stages: collection, selection, transport, treatment and disposal, contributing to the recovery of materials and energy production, thus reducing the use of non-renewable resources. The circular economy is at the heart of the Group's waste management strategy. It is committed to increasing the percentage of separate waste collection, increasing the recovery of materials – particularly plastic, paper and wood – and the production of fuels from biodegradable waste at its plants.

Integrated water service. The Group constantly monitors network leaks that can cause significant water wastage and has defined specific objectives to reduce water withdrawals from the environment and network leaks. Network control, extension and maintenance interventions are completed with the aim of minimising inconvenience for residents. The high quality of the water supplied is guaranteed by the continuous analytical controls carried out, even beyond the legal requirements, on the entire water process: from the capturing sources to treatment, filtration and disinfection processes, and from accumulation and storage tanks to the various points of the distribution network. In its wastewater treatment activities, the Group strives to maintain the high operational standards of its plants in compliance with authorisations and to inform the local community concerning the functioning of the plants.

Gas distribution. The Group is committed to reducing the number of leaks through the gradual renewal of the network. The proper management of plants and gas networks, the use of appropriate resources and the use of suitable tools, together with continuous monitoring, are the main elements to ensure the safety of citizens, preventing potential impacts and accidents. These elements are subject to constant analysis and improvement measures in order to increase their effectiveness while respecting efficiency. Furthermore, in order to reduce disruption for local communities when sites are opened, residents, economic associations and Municipalities are involved in defining appropriate time frames.

Electricity distribution. In the management of electricity networks, one of the main objectives is the constant maintenance of plant service levels in compliance with the resolutions in force. To protect the health of residents, the Group takes steps to ensure compliance

with electromagnetic field limits through specific measurements on all new substations built (see page 79).

Public street lighting. The factors that most impact the health and safety of residents are night-time light pollution, resulting from artificial light shining outside the designated areas (particularly towards the sky), and photobiological risk, linked to the possibility that looking directly at light sources can damage the human eye. These factors are monitored through the introduction of stringent building criteria in the technical and purchase specifications for lighting devices (percentage of light flow emitted by the lighting device less than or equal to 1% and absence of photobiological risk $RG=0$).

Construction sites management. When managing construction sites of scheduled activities with the potential to create inconvenience for the public, the Group works by agreeing with stakeholders on the schedules, times and operational means and identifying strategic periods throughout the year (e.g., during August), in order to minimise the impact on the public, with particular attention to disadvantaged groups and economic activities. Additionally, all the necessary measures are adopted to guarantee maximum site safety for residents, especially in cases of work carried out on roadside sites.

Construction of new plants. The construction of new plants is an opportunity for growth for the local area in the medium-long term, in addition to being a necessity for the development of Iren Group; thus, dialogue between Iren and its stakeholders is necessary, based on transparency and correctness of information. Before embarking on the authorisation process to build new plants or infrastructures, the Group considers it essential to conduct information meetings with local communities, explaining the project in detail and its impact on the local areas. The Conference of Services is an example of cooperation between Public Administrations, residents, businesses and local authorities, where dialogue with citizens and institutions is guaranteed. For major projects, the party appointed to issue the authorisation convenes the Conference of Services (made up of the various interested parties), which must give its opinion concerning the feasibility of the project, indicating the necessary conditions to obtain the agreements, opinions, concessions, authorisations, licences, clearances and consents required by the law. For the operation of certain types of production installations, which may generate significant environmental impacts, an IEA is necessary, an Integrated Environmental Authorisation, which verifies that the operation to be authorised has limited environmental impacts, in compliance with the conditions set by the European Union. During the construction of new plants, all executive and management aspects are evaluated, with particular attention to assessing the impacts generated by the presence of construction sites. Audits are carried out on the work of the businesses' personnel for all contracted activities in compliance with the procedures adopted in the context of the Integrated System (Quality, Environment, Safety). In 2020, there were no transfers, not even temporary ones, of people following on from the construction of new plants.

In 2020, there were two accidents with repercussions on the local community in the Environment sector: two fires at waste treatment plants in the Turin area. Furthermore, 41 lawsuits were lost to the local community or citizens, for the total monetary amount of 15,273 Euro.

MANAGEMENT OF EMERGENCIES

The Companies of Iren Group have procedures and practices that define:

- the organisation and coordination centres set up to address the emergency situations that could arise within the activities carried out by the Group;
- the management of information and relationships with the prefectures, civil defence, authorities, regions, provinces and municipalities, including their relative operation rooms.

This is to respond to potential accidents and alarm situations, which could occur after a natural disaster, explosions or fires and to prevent and mitigate the consequent damage to people and the environment.

All monitored sites and facilities have specific emergency plans covering the most likely emergency scenarios, including those with possible environmental impacts. Emergency personnel have been identified at each site and plant, who have been trained and are regularly updated. Annual evacuation tests are carried out involving all persons present, including visitors, customers and suppliers. The contingency plans of the main corporate districts identify an emergency manager and coordinator for each site. Upon entering the site, visitors are given a specific informative note containing the behavioural procedures to be followed. The company emergency plans are constantly updated in accordance with the guidelines shared by all Group Companies.

Emergency situations connected to possible environmental pollution during the operation of plants, or due to mechanical failure of instruments of control or measurement of chemical physical operating parameters, are managed in accordance with criteria of immediate intervention on the fault, by specialised personnel, 24/7, via request and call of on-call technicians. The action aimed at fixing the failures occurs in the minimum time needed to carry out works.

To facilitate access to information relative to any weather alerts, the company smartphones – which are provided to all employees – are loaded with an App that provides a direct link to the official weather alert sites in the regions where Iren Group operates. For employees who operate mainly in the outdoors, specific procedures have been established to define the operating guidelines to be observed in relation to the presence or otherwise of weather alerts.

RELATIONS WITH INSTITUTIONS

As also indicated in its Code of Ethics, Iren Group actively and fully cooperates with the Public Authorities, pursuing the objectives indicated by the relevant Public Institutions and effectively cooperates with the authorities/institutions responsible for regulating and supervising local public services. These are actions that the Group pursues, combining them with its mission and with the need for managerial and organisational autonomy shared by all economic operators.

RELATIONS WITH INDUSTRY AUTHORITIES

In 2020, our constant discussion with local authorities and industry authorities focused on the following issues:

- implementation of the interventions provided for in the Area Plan aimed at improving the Integrated Water Service in Liguria

(Genoa and La Spezia) and Emilia (Parma, Piacenza and Reggio Emilia) regions;

- districts division of the water network in Liguria and Emilia regions, with consequent monitoring and control of network leaks to progressively reduce them;
- works planned under the 2020-2023 Investment Plan of the Piedmont ATO 2 for the water service in the Vercelli area: updating and streamlining of the Vercelli water system with the construction of the new well field and the division into districts of the water network, water interconnections between Vercelli and neighbouring municipalities, a new well in the Municipality of Bianzè, replacement of obsolete and fibre-cement pipelines, updating and streamlining of sewage systems, updating and revamping of the Saluggia water treatment plant, connection of secondary water treatment plants to the main ones, and the energy efficiency of sewage pumping stations;
- bringing the wastewater treatment plants in the Genoa Metropolitan Area up to standard (completion of the Rapallo wastewater treatment plant, continuation of the authorisation process for the Sestri Levante and Chiavari wastewater treatment plants, construction of the wastewater treatment plant for the Municipalities of Arenzano, Cogoleto and Torriglia, awarding of the tender for the construction of the Genoa Central Area wastewater treatment plant) to fully comply with EEC Directive 91/271 on wastewater treatment;
- restoration and upgrading of sewage systems and wastewater treatment plants damaged by the 2018 sea storm on the Genoa coast;
- tariff method for the years 2020-2023 approved by ARERA for the integrated water service. Constant relations with the industry authorities and local authorities have made it possible to achieve a fair balance between tariff increases and the need for investment in the area, complying with the requirements of the regulations;
- the authorisation process, coordinated by the Province of Vercelli, of the plant for the transformation of the recovered wood into new final or semi-finished products;
- the authorisation process for the construction of a biodigestion plant for biodegradable waste in the province of La Spezia;
- operation of the 76 water dispensers that supply zero-kilometre water to thousands of residents in the provinces of Parma, Piacenza and Reggio Emilia and allow less plastic bottles to be used and, consequently, less waste to be produced;
- institutional visits to the reuse plant for irrigation purposes using water from the Mancasale treatment plant in Reggio Emilia, a leading facility in Italy in the sector, which enables the recovery of 4-5 million m³ of water resources during the irrigation season.

TRADE ASSOCIATIONS OF WHICH THE GROUP IS A MEMBER

The comparison and collaboration on sustainability policies and to promote regulatory and technological updates are of great importance for Iren Group, which, in line with the objective of the United Nations 2030 Agenda to promote partnerships for sustainable development, adheres to various associations and networks at the national and international level.



Association/Network	Description
UN Global Compact	United Nations Global Compact, born from the desire to promote a sustainable global economy: respectful of human and labour rights, environmental protection and the fight against corruption. It is a voluntary initiative of application of a set of principles that promote the values of sustainability in the long run and a commitment, signed with the United Nations by the top managers of the participating companies, to contribute to a new phase of globalisation characterised by sustainability, international cooperation and partnership in a multi-stakeholder perspective.
Global Compact Network Italia Foundation	The Foundation was created with the primary purpose of contributing to the development of the United Nations Global Compact in Italy. Global Compact Network Italia works to: promote the 10 principles of the Global Compact and the United Nations Sustainable Development Goals (SDGs), deepen the themes of sustainability and related fields within the general framework proposed by the Global Compact, assist and support companies and organisations in implementing the 10 principles of the Global Compact and the SDGs in their core business and in reporting on their sustainability performance.
Utilitalia	A federation that brings together public service companies that operate in the public services of water, environment, electricity and gas sectors, acting as their representative at European and national Institutions. It was created from the merger between Federutility (water and energy services) and Federambiente (environmental services). It offers support and refresher and training courses, as well as consultancy on contractual, legislative, operational, tax and legal aspects.
Confservizi (at a national and regional level)	A trade union that represents, promotes and protects companies and bodies that manage public utility services such as water, gas, electricity, environmental health and local transport.
Confindustria (territorial branches of GE, PR, PC, RE SP, TO and VC Valsesia)	The leading organisation representing manufacturing and service companies within Italy that is tasked with contributing to the economic growth and social advancement of the country, alongside political institutions and economic, social and cultural organisations.
Assonime	An association of Italian joint-stock companies. It works to improve industrial, commercial, administrative and tax legislation in Italy and represents the views of the companies within Italian, European and international institutions.
Anfida	A national association of private water works companies that belong to Confindustria, which promotes solidarity and collaboration between its member companies, organises studies on topics of interest and acts as their representative with private and public authorities, organisations and administrations.
AIRU (Associazione Italiana Riscaldamento Urbano)	The Italian Urban Heating Association, which represents sector operators with the aim of promoting and disseminating plant engineering innovation and its application.
EHP – EuroHeat and Power	An international association that represents the district heating and cooling sector and cogeneration sector in Europe.
Elettricità Futura	The main Italian electrical association created from the merger between AssoRinnovabili and Assoelettrica. It represents and protects both big and small companies that operate within the electricity sector in Italy and counts over 700 operators with plants all over Italy.
Federazione Italiana per l'uso Razionale dell'Energia (FIRE)	A non-profit association active in the energy and environmental sector, in particular for: promoting good practices for energy efficiency, the use of renewable sources and sustainability; the analysis of topics linked to energy consumption and generation; participation in international projects aimed at the efficient use of energy and environmental resources; the certification of energy managers and ESCOs; training, information and study activities, and the development of new energy management tools.
Comitato Italiano Gas (CIG)	Non-profit organisation for the study of scientific and technical problems and the publication of technical regulatory documents for the combustible gas sector. The CIG draws up draft standards, specifications and technical reports, proposing them to the UNI for publication; is appointed by the UNI to participate in works by regulatory authorities (CEN and ISO); collaborates with the government, bodies and national, European and international associations; carries out training and information activities.
Sustainable Development Foundation	Reference point for the main sectors and protagonists of the green economy: the economy of sustainable development. It puts experience and knowledge at the service of companies and organisations that share a common path of sustainability and responsibility. It is focused on continuous updating, the dissemination of publications, studies and research, information and discussion meetings, the involvement of institutions and social forces, networks to promote the strategic topics of the green economy.
CSR Manager Network	Sustainability promotion and test centre that contributes actively to the diffusion of the culture of sustainability at national and international level. The network promotes the development of CSR skills and compares Italian and foreign best practices and is the representative board in dealings with politicians and governments, entrepreneurial and environmental associations, trade unions, NGOs and the voluntary sector.
Kyoto Club	A non-profit organisation made up of companies, bodies, associations, and local administrations committed to achieving the targets for reducing greenhouse gas emissions set out in the Kyoto Protocol, the decisions taken at the EU level, and the 2015 Paris Agreement. As an interlocutor of public, national and European decision-makers and the UN Framework Agreement on Climate Change, Kyoto Club is committed to stimulating targeted and incisive proposals and policies in the energy-environmental sector.
Corporate Forum for Sustainable Finance	An international network of companies committed to supporting and developing sustainable finance as a tool to combat climate change and promote a more sustainable and responsible society.
Valore D	The first association of companies in Italy – 200 to date, for more than two million employees and an aggregate turnover of over 500 billion Euro – has been committed to gender balance and inclusive culture in organisations and our country for ten years.

CONTRIBUTIONS TO POLITICAL PARTIES AND INSTITUTIONS

As established by the Code of Ethics "Iren does not pay contributions, either directly or indirectly nor in any form, to political parties, movements, committees and organisations or trade unions, or their representatives and candidates, except where owed in accordance with specific legislation".

The Group has always collaborated with Institutions, also financially, for specific projects that are attributable to its mission and, in particular, for projects that contribute to the economic, social and environmental sustainability of the areas of reference. These collaborations, however, are always implemented on the basis of clear documentation for the use of resources.

MEDIA RELATIONS

The Group manages a complex media relations activity at the national and local level, both concerning traditional media and new publishing realities in continuous growth in new media.

The press office deals with corporate, economic-financial, institutional and service aspects, sustainability issues, particularly during the second half of 2020, the rebranding, and the current go national strategy. Thanks to its policies and business characteristics, the Group has continued to play a significant role in the local and national press as a player in environmental, energy and water services management, innovation and sustainability.

Also, media relations activities supported the marketing communication initiatives of the Market Business Unit through detailed dialogue with the media.

Iren's growth, accompanied by geographical expansion, has led to new and intense news-making activity to support, with an increasingly lively presence in the media, the development strategy on a national scale and the ambitious Business Plan of the Group.

At a local level, media relations activities have focused on matters related to dialogue with residents and environmental initiatives, customer relations, energy saving, water quality, water saving and the construction/presence of plants in the area.

Media relations help ensure a constant, timely and transparent flow of communication for all stakeholders and involves systematic relations with local and national journalists that are managed according to the principles of equal treatment, availability and transparency, in the awareness of the Group's proximity to the local area and the needs of the communities. The Group's Media Relations and Content Factory structure continuously monitors the media, including the online media, to ensure that management is constantly listening to public opinion, the financial community and the reference areas, which are fundamental elements in creating a communication strategy that is always proactive and attentive to the rapid changes in the business scenarios in which the Company operates.

POLICIES FOR SUPPLIERS

Iren Group considers the supply chain as an integral part of the sustainability process since the products and services purchased impact the quality of services and the Company's reputation.

The policies adopted by the Group were also reflected in the management of relations with suppliers in the Covid-19 emergency. In fact, all Group Companies have defined a standard policy to support contractors, which, in particular, has recognised their direct and indirect safety costs. For contracts subject to Title IV of Italian Legislative Decree 81/2008, specific Covid-19 containment devices were identified, and their prices were defined and included in the contracts signed.

In addition to this, other interventions have been defined in support of contractors, such as the granting of extensions of the contractual deadline, the non-attributability of delays in the execution of contracts and, consequently, the non-application of penalties, the recognition of price increases of materials and the payment of what was carried out before the suspension of activities (Prime Ministerial Decree 22/03/2020).

Iren Group implements a structured procurement process that is in line with the principles of free competition, equal treatment, non-discrimination, transparency, proportionality and publicity in the instance provided by law, as well as inspired by the traceability of information, using suitably profiled IT systems, supplier rotation to ensure the best competition dynamics with a view to efficiency and efficacy, and the division of tasks. Also, all parties involved in any capacity in the procurement process are required, each within the scope of their jurisdiction, to scrupulously comply with the provisions of the law, the Group's Code of Ethics, Model 231 and company procedures, particularly concerning the transparency and traceability of transactions and the confidentiality of any information they become aware.

The Group's online Procurement Portal, through which public procedures and procedures for invitation to tender are managed, and the Supplier Register, divided into product categories which are functional to business needs, allow for better monitoring of the supply chain, which is a strategic aspect in the management of Group's business activities.

The Group has adopted various tools to broaden supplier involvement in the sustainable development approach

The Procurement Portal constitutes an important opportunity for economic operators interested in becoming suppliers of the Group, increasing opportunities for involvement. To guarantee absolute transparency and disclosure concerning engagement rules, the rules for admission to the Supplier Register, the participation rules for managed negotiation events and the general conditions of use for the platform are published on the Portal.

QUALIFICATION, SELECTION AND MONITORING OF SUPPLIERS

The supplier qualification system of the Group aims to guarantee that products, services and works are able to ensure quality and reliability. The supplier selection and management process is based on the principles of transparency, clarity, integrity and non-discrimination. The qualification process considers qualitative aspects and those related to sustainability, with particular emphasis on social and environmental issues and compliance with the principles and values contained in the Code of Ethics, which must be accepted by all bidders, without the possibility of making exceptions or changes.

Within the context of contracts that are subject to the Code for Public Procurement, Article 30 "Principles for awarding and executing contracts and concessions" requires economic operators to respect environmental, social and labour obligations when carrying out works, which are established by European and national legislation, by collective agreements or the international provisions listed in annex X, which include: ILO Convention no. 29 on forced labour, ILO Convention no. 105 on the abolition of forced labour, ILO Convention no. 138 on minimum age, ILO Convention no. 182 on the worst forms of child labour. Explicit declaration of compliance may be requested in tender documents. All Group contracts require that suppliers certify that they meet the general requirements and that, consequently, they have not been convicted of, among other things, offences involving the exploitation of child labour and other forms of human trafficking as defined in Italian Legislative Decree 24 of 4 March 2014. In addition, they must certify that they are up to date with obligations relating to the payment of social security contributions, a constraint ascertained through the acquisition of DURC. In the case of public tenders, any finding of non-compliance is grounds for contract termination and reporting to ANAC (National Anti-Corruption Authority).

Within public contracts for amounts of community interest, supplier selection is carried out, for each tender, by indicating the requirements of economic-financial and technical capacity in the calls, which are directly linked to the activity to which the call refers. These are requirements that must be proportional and such as to ensure competitiveness, according to the regulations in force. Furthermore, it is also possible to establish qualification systems for the tender notice by publishing a community notice. After the selection has been made using the qualification systems, negotiated procedures can be carried out, in accordance with the protocol defined by the founding regulations of the system.

With reference to awards that are attributable to excluded contracts (so-called "under-threshold"), or irrelevant to the contracts and concessions law, Iren Group uses supplier qualification procedures that consist of a specific questionnaire subdivided into sections concerning the company profile (attesting to information on turnover, certificates, etc.), information on economic-financial capacity (balance sheet indices) and information on organisational-operational data. Current provisions require that at least 5 suppliers from those included in the Supplier Register are invited, the management of which is centralised in the Iren parent company.

Many contracts envisage the allocation of technical scores awarded on the basis of environmental impact when carrying out the job, such as rewarding the adoption of impact mitigation measures at sites

(dust, noise, traffic) or during the provision of the service (using low-emissions vehicles).

The qualification to be part of the Supplier Register requires the verification of being in possession of the certifications and of the course of validity of the same certifications, issued by independent bodies (i. e.: ISO certifications, SOA certifications, etc.), as well as the possession of economic eligibility requirements of the tender. During the qualification process suppliers are required to state:

- if, in line with UNI ISO 26000 guidelines on corporate responsibility, company initiatives to develop a socially responsible approach to business planning and management have been identified and, if so, to describe the initiatives adopted;
- if the supplier publishes its Sustainability Report and, if so, to indicate where it can be found, or to attach a copy or excerpt of the significant sections;
- if the supplier is willing to carry out a CSR Audit, in the instance it were to sign one or more contracts with the Group, and if it is willing to take part in Iren's annual CSR survey (see page 121);
- not to have committed serious breaches, which have been definitively ascertained, against obligations concerning the payment of taxes and duties, or social security contributions, in accordance with Italian legislation or that of the State of establishment;
- not to have committed serious violations duly ascertained against occupational health and safety laws.

In the context of public procurement procedures, the lack of criminal convictions is also verified (by indirectly consulting their criminal record and record of offence related administrative sanctions) which, by nature and severity, entail the exclusion from contracts and sub-contracts (including offences related to safety, the use of child labour, etc.).

Furthermore, certain budgetary indicators are acquired via companies specialising in commercial information (both for corporations and partnerships), which contribute to determining the supplier's score for qualification purposes.

Together with the Prefectures of Reggio Emilia, Parma, Piacenza, Genoa and Turin, Iren Group has also executed "Legality Protocols" that aim to expand monitoring of enterprises in terms of the anti-Mafia laws, even beyond the cases envisaged by law. Based on these Protocols, contractors and subcontractors are monitored and, if they do not comply with the prefectural notices, they are excluded from contracts.

For more extensive monitoring of supplier companies, the Group has signed Legality Protocols with the Prefectures

Qualified suppliers that have been awarded a tender are assessed by the internal departments that manage contracts and directly monitor the conduct of the supplier when carrying out the contracted works. This assessment generates a score, which is added to the qualification score. Any continuous negative outcome or serious failure in the execution of the work, which the Procurement, Logistics

and Services Department is notified, will lead to the suspension and subsequent exclusion from the Supplier Register for a set period.

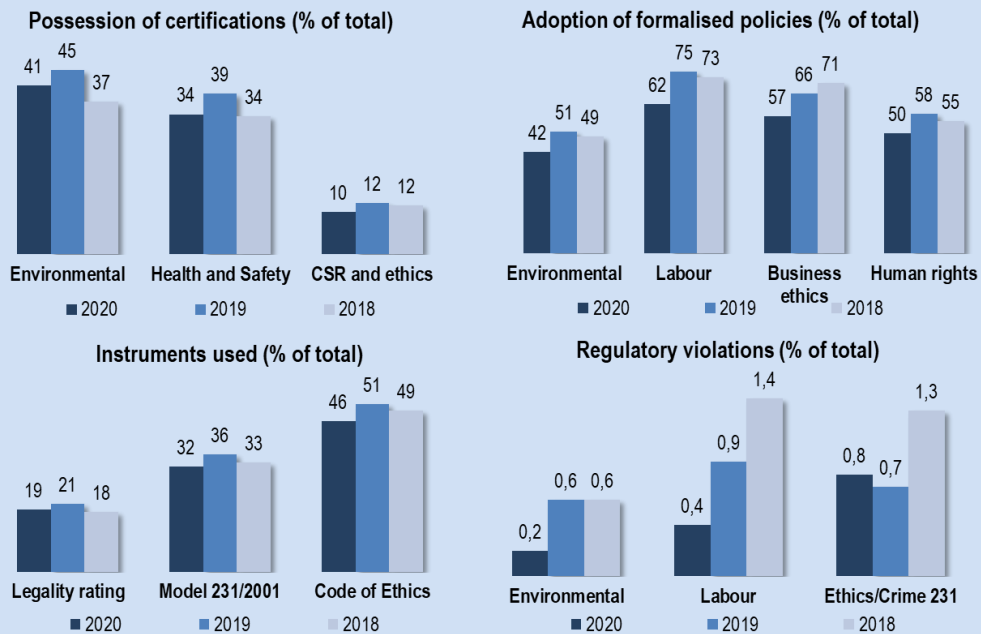
In 2020, 1,479 suppliers were audited in total, 1,279 of which qualified. There are 183 qualified suppliers in the environmental sector and 255 in the safety sector.

Compliance with the provisions related to the environment from contractors and subcontractors is required in the specifications. The contract documentation expressly requires that the supplies and

services under the contract be carried out following minimum social human rights standards. In order to monitor compliance with these standards, the Group requires suppliers to meet specific requirements. Furthermore, in regards products, the Group promotes the selection of recyclable, renewable materials that minimise waste production and favour production systems with a low environmental impact. Some technical specifications also provide for the purchase of fair-trade products. Goods are tracked when the specifications require that they are sourced from a specific location.

CSR SUPPLIER SURVEY (2020 EDITION)

Iren Group directly involves its suppliers in sustainability management processes to achieve mutual growth, intending to improve performance. In 2020, the Group carried out its fourth *corporate social responsibility survey* of 5,674 suppliers, using a questionnaire that explores how environmental, labour, business ethics and human rights policies are managed. 2,162 suppliers responded to the questionnaire (38% of the total), a consistent increase (+144%) compared to the 889 respondents in 2019, demonstrating growing attention and sensitivity to sustainability issues. The detected change in the number of respondents saw a greater involvement of suppliers belonging to the category of microenterprises (less than ten employees and a turnover within 2 million Euro), which in the 2020 survey represent 37% of respondents, compared to 28% in 2019. The different composition of the base of companies that participated in the survey is also reflected in the results, summarised in the following graphs.



45% of responding suppliers have a policy that engages their suppliers on sustainability issues.

Furthermore, the companies that took part in the survey in 2020 hired 3,046 employees (42% of whom were permanent, 36% under 30 years of age and 31% women) and employed 2,105 workers in the activities carried out for Iren Group.

On respect for human rights, see also page 52.

Supplier social and environmental responsibility profiles are evaluated through the certification process

The rules for admission to the Supplier Register also provide – related to the suppliers of goods and services with potential environmental impacts (suppliers of environmental services connected to the collection, transport, recovery and disposal of waste; remediation of soil and subsoil, etc.) – for the possibility of carrying out audits to verify compliance with applicable environmental laws, if any, conducted by

qualified third parties. To this end, the following evidence is requested during qualification procedures:

- possession of ISO 14001 Certification (issued by a recognised accreditation body), or acquisition of significant and interrelated elements of the environmental system;
- possession of EMAS Certification;
- possession of an Environmental Product Declaration – EPD;
- possession of energy management systems in compliance with the ISO 50001 standard;
- possession of one or more environmental labels (EU Ecolabel, FSC, PEFC, Plastica Seconda Vita, ANAB– ICEA, Natureplus® Certification, CIC Compostability);

- the use of products from one or more of the labels mentioned above in the production/service process, or of another label that highlights a focus on lowering the environmental impact;
- the use of suppliers holding ISO 14001 and/or EMAS Certification in the production/service process;
- the use of work instructions that govern the management of waste, including hazardous waste, packaging and packaging waste in the production/service process, from their temporary storage to their disposal within the contract;
- the use, with reference to the categories of products selected, of recycled or recyclable material, with low emissions and low energy consumption;
- the adoption, with reference to the categories of products selected, of specific procedures for the storage and collection of recyclable materials in order to guarantee recycling;
- the availability, with reference to the categories of products selected, to recover or retain packaging after delivery to be reused and to decommission products to be replaced with proof of their disposal through the recovery of the material.
- evidence of enrolment in the National Register of Environmental Managers.

From the 1,279 qualified suppliers in 2020, 594 reported possession of at least one of the above environmental profiles. Furthermore, more in-depth environmental profile assessments were conducted on 750 under category-specific questionnaires that require the compliance of the product/service with minimal environmental and rewarding criteria defined by the Ministry of the Environment.

Over the year, 49 new suppliers were selected on the basis of environmental criteria.

The most important activities carried out in 2020 to improve supply chain management include:

- activation of an artificial intelligence system for activities relating to vendor management;
- upgrading and improving the integration between ERP (Enterprise Resource Planning) and the Remote E-Procurement Portal;
- updating of the information and documentation relating to the suppliers listed in the Register.

Membership to Iren Group Supplier Register means beginning a partnership that could, over time, provide for the identification of mandatory qualification profiles, with a view to improving the supply chain that Iren Group intends to use. It also means sharing the reputational and sustainability values that make up the fundamental elements of Group policy. These commonalities involve the willingness to report on the CSR profiles, with a view to rewarding the willingness shown and acted on.

EMPLOYMENT IN SUPPLIER COMPANIES

Iren Group is aware of the important role employment plays in ensuring the social development of the environment in which it operates. It contributes to maintaining employment levels not only through its own employees but also by promoting the development of the companies to which it commissions services and work, by requesting guarantees from them in terms of both personnel and

safety policies through the application of some of its own standards; moreover, the Group often offers employees of supplier companies the possibility to use some of the company services and attend to information/training courses organised by the Group.

Particular attention is paid during the assessment stage to compliance with the regulations relevant to the correct application of the employment contracts and the payment of the relevant mandatory insurance and social security contributions; the specifications provide for the obligation of the supplier to comply with the laws concerning the protection of the workers and the National Collective Labour Agreements in force and applicable to the sector of reference. These obligations are controlled through the regular acquisition of DURC (statement of correct fulfilment of welfare contribution obligations) and the documents provided by occupational safety legislation (OSP – Operational Safety Plan, and DUVRI – Interference Risk Assessment Document). In the case of non-compliance with remuneration and social security contributions, the laws of alternative means are applied, meaning employees and social security funds are paid directly and these amounts are deducted from the amount paid to the contractors. Subcontracts are also authorised and monitored in compliance with the law. As well as fully implementing the regulations for employee health and safety, in many contracts the score attributed by the Group focuses on the commitment of the contractor to ensure, in line with the provisions established by the collective labour agreement of the so-called “social clause” and with the organisation it intends to implement, occupational safety through the hiring of the personnel of the outgoing contractor (the latter may be scored for the maintenance of the resources used). Furthermore, in regard to Contact Centre services, the awarding tenders state that the personnel costs cannot be lowered.

In order to participate in the public tenders of Iren Group, companies must comply with the obligations provided by Law 68/1999 on the recruitment of disabled workers. All the Group’s specifications include clauses designed to control the problem of undeclared employment, with regard to tendering and subcontracting.

During qualification procedures for the Register, and concerning information on operational and organisational capacity, companies are requested to indicate the number of employees on permanent and fixed-term contracts and to specify the ratio of permanent employees to the total number of employees, a ratio that increases the score in a directly proportional manner.

For tenders, Group contracts state that the contractor is responsible for complying with current sector legislation. As the contract is characterised by the assumption of the responsibility to achieve a result, the contractor is entrusted to organise the means and workforce needed to attain said result. In the context of public tenders, the bidder is required to specify the applicable National Collective Labour Agreement and the number of hours estimated for the performance of the contract. If an obvious anomaly were to become apparent when verifying the sustainability, the cost of the workforce employed to carry out the tender would also be investigated.

SUPPLIERS HEALTH AND SAFETY

Health and safety are fundamental to the policies of Iren Group, which, in the management of the Covid-19 emergency, has also implemented a series of anti-infection measures concerning supplier companies, publishing information and communications on its Procurement Portal addressed to its suppliers, aimed at defining in detail the rules for access to the Group's sites and the behaviour to adopt. In addition, the Safety and Coordination Plans and cost adjustments have been prepared for contracts in progress.

In day-to-day management, specific measures for the protection of health, safety and hygiene at work are required in contracts. In fact, tender and contractual documentation must include the Safety and Coordination Plan (SCP) and the Interference Risk Assessment Document (DUVRI). Further obligations regarding occupational health and safety to be implemented in the operational management phase of the contracts are defined by specific procedures.

The BS OHSAS 18001 or ISO 45001 certified systems adopted by the leading Group Companies are defined, documented and implemented in order to guarantee systematic control of aspects relating to the health and safety of both employees and workers of third-party companies operating on behalf of the Group, also thanks to procedures for controlling the operating methods adopted by contract workers in relation to compliance with safety requirements. During the supplier evaluation phase, information on accidents that the company has recorded in the last three years is requested via the general questionnaire on the Procurement Portal. In addition, the CSR survey conducted on suppliers (see page 121) shows that in 2020 only 2% of the employees of the companies that carried out activities for Iren Group had cases of illness. During qualification procedures for the Register, suppliers are also investigated on the following aspects:

- the existence of a prevention and protection service, either within or outside of the company;
- the appointment of a safety contact that deals with individual contracts/orders;
- benefit, at least once in the last 3 years, of the INAIL rate reduction (ref. OT24 FORM);
- availability of an Occupational Health and Safety Management System certified pursuant to Article 30 of Italian Legislative Decree 81/08 and, if so, a request to specify whether it complies with the UNI-INAIL Guidelines or the OHSAS 18001 standard (in 2020, 212 of the 1,279 suppliers qualified during the year, for a total of 1,616 out of 6,015 qualified);
- systematic verification of the level of learning reached by each worker after every training event;
- the integration of Italian language courses within foreign workers' training.

Furthermore, the Group carries out monitoring and control inspections on the activity carried out by the personnel of third-party companies working on construction sites and in plants, related to aspects of safety and hygiene at work. The monitoring of activities is guaranteed by internal supervisory inspections by the Works Management (pursuant to Article 26 of Italian Legislative Decree 81/2008) or by the Coordinator during the execution phase (on temporary and mobile construction sites pursuant to Title IV of Italian Legislative Decree 81/2008).

In contract/subcontract situations or, more generally, in situations where third parties operate at Group sites, the relevant documentation required to identify and communicate information on environmental risks and prevention measures, as well as any interference risks relating to the performance of activities by third-parties in those sites, is prepared. This documentation is prepared according to procedures specific to each Business Unit, in order to make the process as appropriate as possible to the characteristics of the individual contracted or subcontracted activities.

The Group procedure for the "management of accidents, near misses and occupational accidents" involves an accident report form for employees of third-party companies, through which third parties are required to inform the Group of the occurrence of any accidents in the context of the activities carried out on behalf of the Group and/or at sites where the Group has legal responsibility. The compilation of the form requires the involvement of the supplier company and the Works Management; information regarding the situations resulting in injury are collected in a database and subjected to in-depth analysis by the prevention and protection service of each Group Company, in collaboration with the Works Management. In 2020, a total of 33 accidents were recorded by third party companies, not including commuting accidents, one of which was fatal.

TRAINING AND INFORMATION ACTIVITIES

In 2020, the Group provided over 1,060 hours of training to third-party companies, 12% related to occupational health and safety, involving 113 employees of the companies themselves. In addition to specialist training and operational training on the procedures relating to the introduction of new IT management systems (e.g. workforce management, customer relationship management, Just Iren and Iren Way), extensive information was given on work equipment, plant and the specific characteristics of the working environment, in terms of occupational health and safety (e.g. activities on work environments) and the prevention measures adopted to deal with the Covid-19 emergency.

SUPPLIER PORTFOLIO AND PURCHASE VOLUMES

In 2020, purchase orders were issued to 4,445 suppliers for over 1,283 million Euro.

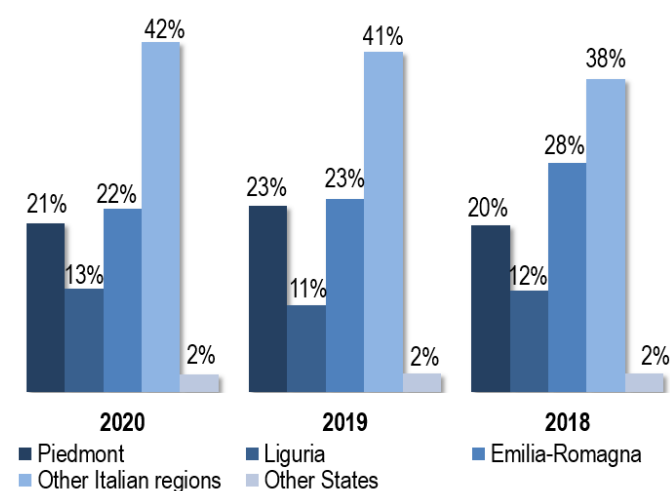
IMPACTS ON THE LOCAL AREAS

Sourcing of suppliers in the local areas of reference is well-established, both in terms of the number of active suppliers (56%), as well as the economic value of the orders (60%). This data highlights the importance of the effects of Iren Group on the territorial areas of reference.

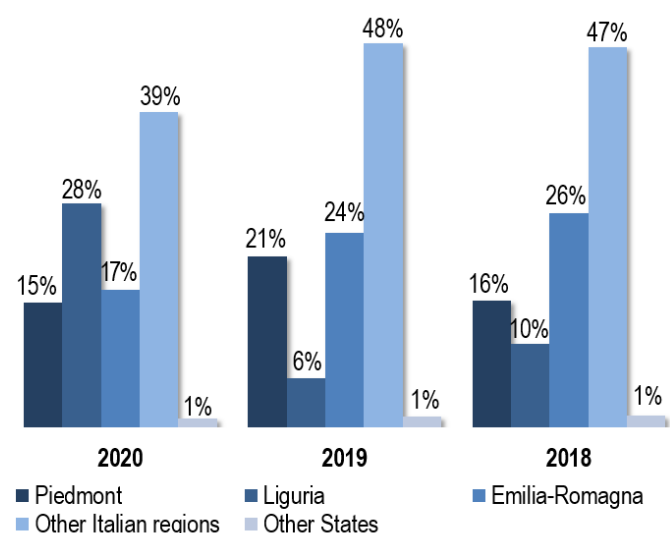
Within the context of public tender procedures, in compliance with current legislation and community principles which require that all companies can compete, no matter their location, the Group does not select suppliers by geographical origin, but on quality and economic criteria, favouring the best value for money as the determining factor. In order to guarantee an adequate level of competition, where feasible, it arranges the tender into functional lots, so as to allow

separate awards and greater participation by economic operators, including those that are small and medium enterprises. Nonetheless, with reference to the instrumental tenders, which are carried out via invitation, or irrelevant to the Contracts and Concessions Law, Iren Group reserves a 50% share for local economic operators with suitable qualifications that are present in the Register when identifying the panel of qualified suppliers to invite to the tender. This measure aims to favour local development and, consequently, social cohesion. The economic impacts on local business generally occur due to subcontracting to local companies – within the limits allowed by law – that are able to work on a portion of the activities and apply more competitive prices given that they are already present in loco and guarantee efficient services due to their knowledge of the area. The large number of suppliers by geographical area and the relevant volumes ordered are shown below and refer to all purchases with exclusion of contracts for the supply of raw materials.

SUPPLIERS BY GEOGRAPHICAL AREA (% OF NUMBER)



SUPPLIERS BY GEOGRAPHICAL AREA (% OF EURO)



SOCIAL COOPERATIVES

The Group supports social cooperatives whose main aim is to ensure the incorporation of disadvantaged people within the world of work. Social cooperatives are active in particular in waste collection and environmental hygiene services. Within the general qualification questionnaire, suppliers are asked if the company's main purpose is the social and professional integration of disadvantaged people or those with disabilities (pursuant to Article 4, subsection 1, Law 381/1999 "Social Cooperatives Regulation").

In 2020, 3 new social cooperatives were acquired, making a total of 41 cooperatives present in the Procurement Portal. Of these, 24 have worked with Group companies in 2020. The overall order amount to social cooperatives was over 22 million Euro, representing 1.7% of the total value of Group orders. The order trends can vary significantly from one year to the next in relation to the signing of multi-year contracts, including ones for significant sums.

Social Coops.	2020	2019	2018
Suppliers (no.)	24	38	28
Orders (Euro)	22,209,800	95,414,752	40,865,614

DISPUTES

In 2020, the Group lost, definitively, three lawsuits brought by employees of former suppliers/contractors of the Group against their employer for non-payment of wages, and in which Iren Group was held liable according to and for the effects of joint and several liabilities.

In these cases, since the plaintiffs' employer failed to execute the judgement, the Group was forced to pay the amounts owed to the employees directly, reimbursed in full by the principal.